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Senate

The Senate met at 9 a.m. and was called to order by the Honorable LINDSEY O. GRAHAM, a Senator from the State of South Carolina.

The PRESIDING OFFICER. Today's prayer will be offered by our guest Chaplain, Dr. Beryl G. Rosenberger, Healing Ministries for the Church, Anderson, SC.

PRAYER

The guest Chaplain offered the following prayer:

Let us pray.

O God, two centuries and 29 years ago this week, You called our Founding Fathers to set in writing the Declaration of Independence. Fondly do we hope, fervently do we pray, that this document stand as a beacon before all peoples.

And now, Lord God, You remind us to call unto You and that You will answer and tell us great and mighty things, which we do not know. You truly are our refuge and strength and ever-present help in trouble. These Senators assembled in this Chamber want wisdom and help in preparing for the next generation to continue this freedom of our generation. Any prayer that we pray begins with You and floods into our being, providing courage to come into Your presence with the assurance that You will answer.

So come, Eternal God, and ignite us once again with the brand plucked from the fire to speak, to lead, and to give vision to those to come.

Thank You for holding us accountable in decisions we make here today that grant liberty and justice for all, and thank You for giving us wills of iron and hearts of tenderness, determination and compassion, stubbornness and forgiveness as Your truth marches on. Amen.

PLEDGE OF ALLEGIANCE

The Honorable LINDSEY O. GRAHAM led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

DOMINICAN REPUBLIC-CENTRAL AMERICA-UNITED STATES FREE TRADE AGREEMENT IMPLEMENTATION ACT

The PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of S. 1307, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1307) to implement the Dominican Republic-Central America-United States Free Trade Agreement.

The PRESIDENT pro tempore. Under the previous order, there are 16 hours for debate equally divided. The majority leader is recognized.

SCHEDULE

Mr. FRIST. Mr. President, this morning we will resume consideration of the pending CAFTA legislation. Last night we began debate under the 20-hour time limitation. We now have 16 hours remaining and we do not expect to use the entire debate time allocated. Chairman GRASSLEY has indicated that he would not require all of the 8 hours remaining under his control. Thus, I hope we would be able to yield back some time, which would allow us to vote on this bill at a reasonable time today.

As mentioned yesterday on a number of occasions, we have two additional appropriations measures to complete this week, one of which is the Legislative Branch appropriations bill. It is ready for floor consideration. That bill will require only a short debate and could be finished without a rollcall vote.

Also, we expect to consider and complete the Energy and Water appropriations bill. It is possible we could finish both of those late tonight. It depends on how much debate time is used on the CAFTA bill and also how much time Energy and Water will require.

We have a number of other items to be completed before our recess, including the highway extension, as well as some nominations. It will take a lot of cooperation and a lot of hard work to be able to complete all of this. Again, there is a possibility we could finish late tonight but, if not, we are going to complete all this business, including the two appropriations bills, by Friday, and we could have votes into Friday as well.

We have our jobs and our tasks laid out for us. We need to stay here until we complete them before we leave for our recess.

CENTRAL AMERICAN FREE TRADE AGREEMENT

Mr. President, I want to comment on the CAFTA legislation which we turned to last night, the Central American Free Trade Agreement. We will vote on final passage of that agreement later today. CAFTA is a good bill. It is a fair bill and an evenhanded bill that Members from both sides of the aisle should be able to support in that this legislation expands the market for America's goods and thereby grows jobs here at home.

The agreement which President Bush signed in May of 2004 promises to eliminate trade barriers between the United States, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. By doing so, it will level the playing field and by leveling the playing field will stimulate economic growth which, in turn, will stimulate job creation. America's market is already open. Nearly 80 percent of exports from the CAFTA region to the United States come into America duty free. Those barriers are already down.

- This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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Under CAFTA, the six CAFTA countries would reciprocate and immediately allow 80 percent of our exports to enter their countries duty free, lowering that barrier. As a result, CAFTA will create our second largest export market in Latin America, behind only Mexico. From Washington State apples all the way across the country to Florida oranges, America's producers will thrive.

This represents a tremendous opportunity both for sellers and buyers and for all the people who make transactions happen—again, economic growth, creation of jobs.

If I look back—and become a little bit provincial—to my home State of Tennessee, we are the third largest agricultural exporter to the CAFTA countries. Last year Tennessee businesses sold \$271 million worth of goods and services to the CAFTA region. Tennessee farmers and factory workers rely on exports for their jobs and their livelihoods. One plant, the Levi Strauss plant in Powell, TN, for example, exported \$34.8 million in apparel last year to these countries. The Memphis-based company, Drexel Chemical, has been exporting to Guatemala for the last 30 years, since the early 1970s. Its chairman tells the Memphis Commercial Appeal newspaper that CAFTA would have a tremendous impact on her business.

She has good cause to be optimistic. Since America signed NAFTA, the North American Free Trade Agreement, in 1993, Tennessee's combined exports to Canada and Mexico have grown a whopping 190 percent.

Free trade grows America's businesses and puts more money in the pockets of America's families. It is estimated that NAFTA and the Uruguay Round generate \$1,300 to \$2,000 a year for the average American family of four.

CAFTA will open the doors to 44 million new consumers of American goods. More sales to Central America means more jobs right here at home. Strengthening our mutual economic interest also will strengthen our national security. Twenty years ago, only two of the CAFTA nations, Costa Rica and the United States, were established democracies. Today, all seven can be counted among the free nations of the world.

Unfortunately, however, the forces of totalitarianism and oppression still hover on the edges of these young democracies. Fidel Castro still oppresses the Cuban people and denies them precious human freedoms. Hugo Chavez moves Venezuela closer and closer to Castro every day. These regimes tend to work to spread their brutal methods and totalitarian philosophies, trying to infect the rest of Latin America and we simply cannot let them succeed.

The free nations of Latin America need our support. They deserve our support. That support can be reflected through CAFTA. By linking their economies with democratic capitalism,

CAFTA will help gird these nations against the threats at their door. It will strengthen their democracies and provide a model for freedom, a model for freedom seekers—indeed, freedom seekers around the world.

The Washington Post agrees that:

CAFTA and similar alliances provide hard evidence of America's lasting commitment to strengthening alliances, fighting global poverty, and creating the building blocks of democracy.

In 1823, James Monroe warned that continued European efforts to colonize the New World would endanger American peace and safety. He understood that advancing liberty throughout the world required that we begin in our own backyard.

Since then, the United States has worked to protect the freedom and independence of our hemisphere. I urge my colleagues to support growth and prosperity. The United States has always stood for freedom and liberty around the world. Under CAFTA we will help keep the Americas moving forward.

I yield the floor.

The PRESIDENT pro tempore. Under the previous order the time on the Democratic side shall be divided with 5 hours under the control of the Senator from North Dakota, Mr. DORGAN, and 3 hours under the control of the Senator from Montana, Mr. BAUCUS.

Who yields time? The Senator from Montana.

Mr. BAUCUS. Mr. President, parliamentary inquiry: Does the other side of the aisle control any time?

The PRESIDENT pro tempore. It was previously announced that there is 16 hours for debate equally divided. The majority side is under the control of Senator GRASSLEY.

Mr. BAUCUS. How much time does he have?

The PRESIDENT pro tempore. He has 7 hours 54 minutes.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum, and I ask the time be equally divided between both sides.

The PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The 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 (Mr. SUNUNU). Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, last night we started debate on the Central American Free Trade Agreement. Last night, in addition to the economic factors involved in the approving of this bill, I spoke about the national security importance of this Central American Free Trade Agreement. I also talked—as, obviously, we do on most trade legislation—about the benefits of the agreement to the U.S. economy in general. This morning, I will focus on the benefits of this agreement for U.S. agriculture.

As a Senator from Iowa and as a person who lives on and has an interest in a family farm my son operates, I have major interest in the U.S. agricultural policies that benefit American farmers. Moreover, as chairman of the Finance Committee, I pay particularly close attention to trade issues as they affect agriculture.

I consulted frequently with the U.S. Trade Representative during negotiations on this agreement, the Central American Free Trade Agreement. I do that because that is the responsibility my committee has under trade promotion authority, which is a process by which Congress delegates the process of our carrying out our constitutional responsibility of control over international trade to the President to negotiate because it is quite impractical for 535 Members of Congress to negotiate with foreign countries.

U.S. negotiators went to great lengths to see that the Central American Free Trade Agreement would be a good agreement for American farmers. Their efforts were successful. The negotiations resulted in an agreement that is particularly strong for U.S. agriculture and the agribusiness community that affects so many nonfarm jobs throughout the United States.

I am fully convinced that implementation of this Central American Free Trade Agreement by the United States is in the best interests of U.S. agricultural producers. That is why I go to great lengths urging my colleagues to support it.

U.S. farmers and ranchers are well aware of the fact that the international playing field for agricultural exports is presently far from level. Average tariffs of other countries on imports of U.S. agricultural products in the case of most commodities is significantly higher than those imposed by the United States. That worldwide average would be 60-some percent of tariffs of U.S. agricultural products going into another country, whereas those same countries throughout the world bringing products into the United States face an average of only an 11-percent tariff.

It is common sense to negotiate other countries' tariffs against our agricultural products down some or a lot and hopefully down to a point where we are in a win-win situation for American agriculture and the nonfarm jobs involved in the processing and handling of agricultural products. That is our long-term goal. In fact, that is the goal we have right now in the Doha round World Trade Organization negotiations going on this year. That is for the entire 150 countries that are members of the World Trade Organization. We hope that Doha round is a major breakthrough for the reduction of high worldwide tariffs against agricultural products.

Now, as this unequal situation I just described has clearly demonstrated, and specifically in this trade relationship we have between the United

States and these five countries of Central America, over 99 percent of agricultural products from Central American countries coming to the United States currently come in here not with an 11-percent average tariff I talked about worldwide, they come in with hardly any duty—except for an occasional product—and are duty free right now. That is unfair to American farmers.

When we send products down there, the average bound tariff of these five Central American countries is over 44 percent. The current trading relationship between the United States and the CAFTA countries is not only an unlevel playing field but also a one-way street. CAFTA farm products do not pay tolls to enter the U.S. market today. Yet U.S. agricultural products are charged hefty tolls to enter the markets of these five countries. This is all going to be changed by the Central American Free Trade Agreement. A downhill one-way street will become a level two-lane road.

Under the agreement, the CAFTA countries will eliminate tariffs on virtually all products. U.S. tariffs will remain largely unchanged. After all, the vast majority of agricultural products of the CAFTA countries already enters the United States duty free. For example, the treatment under the agreement of the four major U.S. commodities—pork, beef, corn, and soybeans—demonstrates how the Central American Free Trade Agreement will remove disadvantages faced by U.S. agricultural producers. These commodities are of importance not only to my State of Iowa but to most agricultural States in our country.

The Central American Free Trade Agreement countries currently apply tariffs of up to 47 percent on imports of U.S. pork. Their bound rates reach as high as 60 percent. Under the agreement, these tariffs of the Central American countries will be reduced to zero.

With beef, they apply tariffs of up to 30 percent on imports of U.S. beef. Their bound rates reach as high as 79 percent. Under CAFTA, these tariffs of the Central American countries will be reduced for our U.S. farmers to zero.

The CAFTA countries currently apply tariffs of up to 45 percent on imports of U.S. corn. Their bound rates reach as high as 75 percent. Under the agreement, tariffs of CAFTA countries on corn, the predominant product we export, will be reduced to zero, with the exception of the Dominican Republic, in which case duty-free access will be locked in.

Soybeans is another example. CAFTA countries currently apply tariffs up to 5 percent on imports of our soybeans and up to 20 percent on U.S. soybean oil. Their bound rates reach as high as 91 percent for soybeans, 60 percent for bean meal, and 232 percent for the soybean oil. Under the agreement, tariffs of the CAFTA countries on U.S. soybeans, bean meal, and soybean oil will be reduced to zero.

The leveling of the playing field with regard to CAFTA countries will result in real gains for U.S. agriculture. According to the Farm Bureau Federation, CAFTA would increase U.S. agricultural exports to those countries by \$1.5 billion at the end of the full implementation. CAFTA will result in dollars in the pockets of U.S. farmers and ranchers.

Recognizing that CAFTA will profit their members, numerous agriculture and food organizations have expressed their support for this agreement. I have a letter from 73 such groups that back the agreement. These organizations represent diverse commodities produced in the area regions including among the 73 the Farm Bureau Federation, Soybean Association, Chicken Council, Corn Growers, Milk Producers, Pork Producers, Potato Council, Turkey Federation, Rice Federation.

Moreover, six former U.S. Secretaries of Agriculture, both Republican and Democrat, have announced their support for the Central American Free Trade Agreement. Let me read those: Ann Veneman, Republican; Dan Glickman, a Democrat; Mike Espy, Democrat; Clayton Yeutter, Republican; John Block, Republican; Bob Bergland, Democrat. They all noted in a recent letter to Congress that they back CAFTA “because the benefits are very significant and the costs are minimal.”

I ask unanimous consent to have that letter printed in the RECORD.

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

LETTER FROM FORMER SECRETARIES OF AGRICULTURE TO MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES AND THE U.S. SENATE

DEAR MEMBER OF CONGRESS: As former secretaries of agriculture, we understand the importance of negotiating trade deals that minimize the costs and maximize the benefits to U.S. farmers, ranchers, and food and agriculture organizations. We support the Free Trade Agreement with Central America and the Dominican Republic (CAFTA-DR) because the benefits are very significant and the costs are minimal. We urge you to pass CAFTA-DR quickly and without amendment.

A vote for CAFTA-DR is a vote for fairness and for reciprocal market access. Under CAFTA-DR all of our food and farm products will receive duty free treatment when the agreement is fully implemented.

A vote against CAFTA-DR is a vote for one-way trade. Virtually all of what we import from the six CAFTA countries now enters the U.S. duty free as a result of the Generalized System of Preferences (GSP) and the Caribbean Basin Initiative (CBI). Yet, our food and agricultural exports to these six nations are restricted significantly because of high tariffs. As a result of the current one-way trade deal, we are running an agricultural trade deficit with these six countries.

In addition, a formal trade agreement with the United States will help ensure the economic stability and growth that the region needs to avoid a return to the civil wars, insurgencies, and dictatorships of the recent past. As economic freedom and democracy take deeper root, incomes will increase and demand for our food and agriculture products will expand.

Failure to approve CAFTA-DR will have a devastating effect on U.S. efforts to negotiate trade agreements on behalf of U.S. agriculture. The World Trade Organization Doha Development Round would be dealt a serious blow. Other countries would be less willing to negotiate with the United States knowing that CAFTA-DR, a trade agreement so clearly beneficial to U.S. interests, could be rejected by the U.S. Congress.

The future of American agriculture continues to lay in expanding opportunities for our exports in the global marketplace, where 96 percent of the world's population lives. We must not forego these opportunities, especially when the benefits to our nation are so unmistakable.

ANN M. VENEMAN.
DAN GLICKMAN.
MIKE ESPY.
CLAYTON YEUTTER.
JOHN BLOCK.
BOB BERGLAND.

Mr. GRASSLEY. Most sectors of U.S. agriculture support the CAFTA. I realize one—sugar—is a commodity we did not have their support. I respect the sugar industry. They are very important. Outside of that group, we have agriculture represented behind this group.

An economic study by the American Farm Bureau Federation confirms that CAFTA will not harm the U.S. sugar program or other agricultural commodities.

While CAFTA is important in itself for U.S. agriculture, the implementation of this agreement would boost U.S. efforts to liberalize agricultural trade around the world. The implementation of CAFTA would give further momentum toward the completion of agricultural negotiations in the Doha Round of the World Trade Organization, negotiations in which the United States is seeking to cut tariffs, harmonize levels of domestic support, and eliminate export subsidies.

Mr. President, CAFTA is a straightforward win for the bulk of U.S. agricultural producers. A current one-way trading relationship will end. The CAFTA countries will dismantle their tariffs to U.S. agricultural products while the United States will provide little additional access for CAFTA commodities. This will result in increased sales for U.S. agricultural exporters, sales of up to \$1.5 billion a year by the end of the agreement's full implementation. Not surprisingly, CAFTA is widely supported in the U.S. agricultural community.

The CAFTA is good agricultural policy and good trade policy. I urge my colleagues to support it.

Mr. President, I yield to the Senator whatever time he needs.

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

Mr. DEMINT. Mr. President, I rise to speak in favor of S. 1307, the CAFTA Implementation Act, because it advances America's economic and security interests. As someone who spent over 20 years in business before entering public service, I continue to be amazed by those in Washington who support outdated policies that make it

harder and harder for American businesses to compete. Excessive taxation, regulation and litigation are driving American employers out of their minds and American jobs overseas. Yet too many politicians continue to support higher taxes, junk lawsuits, and trade barriers that effectively put signs on our beaches that say: Go do business somewhere else.

If we are going to have the best jobs in the world, we must make America the best place in the world to do business. This starts by reforming our complicated Tax Code, reducing mindless Government regulations, and eliminating frivolous lawsuits that, together, add mountains of needless costs on our businesses. Creating a pro-business environment in the United States also means we must open international markets to American exports so our workers can compete on a level playing field. CAFTA, for example, would expand the market for U.S. goods with 44 million consumers in Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic.

Nearly 80 percent of goods from the six CAFTA countries currently enter the United States duty-free. Yet American exports are taxed virtually across the board when they enter CAFTA markets.

On U.S. motor vehicles and parts, CAFTA countries levy an average tariff of 11 percent, while the U.S. rate is zero. On vegetables, fruits, and nuts, the CAFTA region's average is 16.7 percent, again compared with zero in the United States. On grains, it is 10.6 percent to zero; and on meat products, it is 14.7 percent, while the U.S. rate is just 3 percent. CAFTA would eliminate these disparities.

The agreement would level the playing field by eliminating 80 percent of the tariffs on American exports immediately, with the remaining tariffs phased out over 10 years. This would help exporters in my home State of South Carolina like BMW, Caterpillar and General Electric, as well as farmers and ranchers raising soybeans, peaches, pork, and poultry. The American Farm Bureau Federation estimates CAFTA could expand U.S. farm exports by \$1.5 billion a year. Manufacturers would also benefit, especially in sectors like information technology products, agricultural and construction equipment, paper products, pharmaceuticals, and medical and scientific equipment.

According to a recent economic impact study conducted by the U.S. Chamber of Commerce, in the first year alone CAFTA would increase output in South Carolina by \$167 million and create over 900 new jobs. In 9 years, the study shows a potential increase in output across all industries of \$701 million and the creation of over 6,000 jobs. The South Carolina State Ports Authority has told me CAFTA will contribute to greater economic development in South Carolina by stimulating commerce and the shipment of freight

through the Port of Charleston. In 2004, Central America represented \$359 million of the total value of the Port's business. In fact, Charleston's exports to Central America have grown faster than the average export growth. Most exporters agree: CAFTA is a great deal for South Carolina business.

Yet there is a small group in the textile industry whose opposition poses a threat to this step forward. They say CAFTA will allow China to exploit a "loophole" in the agreement. But they fail to recognize that without CAFTA there will be no loop at all—just one giant hole that China will use to destroy our industry. The truth is that a vote against CAFTA is a vote for China. Garment factories in Central America purchase large amounts of American fabric and yarn. In fact, the region is the second-largest world market for U.S. textile fabrics and yarns. Under CAFTA, these garments made in the region will be duty-free and quota-free only if they use U.S. fabric and yarn. In fact, more than 90 percent of all apparel made in the region will be sewn from fabric and yarn made in the United States, thereby supporting U.S. textile exports and U.S. textile jobs. This is especially important for South Carolina workers. In 2004, South Carolina's exports of fabric mill products to the CAFTA region were valued at \$180 million, more than half of the State's total exports to the region.

If we are going to continue to have these exports and not lose the business to Asia, we must pass CAFTA. The American Apparel and Footwear Association made this point in a recent letter to President Bush where it said, if CAFTA "is not enacted soon, U.S. apparel and footwear companies will place more of their business outside this hemisphere." And the National Council of Textile Organizations recently endorsed CAFTA, saying, Central America "is a very important part of the domestic industry's supply chain and we need (CAFTA) to ensure that the U.S. textile industry can remain competitive against China."

The elimination of quotas on Chinese textiles has eroded the partnership the U.S. has with the Central American region. Our existing partnership is also weakened by burdensome documentation requirements and by the fact that it will expire soon. All of these factors reduce the incentive to make clothing in the region using U.S. inputs. CAFTA, however, will solidify and stabilize this partnership by making the current program broader, easier to use, more flexible, permanent, and reciprocal. The agreement will create new sales opportunities for U.S. textile and apparel products by providing permanent incentives for the use of U.S. yarns and fabrics in textile articles made in the region. And it will also give us new advantages over our competitors by promoting duty-free access for U.S. textile and apparel exports to local markets in the region.

I also thank the President and his administration for their efforts to make

the agreement even stronger. Specifically, I have worked closely with U.S. Trade Ambassador Rob Portman to strengthen provisions dealing with textile pocketing. On May 9 of this year, Ambassador Portman wrote me about his desire to use the agreement's amendment mechanism to include pocketing in the rule of origin. He wrote:

I assure you that USTR will utilize this mechanism, working closely with our textile industry, to seek an amendment to the CAFTA so that pocketing would have to originate in one of the signatory Parties.

This is very important to textile manufacturers in South Carolina who make pockets and want to have a strong partnership with the CAFTA region.

It is time to stop saying "no" to every trade agreement, regardless of the benefits. We must stop acting like we are operating in the business environment of 50 years ago. We must stand up and fight for a better deal today. We can't build a wall around our country and expect to remain competitive. And we can't keep sticking our heads in the sand. Instead, we must fight back with new agreements that knock down barriers and create new markets. We must fight back and win because that is what Americans do. We have the best workers in the world and we can compete with anyone in the world.

CAFTA also provides a unique opportunity to promote democracy, security, and prosperity in a part of the world that was once characterized by oppression and military dictatorship. This agreement is critical to the economic and political stability of these young democracies, and it is a signal of our Nation's commitment to democracy and prosperity in this hemisphere. As we continue to fight the war on terrorism, America has a vested interest in making sure these countries do not turn their backs on freedom.

I had the opportunity to personally meet with the Presidents from the CAFTA countries earlier this year, and many of them are taking significant political risks to promote economic freedom. We need to stand with them. We must stand with them and pass this agreement. The benefits of CAFTA are clear. The agreement will strengthen our economic ties with our democratic neighbors, it will promote opportunity and prosperity in the United States and the region, and it will strengthen our security at home by promoting democracy and prosperity in our hemisphere. This agreement is a forward strategy for freedom, and I encourage my colleagues to support it.

Mr. President, again, I thank you for this time this morning. I do stand to speak on behalf of CAFTA, and I appreciate the Senator on the other side of the aisle yielding this morning.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I yield myself such time as I use.

The PRESIDING OFFICER. The Senator is recognized.

Mr. DORGAN. Mr. President, if ever there was a triumph of hope over experience, it is bringing this bill to the floor of this Senate: a new trade agreement with the background of failed trade agreement after failed trade agreement, lost jobs after lost jobs, higher deficits every year, believing this new chapter of the same failed book of trade strategy will produce a different result. It is unbelievable to me.

But before I begin, let me ask a question. There is a substantial lack of opportunity to ask questions on the floor because very few will attend this debate. But I was wondering whether in this trade agreement there is anything that has to do with exotic dancers or strip clubs. I wonder if anyone could respond to that.

Let me tell you the reason I ask the question—

The PRESIDING OFFICER. The Senator should be aware that Senators are not permitted to ask other Senators questions unless they have been yielded time on the floor.

Mr. DORGAN. Let me say to the Presiding Officer, it is a fair point. I have not directed questions to other Members of the Senate. I ask a rhetorical question, and perhaps the Presiding Officer, in his capacity as a Senator from New Hampshire, would respond. But I ask the question, is there anything in this trade agreement that deals with exotic dancers or strip clubs? And if any of my colleagues would like to come to the floor to respond to that today, I would be glad to hear it.

Let me tell you why I ask the question. We debated something called NAFTA on the floor of the Senate some years ago. It did not turn out very well—huge trade deficits, American jobs rushing off to Mexico. It did not turn out well at all. But now I discovered, going to the computer last night, using a Google search, that NAFTA had something in it about “special skills.” Let me read this to you. This is from my Google search last evening on the computer: “Claiming a shortage of homegrown talent, strip clubs in Canada have used NAFTA to find new recruits in Mexico.”

I thought, well, that is interesting. NAFTA had something that allows strip clubs in Canada to search for dancers from Mexico? Well, I found out what that was with a little further Google search: Employment authorizations based on NAFTA agreements were available for professionals, company transferees, traders, investors, and people with special knowledge: exotic dancers, et cetera—apparently, under this “special skills” category. Quite remarkable, isn’t it?

Did anybody know that existed in NAFTA before it was voted on? Does anybody want to claim credit, I ask rhetorically? Does anybody want to claim credit for a provision in NAFTA that allows Canadian strip clubs to re-

cruit exotic dancers from Mexico? Oh, probably not. Probably no one wants to claim credit for that today. But, apparently, that opportunity existed in NAFTA. It sure did.

Is there anything in this trade agreement we ought to know about? Is there anything in this trade agreement that will probably persuade me to come to the floor of the Senate 5 years from now, 2 years from now, and say: Did you know about this? We probably will not learn that today, either. Let me tell you what we should learn today. Here, as shown on this chart, are our trade deficits. These are our trade deficits—year after year after year. I have always wondered what “reeducation” means as a term—“reeducation.” It is quite clear to me there is no reeducation anywhere near this 50 or 60 square miles of ground because we are about, today, in the Senate to pass another trade agreement which is exactly the same kind of trade agreement that has caused a massive trade deficit year after year after year, a gathering trade debt that is dangerous to this country.

On these red lines on this chart there are no names. But I can give you some names. And I will today. These are the people who lost their jobs, the people who came home one night after work and said: “Honey, I have been fired. I worked at my plant for 19 years. I was a good worker. I loved my job. But I got fired today. Do you know why? Oh, they are going to still make the products I made, but they are going to make them in China. They shipped my job to China because they found somebody who can do it for 30 cents an hour.”

Every one of these lines has tens of thousands—hundreds of thousands—of names of American workers who have lost their jobs.

And so in the first 4 months of this year, our trade debt is up another 20 percent. Last year it was a record. It is up another 20, 22 percent. We are headed in exactly the wrong direction.

What is the response of this Congress? What is the response of the President? Well, let’s do some more of what we have been doing. This is the law of holes: Create a hole and just keep digging, according to these people.

Let me make a couple of other opening observations. This bill should not be on the floor of the Senate. It does not comport with the Constitution of the United States. I think everyone in this Chamber knows that. This is a tariff bill. My colleague from Iowa described in great detail the tariff provisions in the bill. This is a tariff bill. A tariff bill, by the U.S. Constitution, cannot originate here. It cannot. It must originate in the House of Representatives.

This bill is improperly on the floor of the Senate and I may today make a constitutional point of order. Every Senator knows it is not here in accordance with the Constitution, and yet we all put on our dark suits and come to

the Chamber and vent for hours, acting as if nothing has changed, nothing is wrong, we have not read the Constitution. Tariff bills must originate in the House, not in the Senate.

So we will pass this today, I am told. I am told the votes exist to pass this failed trade agreement. And then what will happen is the House will take it up, take up their version of it, and at some point it will be sent over here to be exchanged for the version we have already completed in the Senate. The problem is, I would say to the leaders, then there will be another 20 hours under fast track, 20 hours of debate to which we are entitled. Perhaps this will not work out so well after all.

I find it interesting. I must say to the majority leader, I apologize for being irritated last night, but that irritation hasn’t abated this morning. I knew what was going to happen with CAFTA. It was negotiated over a year ago. It was signed over a year ago and has never been brought to this Chamber. Why? Because they don’t know if they have the votes in the House. So over a year it languished. I knew at some point they were going to try to fold it up into a tight, little package and sort of stick it through the key-hole before some kind of congressional recess. Sure enough, that is exactly what they have done. Lord knows, you don’t want to have a long debate on the floor of the Senate about trade strategy.

Having, for example, a debate of 3, 4, 5 days on one of the most significant problems we face is not something the majority party wants, not something the President wants. Do an agreement. Sign it up. Wait for a year. Buy off the votes with roads, bridges and dams and perhaps some refrigerators. I don’t mean “buy up” votes; I mean persuade people by saying we will support your project—that was not a sensitive thing to say—persuade people who would have voted against you to decide they will vote for you, if you can get 3 or 4 miles of road somewhere near the hometown. You get enough votes, and then, a year later, fit this into this little crevice before the July recess. Then all the dust settles over the Fourth of July recess, and we come back and act as if there are no trade issues.

So here we are. Some of my colleagues will speak about an issue that I care a lot about as well—sugar. This is the first step in the direction of deciding to take the sugar program apart and to devastate, particularly in our region of the country, the beet growers—beet growers in the Red River Valley of North Dakota—because they can’t compete with this kind of dump-price sugar that comes from these regions. This agreement, in itself, will not ruin the sugar industry, but it is going to hurt it. It is the first step in a direction, a strategy, that will ruin the industry in which a lot of beet growers out there, working on the farm, who got up this morning hoping they could continue to make a living,

are going to be mighty concerned about where this heads. The next agreement that will come after this is the Free Trade Area of the Americas with Brazil and others. It is an ominous direction and is a disservice to the one farm program that does work in this country.

I would like to read a couple things. Most of you probably know Puff Daddy. Actually, Sean Combs is his name. He changed his name to P. Diddy. I never understood why somebody named Puff Daddy would change their name to P. Diddy. He is an artist, a musician. He also makes clothing, or at least he has someone make clothing with his name in the label.

So I held a hearing one day. We had workers, from Honduras, working in a plant in Honduras. Their job was to sew the sleeves on the shirts that were the Sean John label rather than Puff Daddy or P. Diddy. It seems to me—I am not in the shirt business—that Puff Daddy or P. Diddy might have been a better label, but they chose Sean John. So they contracted out for shirts to be produced in a plant in Honduras.

I have been there. I have watched. I have been to Honduras. I have watched people make cigars and various things. We had three employees of the plant in Honduras that makes these shirts come and testify. I invited Sean Combs to come and testify. He chose not to. Let me describe what was said at this hearing. It is directly related to signing up to a trade agreement with these kind of economies and the allegation that will be made by my colleagues that there are no labor standards that are enforceable or are enforced in these countries.

Let me read this. This was from Lydda Eli Gonzalez. In her report to us, she talks about her job. She says:

I get up at 5 a.m.—

She is a young woman—

to go to work at 6:45. I take two buses. When I get to the factory, I have a tortilla with beans. I buy the cheapest lunch I can, just a small piece of chicken, rice, beans and water.

And she describes the cost of that. And then she describes her day at the factory:

My job is attaching sleeves to the shirt. There are different styles of Sean Jean shirts, but for long-sleeved shirts, a production line of 20 workers has to sew 190 dozens shirts a day—that's 2,280 shirts. Management demands we reach this goal, but it is impossible.

And she goes on:

They call us filthy names—you can't answer—like "bitch," "Maldito," "donkey." You can't answer the supervisors or they will fire you. It is very hot in the factory. You are sweating all day. There is a lot of dust in the air. I breathe it in. You go into the factory with black hair. You come out with hair that is white or red or whatever the color of the shirts we are working on. It is forbidden to talk. You have to ask permission to use the bathroom. We have to get a pass from the supervisor and give it to the guard in front of the bathroom who also searches us before we go in. You can go once in the morning and once in the afternoon. Also

they watch the time, and if you are gone more than three or four minutes, they call you on the loudspeaker. Another thing, the bathrooms are very dirty. There is almost never any toilet paper or soap. They don't permit us to get up to get water. If the worker next to you goes, you try to take some advantage and see if they can bring just a bit of water to you. You have to focus, work as fast as you can, to complete the production goals, always under pressure.

She talks about being fired. She was one of 20 workers who were fired. All the new employees are required to take a pregnancy test. If it comes out positive, they are fired. "Older workers suffer harassment and discrimination because the management prefers workers between 17 and 25 years old. When a woman gets to be 30, she can't work in these factories. And if she can get to work and if she is working, often she is harassed and sent to worse positions to try to make her quit."

She says:

They search us physically when we enter the plant. If one of us has candy, gum or lipstick, they take it away because they think it could stain the clothing. They search them in the bathroom.

The point is this, this young woman, with 20 others, decided they really needed to try to organize to see if they could improve their lot. And 15 of them began to organize, and they were fired. You can't organize. Workers can't get together to try to organize to negotiate with management. They are fired—out of luck, out of a job.

These countries say to us: We have labor standards. Sure they do. They have labor standards on the books, totally unenforced. This is what we are signing up to.

This was Sean Combs. You remember the stories about Kathy Gifford and others. Sean Combs, I believe, to his credit, said he did not know this contracted labor was occurring, and I believe that he quickly took action to deal with that and moved this kind of production away from that plant.

But let me ask the question: Does anybody think this is the competition for American workers that we ought to sign up for? Shouldn't we be doing trade agreements with countries that have labor standards? Shouldn't we decide, on behalf of American workers, that we care first and foremost about American workers and, second, we also care about the workers in the country with whom we are going to do a trade agreement? What does it say about us, about our value system, to suggest it doesn't matter?

This is about money. This isn't about workers. It is about companies being able to access cheap labor, working under any labor conditions, in order to boost and fatten profits.

I am well aware that there are those who take a look at those of us who don't support these trade agreements and they say: You are just a bunch of xenophobic isolationist stooges. You don't understand it. You probably don't have the capacity to understand it. We are describing a new world order. It is a global economy. Don't you get it?

I wonder when things changed in this country to decide that we should not stand up for our economic interests. When did that happen? When did it happen that it was OK to decide those who stood up for America's economic interests—that is, for the demand that when we have a trade agreement, there would be fair labor standards, fair standards with respect to the environment, that we want to keep jobs in America—when did it become fashionable to say: You're a protectionist. You don't get it. You are sort of an economic nationalist. You are one of these America-first types. Shame on you.

It seems to me the first goal of every trade agreement should be to recognize, from our standpoint, that we are interested in standing up for our economic interests, for our jobs. But that is not the case.

I would like anybody to explain to me these dramatic and deepening trade deficits—which Warren Buffett, not necessarily a shrinking violet, says is heading us toward becoming sharecroppers, and that is exactly the case—I would like anybody to explain to me how, with this background, the decision is made that we ought to do more of it. We are told over and over and over again what we are doing with this next trade agreement is we are opening foreign markets for American products. That is absolutely nonsense. Give us a break. We have been through this.

Later today, I will talk specifically about China because we did a bilateral on China. We have had a lot of trade relationships with China. The fact is, what we are doing with these trade agreements is not opening foreign markets, to any great degree, to American goods. I would love to take my time—and I have 5 hours allotted to me—to go through a debate. Others probably have different views. They believe it is fine, for example, for the country of Korea to ship us 680,000 cars a year on boats that land on the shores of the United States so American consumers can buy Korean cars. And then we only get 3,800 cars from the United States into Korea. That is fine, some people might think. I would love to debate that. Perhaps we have somebody who wants to stand up later today during my time and have a real discussion about that. I would be happy to do that. I don't need three people. I would just like one person to say: "Boy, I like the way this is going. This sure looks good for America. And I sure like what is going to happen with China and bilateral automobile trade, and I sure like what happened in the bilateral with China by which we are allowed to charge a tariff that is one-tenth the tariff charged by the Chinese in bilateral automobile trade or I sure like the notion of what happened post-NAFTA."

Let me do this for a moment. I think it is important for people to understand. We passed NAFTA, the North American Free Trade Agreement. When we did, we had a very slight trade surplus with Mexico and a modest deficit

with Canada. We very quickly turned a slight trade surplus with Mexico into a very large deficit, and we turned a modest deficit with Canada into a very large deficit.

The promises for NAFTA were grand promises about massive new numbers of American jobs and so on. None of that was accurate. There were those who stood on this floor and said, with respect to NAFTA: What that means is, we are going to get the product of unskilled labor coming in from Mexico. That is what that means. And so what are the three biggest imports from Mexico now? Automobiles, automobile parts, and electronics—all the product of high-skilled labor. They were all wrong. No one, of course, will stand on the floor and say: I admit that. But they have all been wrong. All we have seen is an exodus of American jobs. This chart is a certification to the U.S. Government of companies laying off U.S. workers due to NAFTA. We know that because they are required to certify to the Department of Labor in order for their workers to be available for trade adjustment assistance. Trade adjustment assistance is a melodic, soft-tone that says: When you fire your workers because of a trade agreement, you are able to get the Federal Government to pay your workers a little something. It is like extra unemployment.

So we know these companies have said: Because of NAFTA, we are laying off workers. We want them to be eligible for trade adjustment assistance.

Let's go down the list a bit. Fruit of the Loom. I can see the title on the book: "When America Lost its Shorts." I remember the day that Fruit of the Loom announced that it was going to move its production out of this country. It was headline news, going to get rid of all the workers. Doesn't mean they are not going to make shirts and shorts any more. They are going to make them elsewhere, Mexico and China.

Levis, 15,676 workers making Levis. There is not much more all-American than Levis.

What a great American brand, Levi. Everybody likes them. I wear Levis. Levis are gone. There is not one pair made in the United States—not one. And, furthermore, the company that made Levis has certified to the Federal Government that due to NAFTA, 15,676 employees should be eligible for trade adjustment assistance. I will say that in English. It means that because we passed the NAFTA trade agreement, this company decided to get rid of 15,676 workers, and they want, under trade adjustment assistance, to be eligible to get extra money from the Federal Government.

Is there anybody in the Senate who knows the name of a worker that made Levis and lost their job? I am guessing not. I am guessing that almost every one of these 15,676 people were like every other worker in this country—proud to get up in the morning, put on

some clothes, go to work, and feel as though they had a sense of self worth to provide for their family and to do a job. Some probably worked 25, 30 years for that company and did the best they could. And they had to come home and say to their spouse: "Honey, I have lost my job. It doesn't mean they are not going to make Levis anymore. They are just going to make them in Mexico or China or Indonesia or Sri Lanka or Bangladesh—you name it. They say I make too much money."

I have told this story repeatedly, and I will do it again even if it bores people. Huffy bicycles is the classic one. It is the easiest to understand. I believe Huffy has about 20 percent of the American marketplace. You buy them at Wal-Mart, Sears, and K-Mart. Huffy bicycles used to be made in Ohio in this country by workers who, by one account, made \$11 an hour plus benefits. Huffy wrote to me and said it was more than that. So whatever it is—it could have been \$15 or \$18 an hour plus benefits—they made a good bicycle. They had a decal of the American flag on the front of them. They fired the workers who made Huffy bicycles. Those workers are gone. In fact, the last job they performed was to take the American flag decal from the bicycle and replace it with a decal of the globe. All Huffy's are now made in China by people who work for 30 cents an hour, 7 days a week, 12 to 14 hours a day. The folks in Ohio are told they cannot compete with that. I can understand why. Should you be expected to compete with people who make 30 cents an hour?

So American workers lose their jobs. Do you think some people from Huffy Bicycle, who were proud to make them for many years, and came home to tell their families: "I lost my job because they found somebody in another part of the world—halfway around the world—who will work 7 days a week, 12 hours a day, and they can pay them 30 cents an hour—and they can hire kids, by the way." Does anybody in this Chamber know the names of these people who worked for Levi's or Huffy Bicycle or Fig Newton Cookies? Does anybody know the names of the people who worked for the company called Radio Flyer, which makes little red wagons? They are gone from America.

I can stand here for an hour and talk about those kinds of issues. On this chart are the 100 largest companies certifying to the Department of Labor jobs lost due to these trade agreements. Let me tell you something else. You cannot get these numbers anymore. They are not available. Do you know why? The Department of Labor won't make them available. This chart says "The Labor Department withheld trade reports." Let me quote from this article: "The Labor Department has kept secret for more than a year, studies that supported Democratic opponents of the Bush administration's new Central American trade deal."

There was a report paid for by public funds that documented the working

conditions in CAFTA and the Central American countries of the type I just described, and, of course, that document was covered up, kept secret. The official Government document from the Department of Labor that would have provided numbers of how many jobs were lost, as a result of certifications by companies that were going to get rid of their workers—this information doesn't exist anymore either.

I have called the Secretary of Labor and said: You are collecting this data and you are choosing now not to make it public. Why? She says: I will look into it.

I placed a second call yesterday, but I have not heard back. In fact, you cannot get this information anymore. If there is bad news, cover it up, I guess. Don't let bad news out.

Madam President, let me just read for a moment from something written by someone I deeply admire. I like Warren Buffet a lot. I don't know him well, but I consider him a friend. I have met him a good number of times. He is the second richest man in our country, or probably in the world. He is remarkably successful. He doesn't walk the talk or sound like somebody with billions and billions of dollars. He is just a wonderful, remarkable guy with a great spirit. He wrote a piece to the shareholders of his company, Berkshire-Hathaway, that was very interesting to me. I called Warren about his speech. He said this about the trade deficit, the current account deficit:

Large and persistent current account deficits produce an entirely different result. As time passes and as claims against us grow, we own less and less of what we produce.

He means that we have a trade deficit of almost \$2 billion every day, 7 days a week, and it means foreign governments or foreigners have assets in the form of American dollars, American stock, and are buying American real estate. That is why you saw that China wants to buy a big oil company. They have the money to do it.

With respect to the trade deficit we have with China or the trade surplus they have with us, he says:

Should we continue to run current account deficits comparable to those now prevailing, the net ownership of the United States by other countries and their citizens a decade from now will amount to roughly \$11 trillion. And if foreign investors were to earn only 5 percent on that net holding, we would need to send a net of one-half billion dollars in goods and services abroad every year just to service the U.S. investments then held by foreigners.

A country that is now aspiring to be an ownership society will not find happiness in a sharecropper society. Yet, that is precisely where our trade policies, supported by Democrats and Republicans alike, are taking us.

Perhaps there are some in this Chamber who think this is not the case, that these trade policies are just wonderful, that this red ink is just another innocent color, that these trade agreements have really worked well for America. That is probably because nobody in this Chamber has ever lost their job to

a bad trade agreement. No journalist has either, for that matter.

We have an interesting situation in this country. We have now, for about the last 30 years, seen a dramatic change in the economies of our country and others. It is described as a global economy. It has galloped forward in a very aggressive way, but the rules have not kept pace. So the largest international corporations—many of them American—have defined the new economy in their own image. They want to produce where it is cheap and sell into our marketplace. They want to be able to produce, for example, in China and Indonesia and Bangladesh and Sri Lanka and be able to sell that product to Des Moines, IA; Fargo, ND; Denver; Chicago; or Los Angeles. That is quite a strategy about fattening profits: Produce where it is cheap, where you can hire kids, where you can build a factory and not worry about having a safe workplace, where you can dump chemicals into the air and water, and especially where you can decide if your workers want to form a union, you can fire them just like that. If you produce there, you can produce for pennies, take that product and sell it into the established marketplace in the United States, and you can fatten your profits. Pretty good deal—if you are one of the companies who wants to do it.

But the rules for this globalized economy have not kept pace at all. There have been virtually no rules. Everyone in this Chamber knows that we have signed up to trade agreements with countries that say to companies: You can fire your workers if they try to unionize. Now, that is not a comparative advantage—going back to Ricardo. Ricardo described the doctrine of comparative advantage, which says it is easier to raise sheep and produce wool in England and easier to grow grapes and produce wine in Portugal; so each should do what is in its own best interest and what it does best and then trade. So you raise sheep, you share the sheep, get the wool in England, grow the grapes and stomp the grapes and produce wine in Portugal, and the English trade their wool to Portugal, and the Portuguese send wine to the English. That is the doctrine of comparative advantage—doing what is most beneficial and efficient for each. There is no doctrine of comparative advantage when you have a country deciding they are going to have 30-cent labor because we will fire people who try to unionize because we will not enforce restrictions with respect to the requirement that you have safe workplaces. We will have cheap labor because we will let you hire 12-year-old kids, work them 12 hours a day, and pay 12 cents an hour, and we will turn the other way. That is a political advantage. That is a decision by a government to continue to repress its workers.

Our trade agreements, historically, rather than lifting others up, which we ought to do in trade agreements, have

had the effect of pushing American workers down. That can work for a while, but it cannot work for a long while because, ultimately, the question is going to be this: Who is going to buy those products made with 30-cent labor in China? Will it be the people who lost their jobs in the United States? Will it perhaps be one of these hundreds of thousands of people, each just a number, but each represented by a family? Will they buy those products when they are out of a job? You may say unemployment is not so high here and many of these people have been rehired. Yes, many have—at lower wages. That is the way this global economy has been working.

In my judgment, this does not work for our country. It is just not working. My colleague from Iowa made the point—a fair point—should we not want to lower tariffs in other countries? Absolutely. Can I remind my colleagues, and others, that we are so ham-handed and fundamentally incompetent in negotiating trade agreements, using beef as an example—let's go back for a moment prior to the discovery of a Canadian cow that had mad cow disease in the United States. Prior to that time, we were 15 years away from a beef agreement we made with Japan in the late 1980s. Fifteen years later, after a beef agreement with Japan, a country with whom we have had a very large deficit always—and still do—there was a 50-percent tariff on every pound of American beef going into Japan. What a miserable failure that is. It happens to us in virtually every circumstance.

I will mention one additional thing. Our trade negotiators do such a terrible job on behalf of this country. I assume they do it on behalf of whoever sends them out with instructions. Let me ask, if during the discussion today—and we will be here for some hours—I would like one Senator—if we can find somebody who knows the answer to this—to tell me, in the bilateral trade agreement with China, a country with whom we have a giant trade deficit, an alarming and dangerous trade deficit, how it is justified that China shall impose a 25-percent tariff on any U.S. automobiles we sell in China, and we will impose a 2.5-percent tariff on Chinese automobiles sold in the United States?

How is it that we have a bilateral agreement that imposes a tariff 10 times higher on U.S. cars that we sell in China than Chinese cars sold in the United States? I want one person—I have asked this question for years—I want one person to tell me how that happened because the Chinese are now gearing up an automobile export industry. In fact, General Motors has gone to court to sue the Chinese because they say the Chinese have stolen the entire production line blueprints for a car called the QQ. General Motors said they stole the production line blueprints of a General Motors car. This company is called Chery, C-H-E-R-Y,

which is interesting; it is one letter away from Chevy, C-H-E-V-Y. This Chinese company called Chery is producing a QQ car that General Motors says is the stolen production line blueprints of a car they have. They are doing that, and all the press says they are gearing up for a substantial Chinese automobile export market.

Guess what. When they do that, they will find a very friendly tariff in our country that is one-tenth the tariff that now exists in China by virtue of acceptance of a trade agreement we have with China. It is unbelievable to me, the incompetence of having that sort of thing happen.

I will not go on at length. We do not make any automobiles in North Dakota, so I am not representing the automobile manufacturers. I am just telling my colleagues that it does not matter whether it is automobiles or textiles or farm products.

My colleague from Iowa cares a lot, I am sure, about agricultural products. We work together on a lot of agricultural issues. I know he cares a lot about family farmers. Interestingly enough, when we did the bilateral agreement with China, we had a provision in that agreement about the number of million metric tons of wheat that China would be expected to allow in duty free. Right after that was done, of course, the Chinese Agriculture Minister went down to the southern part of China and said to the South Asia Post: "That doesn't mean anything; that doesn't mean we are actually going to import that wheat from America. That is just something in writing." Indeed, they have not. When will we understand that promises not kept are not promises at all?

I suppose you can make a case to hook up in a trade agreement with almost any region in the world. Somebody said to me: How on Earth can you suggest these small countries would threaten our country? I am not suggesting that. I am just saying when you are doing something wrong, stop doing it, change it, and do it right. That is not rocket science.

This trade agreement, with its pathetic provisions dealing with labor and its pathetic provisions protecting the environment, is exactly the same as all the other trade agreements. You can say the environmental provisions do not matter. Don't they really? We inhabit this Earth. There are 6 billion of us. We have 6 billion neighbors on this little planet called Earth. We circle the Sun. Somehow we end up here in the United States—just in this place—and there is no place like it on the face of the Earth. We are living in a fishbowl. We can clean up our part of the fishbowl, but if somebody on the other side is pumping in sludge, we are all breathing it. So environmental standards and labor standards matter a lot.

This trade agreement is exactly like the others. It hooks up the countries—and I already read the description—

that do not enforce their standards at all. Second, it decides we will have another loophole by which you can tranship goods through these countries into the United States.

One of my colleagues said to me: So what, it is coming in anyway from China. So what? The fact is, if anybody in this Chamber were one of these statistics—and there are about 200,000 of them on this sheet—if anyone in this Chamber were one of these statistics, nobody would say “so what.”

“So what” is we are losing jobs in this country. There is no social program we work on in this Chamber that is as important as a good job that pays well and allows people to take care of their families. There is no social program as good as that. I am telling you, in case after case, we are seeing good jobs leaving our country because others will do them for less under conditions we would never accept in this country.

I have said many times that we had people die in the streets of this country fighting to organize as workers. People were literally killed in the streets of America for that purpose. We had people who went to the streets for America demanding the opportunity to work in a safe workplace. We have been through this for a century, describing the conditions of production in this country that were fair. And in a moment, some companies can pole-vault over all those impediments and say: I don’t like them, never liked them; they represent regulations, they represent things we don’t support, and we are going to move our jobs to China; and by the way, when we get there, we don’t have to worry about unions, we can fire them if they try to unionize, and if we don’t fire them, the Chinese Government will take care of them.

What is happening is wrong. I am not saying we should build walls around our country. I am not saying we should retreat from the global economy. I am saying we ought to recognize there has to be a set of fair rules to represent this country’s economic interest. If we do not have that set of fair rules, then we cannot possibly succeed.

Some say the Americans can compete anywhere, we can win anywhere. We can compete if the rules are fair. But post-Second World War, in the last 50 years, some very shrewd economic competitors have developed in this world.

These trade deficits I have shown describe a circumstance in which we cannot compete with one arm tied behind our back. We cannot compete if it is unfair. We cannot ask American families to decide if \$10- or \$15-an-hour wages is something of which they should be ashamed because it is so much more than would be paid to workers hired in Bangladesh or China. We cannot do that to American workers without in the longer term dramatically changing the standard of living in this country.

Others will say: You are talking about manufacturing. You should un-

derstand that we are going to create new jobs; we are creating new jobs. Take a look at what is happening with software engineers, with white-collar jobs. Pick up the New York Times from last week on IBM and then go to India and go to China and find out what kind of jobs are coming in addition to factory jobs. It is not just factory workers. It is white-collar jobs. It is engineers.

Every young person in this country who is in earshot of this debate should understand their future is going to be affected by what we are doing. Their opportunity for good jobs will be affected by what we are doing.

I, obviously, have additional comments and additional time in which to do it later today. We have colleagues who have been waiting. I apologize for taking as much time as I did. This is a very important issue. I regret very much that we are doing it this way, just sticking it in a little keyhole crack between now and when we get out of here for the July Fourth week. I knew this was going to happen. One year ago, this bill got done. We did not hear about it for a year. I knew one day we would find it stuck in a little keyhole, hoping we would not have a real debate about trade on the floor of the Senate.

I guess now we are on autopilot. They are going to finish this maybe late tonight, and they have accomplished their purpose, but they have done America no service. It is no service to America to avoid facing straight in the eye a serious problem facing this country.

Once again, to all those listening who call this protectionism, you are just wrong. This is not about protecting in the sense of being a protectionist and wanting to build walls around our country. It is about standing up for American interests. It is about trade agreements that should be mutually beneficial, not one-way trade agreements, and it is about finally suggesting that we be hardheaded and make trade agreements economic policies, not softheaded foreign policy down at the State Department.

I could talk later about, for example, it is recommended we take action against China on this and that for trade, but the State Department says: You can’t do that; that is all foreign policy. So our country walks around half hunched over worried about lost jobs and not willing to talk about it. And what do we do? We negotiate another trade agreement of the same type. Is anybody thinking? Let’s hope through this debate perhaps we can begin to think through some of these issues and turn a corner.

Let me also say it was probably impolitic of me at the start of this discussion to ask about exotic dancers in strip clubs. I will ask again just because it probably is impolitic if there is anything in this trade agreement about exotic dancers in strip clubs. The reason I ask is because in the NAFTA

agreement that passed the Congress, according to what I have found doing a Google search, Canadian strip clubs have used NAFTA to find dancers from Mexico under the extended visas and employment applications in NAFTA—exotic dancers were part of the provision dealing with special skills. I am just guessing that there is no one in the Chamber of the Senate who voted on NAFTA who would have guessed it would have application to exotic dancers having special skills. Maybe I am wrong.

I ask the question: Is there anything in this trade agreement that we should know about that perhaps I will come to the floor of the Senate and talk about several years from now, such as this?

The point I am making is, most people do not understand what is in these trade agreements. They do not understand the circumstances and the consequences of the trade agreements. All we hear is just more tired-sounding platitudes about reducing tariffs.

By the way, when we passed NAFTA, as my colleagues know, NAFTA re-evaluated the peso, meaning it obliterated everything under NAFTA with respect to tariffs almost immediately.

I will cover additional material at a later point today. I yield the floor.

The PRESIDING OFFICER (Ms. MURKOWSKI). Who yields time? The Senator from Iowa.

Mr. GRASSLEY. Madam president, I yield such time as the Senator from Colorado may use.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLARD. Madam President, I thank the chairman of the Finance Committee for yielding. I compliment him on his tremendous leadership in the Finance Committee, particularly on the issue of trade.

I rise today in strong support of the U.S. Central America and Dominican Republic Free Trade Agreement, known as CAFTA, and our administration’s current trade policies.

We sometimes forget what history has taught us. If we look back to the early part of the 20th century, the early 1900s, our country was struggling economically. One of the reasons, it was decided after a while, is because we were too restrictive on our trade policies. We had high tariffs on a lot of different products coming into this country. All of a sudden, the economists began to wake up: If we liberalize our trade policies, we begin to open trade to the entire world, and we benefit. Lo and behold, we found our country began to do better economically.

We forgot what history taught us. We do not want to go back to some of the old tried-and-failed solutions some of my colleagues on the other side are talking about. They do not work. It destroys your economy.

If we look with other countries to liberalize our trade agreements, we raise the entire tide. Sure, other countries benefit, but we benefit even more. We will see that as we move forward with this debate.

NAFTA has not hurt this country, it has helped it. It has created more jobs, not less. So many figures we will hear presented here are focused on one particular group, it is one side of the ledger. Nobody talks about what has happened on the other side of the ledger when we created more jobs, particularly on the service side of our economy.

Another point I would make is look at the poor countries in the world today. They have more trade restrictions than those more modern countries that are doing well economically. Doesn't that tell us something? Doesn't that tell us that if we can get them to relax their tariffs, they can begin to benefit with us and what is happening in the growth of our economies? Not only do we help them, but we help ourselves. So it is a mutual win-win agreement on these international trade agreements.

We can look at all these trade agreements and see how they have helped us economically. They have helped our friends and trading allies. They have helped us to export the idea of democracy and what free markets are all about. It is what makes a difference between our success and many other countries that do not have a democracy, that do not talk about how important it is to have free markets.

I rise today in strong support of this trade agreement. Prior to the Bush administration, momentum of trade liberalization had clearly slowed. Thankfully, Congress reapproved executive authority for trade agreements, and with the leadership of President Bush, the administration has made international trade a high priority for the health and well-being of the American economy. That is good.

We have acted to strengthen the President's ability to eliminate trade barriers with other countries. The first steps have been taken toward a new era of trade liberalization.

At the end of 2002, the Bush administration completed free-trade negotiations with Chile and Singapore which were first begun by the Clinton administration in 2000. This is not a partisan issue, it is a bipartisan issue. These free-trade agreements with Chile and Singapore entered into force on January 1, 2004.

In 2004, the agreements with Australia and Morocco were signed and approved by Congress, and this Australian trade agreement recently came into force this January.

These agreements make a strong statement about the commitment of the United States to international trade, and CAFTA continues the trend of reaching bilateral trade agreements in our own hemisphere and abroad.

The countries entering into CAFTA are among the developing countries that already enjoy duty-free access to U.S. markets for the majority of their exports. That is their goods coming into our country. While these developing countries have high tariff and

nontariff barriers on U.S. exports and impose restrictions on U.S. businesses, the agreement will liberalize trade in goods, services, government procurement, intellectual property investment, and address important labor and environmental issues. We are going to let them join with us in our economic prosperity. That is not going to hurt the United States. It is going to benefit our economy.

Trade between the United States and CAFTA countries totaled over \$33 billion alone last year. The United States exported almost \$16 billion in goods to five Central American countries and the Dominican Republic in 2004—more than all exports to Russia, India, and Saudi Arabia combined.

This agreement will create the second largest U.S. export market in Latin America—\$16 billion—behind only Mexico, and the 14th largest U.S. export market in the world. The market access and trade discipline provided by CAFTA offer an opportunity to expand U.S. exports to a region that is already seeing high export growth rates. In fact, from 2000 through 2004 export shipments to CAFTA designations grew by almost 16 percent compared to 5 percent for U.S. overall exports.

CAFTA also helps to move the current trading relationship from one-way preferences to a more reciprocal partnership. Currently, about 80 percent of the region's exports enter the United States duty free, while U.S. goods exported to CAFTA countries face significant tariffs. However, with this agreement in place CAFTA will boost opportunities for exporters throughout the country, providing new market access for these producers.

Specific to my home State's interests, the State of Colorado, CAFTA immediately eliminates tariffs on 80 percent of U.S. exports and eliminates all tariffs within 10 years, including up to 15 percent tariffs on Colorado's exports of machinery, manufactured products, and transportation equipment. The information technology producers will also gain with the elimination of distribution barriers and elimination of information technology tariffs, as well as the opening of key information technology services, including telecommunications, and will also protect intellectual property rights.

For Colorado's farmers and ranchers CAFTA will eliminate tariffs on 50 percent of U.S. exports immediately and most remaining duties within 15 years, benefiting beef and pork producers with the immediate elimination of tariffs over 15 years; dairy products with duty-free tariff rate quotas that will expand from over 10,000 tons in year 1 and out of quota tariffs eliminated over 20 years; and finally corn, wheat, and grain products with the immediate binding at zero of tariffs on wheat, barley, oats, and rye as well as for corn in Costa Rica and sorghum in the Dominican Republic and Guatemala. All remaining tariffs on feedgrains will be eliminated over 15 years.

Clearly, this agreement greatly benefits my State of Colorado and the Nation as a whole. I am pleased to stand behind the agreement reached by former U.S. Trade Representative Robert Zoellick and our current USTR, Rob Portman.

On noneconomic impact, I have already said that even if we were to set aside all the economic benefits for continuing liberalization of international trade like CAFTA, there are still many other reasons, most notably humanitarian reasons. History has shown it is the isolated closed societies that are the most brutal and repressed. International contact brought about by increased trade with businessmen, foreign goods exchanges, corporate presence, and marketing serves to increase access to a higher standard of living and a better quality of life.

International trade also requires important reforms of the domestic, legal, and business environment that are key to encouraging business development and investment. Such reforms include providing greater transparency for Government to strengthen the rule of law and improving protection and enforcement of intellectual property rights. We must always remember that America's No. 1 export is democracy, and overreaction to our trade deficit, increasing tariffs, or other false barriers to trade will damage not only our bottom line but also our national security interests. We cannot allow that to happen.

Madam President, we have heard a lot of doomsday predictions from opponents of this fair trade agreement that CAFTA will lead to all kinds of job loss both here and in Central America. A lot of these people said the same thing about NAFTA. Remember the great sucking sound of jobs that were supposed to go to Mexico? Well, it just did not happen.

Let's take a look at this chart. This is the chart on U.S. jobs from 1993 to 2004. Remember that we adopted NAFTA in 1993, I guess 1994. What this chart shows is the number of jobs in the United States from 1993 out to 2004, that if the trade critics were right, you would expect to see a fall in the number of jobs in the United States. Following the passage of NAFTA, look at it. It just did not happen. The blue line is manufacturing jobs—basically, a straight line, a little bit of reduction on the end. And look at what has happened, though, to nonmanufacturing jobs. This is the purple line or the light pink line, what is happening in the growth. We simply have not lost any jobs since the start of NAFTA. In fact, the United States had almost 17 million manufacturing jobs in 1994. That number rose to 17.26 million by 2000. Now it is falling only after the recession hit us in the year 2000. That was about the time we had 9/11. In fact, after NAFTA passed, the U.S. unemployment rate dropped.

Take a look at the U.S. unemployment rate from 1993 to 1994. In 1993, the

U.S. unemployment rate was about 6.9 percent as reflected here, and in 1994, the year NAFTA passed—right in here reflected by this chart—it fell to 6.1 percent, and then it continued to fall reaching only 4 percent in 2000. Then at its peak postrecession point, the unemployment rate was 5.5, still lower than it was in 1994, I might add. So NAFTA clearly did not cause massive unemployment in the United States as predicted by trade critics.

Well, then the critics will say that maybe they were wrong with the numbers. Maybe there was no massive loss of jobs, but NAFTA caused us to substitute good-paying jobs for bad-paying jobs. Again, the facts show that they were wrong. Let's take a look at real hourly wages from 1983 to 2004. What we see happening here is a drop in real hourly wages until we get down to 1994 when we then adopted NAFTA.

Lo and behold, look what happens to wages, both the real average manufacturing wages, which is reflected by this top line, and then what has happened with the real hourly wages in the private sector. Look at the climb that we have seen in real hourly wages. Real hourly wages have risen since NAFTA for all workers. In fact, wages that were in decline in the decade prior to NAFTA have increased steadily since the NAFTA agreement was reached.

We also heard that NAFTA would result in the flood of cheap imports from Mexico. Again, the critics were simply wrong. I point to this next chart which reflects U.S. imports from Mexico prior to NAFTA, and under NAFTA, as a share of total U.S. imports. U.S. imports from Mexico have held fairly steady at 7 percent, as we can look across here, as a percent of total U.S. imports, not much higher than they were in the 5 years prior to NAFTA.

We also heard that U.S. companies would start investing all their money in Mexico because U.S. workers can't compete with Mexico's wage rates. Again, the doom and gloom crowd was simply wrong. Look at the chart. What we see, talking about U.S. direct investments, is that U.S. investments didn't migrate to low-wage countries as predicted. In fact, after NAFTA went into effect, U.S. investment in Europe increased by 48.5 percent of total U.S. investment abroad to 53.8 percent in 2003.

Here is what happened with the investment in Mexico. If we look at the larger peaks that we have over here, this reflects what has happened with Europe. These are modern countries that we are dealing with, and we have the poorer countries down here. We did not see our investments being soaked up by low-wage countries. We still continue to maintain our trade with modern countries. So our challenge is to get poorer countries up into our modern sphere.

In contrast, U.S. direct investment in Mexico accounted for 2.8 percent in 1994 and just 3.4 percent 10 years later. Put another way, Europe's share of invest-

ment increased by 5.3 percentage points, and Mexico's by .6 percentage points.

We also heard that Mexico was just too poor to buy our product so we should not trade with them. Wrong again. Mexican consumers increased their purchases of U.S. consumer goods since NAFTA went into effect. In fact, U.S. exports of consumer goods are 66 percent higher in 2004 than they were in 1993.

U.S. exports of home entertainment equipment grew from \$984 million to \$1.293 billion. Exports of household goods have grown from \$1.4 billion to \$2.1 billion. And U.S. agriculture has benefitted. Since the implementation of the agreement, U.S. agricultural exports to Mexico have nearly doubled. Mexico now imports nearly \$6.5 billion of U.S. agricultural products, making them our third largest market.

It is important for all of us to realize that we can take some of these figures, if we just talk about certain individual commodities or certain individual industries, and we can talk about just that particular—we can single out industries that for one reason or another have problems. The overall figures shown on these charts indicate what is happening with trade and what is happening with the economy as a result of liberalizing our trade and opening it up. I don't think anybody can deny that we have not benefitted. And I don't think that anybody can deny those countries that have traded with us have not benefitted. So we all benefit from this rising tide. That is why I feel so strongly that we need to move forward. I think the doomsday scenarios predicted by the critics did not happen. They were wrong about the North American Free Trade Agreement then and they are wrong about the Central American Free Trade Agreement now.

Madam President, we need to move forward. I applaud the leadership for moving this issue forward quickly. I particularly applaud the chairman of the Finance Committee for his superb leadership on this particular issue. I know it is difficult and demanding, but it is important, important to the welfare of everyone in America, not just a few. It is important to the welfare of our trading partners, not just a few. This is an overall policy where many people benefit, and we should not forget that the whole economy of the United States will be better because we have liberalized our trade. What we saw in the early 1900s is a lesson we should not forget because we had high tariffs and trade restrictions that did not work. Now we are in a different era. We don't want to forget the lessons history taught us.

Madam President, I want to yield the floor and thank the leadership and particularly Chairman GRASSLEY on this issue.

I ask unanimous consent to have two editorials printed in the RECORD.

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

[From the (Denver) Rocky Mountain News, May 14, 2005]

CAFTA STILL CRITICAL

Six Latin American presidents made an unprecedented joint trek to the Capitol this week in a last-ditch effort to drum up support for the Central American Free Trade Agreement. But the protectionist mood sweeping much of the nation appears to have infected all too many of Washington's political elites.

At risk is America's global economic leadership, which some lawmakers seem all too willing to trade away for support from Big Labor, environmental groups and especially the sugar lobby. Because it is having trouble mustering the votes for passage, the White House has in recent days taken to reminding Congress that CAFTA is also necessary to help secure democracy and development in a region wracked by civil war, drugs, human trafficking and economic stagnation over the past two decades.

Interestingly enough, this same argument—that CAFTA is good for our own national security—is being made by a conga line of diplomats from both political parties, including former Secretary of State Warren Christopher, former defense secretaries William Cohen and William Perry, Bill Clinton's special envoy to the Americas, Thomas McLarty, and Jimmy Carter's trade representative Robert Strauss, to name but a few.

CAFTA would end duties on 80 percent of the \$15 billion in U.S. exports to the 44 million consumers of Costa Rica, Honduras, El Salvador, Guatemala, Nicaragua, and the Dominican Republic in the Caribbean. Currently, those countries levy average tariffs ranging from 10 percent to 20 percent on a host of U.S. goods such as motor vehicles, grain and meat, while the U.S. rate is zero. The U.S. Chamber of Commerce predicts U.S. sales to the region could expand by more than \$3 billion in the first year once CAFTA tariff limits take effect. The American Farm Bureau estimates agriculture exports—about \$1.6 billion in 2003—would grow \$1.5 billion a year. Winners would include Colorado's feed, potato, grain, pork and cattle industries.

If CAFTA fails, it will be in part because the powerful U.S. sugar lobby has plied Capitol Hill with a fictional doomsday scenario in which the trade pact destroys the domestic industry. The truth is American sugar import quotas would rise by a scant 1 percent of the total U.S. market in the first year, and ascend over the next 15 years to a whopping 1.7 percent. What's really at stake for the sugar industry is prices that are two to three times the world market.

Democrats are leading the assault on CAFTA, claiming the pact's requirement that the countries enforce their own labor and environmental standards is too weak. But this objection ignores the fact that wherever U.S. companies plant themselves in the world, labor and environmental standards invariably rise over time. Voting CAFTA down would surely deal a blow to Central America's reform-minded political leaders. But defeat would also mean the loss of new markets for U.S. workers and farmers, a failure that could cripple America's ability to forge more far-reaching trade liberalization in the coming years.

[From the Denver Post, Mar. 26, 2005]

CAFTA WORTH OUR SUPPORT

In two weeks, Congress starts debating a treaty that will shape America's future role in our hemisphere. Since lawmakers previously gave President Bush "fast track" authority to negotiate the pact, lawmakers

can't change any provisions in the Dominican Republic-Central American Free Trade Agreement (CAFTA)—they can only vote yes or no. We think that vote should be yes.

CAFTA is modeled on free trade deals Congress OK'd a decade ago with Mexico and Canada, in 2000 with Jordan and in 2004 with Morocco. CAFTA would eliminate trade barriers on most goods and services and encourage commerce among the United States, the Dominican Republic, Costa Rica, Honduras, El Salvador, Guatemala and Nicaragua.

The issue splits Colorado's congressional delegation. Leaning in favor of it are Republican Reps. Bob Beauprez of metro suburbs and Marilyn Musgrave of the Eastern Plains. Leaning against it are Democratic Reps. Mark Udall of Boulder and John Salazar of the Western Slope. Undecided are Democrats Sen. Ken Salazar and Rep. Diana DeGette of Denver, and Republican Reps. Joel Hefley of Colorado Springs and Tom Tancredo of the metro suburbs. Sen. Wayne Allard, a Republican, declined comment.

Colorado's sugar beet farmers oppose CAFTA because they say it will let cheap, subsidized sugar flood U.S. markets. While concerns may be understandable, Congress shouldn't let one industry decide U.S. hemispheric policy.

The real arguments in favor of CAFTA involve global issues and the future of our hemisphere's small democracies. Central America will never rival U.S. economic clout—but China is trying. CAFTA could help the Western Hemisphere better position itself to compete with China's burgeoning industries, Central American leaders say.

As a tool that can help rebuild Central America's struggling economies, CAFTA also has a political dimension. Although Costa Rica has been a stable democracy for more than a half century, its neighbors endured dictatorships, civil wars and insurgencies through the 1990s.

Central America's democracies are still fragile, and its governments need to show their impoverished people there's a hope for a brighter future. CAFTA is one tool to nurture that hope.

U.S. foreign policy interests would be well-served by helping to build prosperity and freedom among all the nations in our hemisphere.

The PRESIDING OFFICER. Who yields time? The Senator from Montana.

Mr. BAUCUS. Madam President, I yield 20 minutes to the Senator from Massachusetts, and ask it be taken off the time allocated to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Madam President, because we have a number of Senators on the floor—I am happy to defer to my senior colleagues, but if we could establish a kind of queue? I know Senator LEAHY has a statement. I am interested in speaking on CAFTA. I ask the distinguished Senator from Montana, could we see if we could get an order among the Senators who are on the floor?

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. I modify the request: 20 minutes to the Senator from Massachusetts taken from the time of the Senator from North Dakota; when he has finished, 5 minutes to the Senator from Vermont, that time to be taken off the time allocated to the Senator

from Iowa. Then, following that, I yield 15 minutes to the Senator from Oregon, that time to be taken off the time allocated to me.

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

The Senator from Massachusetts.

Mr. KENNEDY. Madam President, I wish my friend from Colorado were on the floor. I listened very carefully to his description of the state of our economy from 1993 on. As we remember, President Clinton was elected in 1992. I think modern economists would say we had the longest period of economic growth and price stability in this century—certainly in this century, and for at least 100 years during that period of time. That is what is reflected in these numbers.

To tie those into questions about lost manufacturing jobs in terms of NAFTA, it is better to look at the various analyses, the business analyses that have been done. The EPI studies show that more than 900,000 manufacturing jobs have actually been lost due to NAFTA.

I am proud of the record of President Clinton. I was proud to vote in support of his economic policies, to put that into play. As a matter of fact, it did not have a single vote here by a Republican in the Senate. It does reflect in the strong economic indicators that the Senator from Colorado showed, but relating that to what were the manufacturing jobs that were lost, in terms of NAFTA, I did not hear explained very closely.

I support free trade. I have long voted for trade agreements that truly leveled the playing field for our country and for our workers.

Will the Chair let me know when I have 3 minutes left?

The PRESIDING OFFICER. The Chair will do so.

Mr. KENNEDY. Free trade removes unfair barriers to American goods and world markets and creates a fair playing field for competition between American workers and workers abroad. Free and fair trade creates jobs and strengthens our economy. But this Central American agreement is not free trade. I urge the Senate to reject this unfair agreement.

Especially at this time when American workers are deeply concerned about their jobs being outsourced overseas, the Bush administration is wrong to negotiate an agreement that refuses to protect them. I am coming back to that in a moment. It allows participating countries to use labor practices that fail to meet international standards. It means that American workers, the best in the world, will be forced to compete with countries whose workers are abused and exploited. That is not fair trade.

I am for progress and economic development in Central America, dating back to President Kennedy's Alliance for Progress. But this agreement does nothing to improve labor rights for the workers in the CAFTA nations. All it

asks is that they enforce their existing laws. It does nothing to create a community of nations that respects the basic rights and dignity of workers.

Most CAFTA nations give their workers no real rights such as an 8-hour day, overtime pay, or protection against discrimination. Laws in some CAFTA nations are even hostile to organized labor. Workers in El Salvador, Nicaragua, and Honduras can be fired for joining a union or even intending to organize a union. In Nicaragua, strikes are prohibited without government permission. Even where laws do exist, violations often cannot lead to fines or sanctions.

Those working conditions are not just what I have to say. There is an excellent study that was commissioned by the Department of Labor to review the working conditions among these countries that would be affected by this agreement. When the results came in, what did the administration do? They tried to hide the report. They went out and pulled all the paper that the study had been written on. What the study showed very clearly—and I will read the excerpts. The Government-paid study concludes:

Countries proposed for free trade status have poor working environments and fail to protect workers' rights. The department instructed its contractors to remove the reports from its web, ordered it to retrieve paper copies before they could be made public, banned the release of the new information from the reports, and even told the contractor it could not discuss the studies with outsiders. The working countries are so bad in those countries that the administration's own independent report stated so. Do we have anything in this particular agreement that will do anything about it? Absolutely not.

Have we at other times tried to do something about the conditions in these other countries? We certainly have. The agreement which stands out is the Jordanian agreement. In the Jordanian agreement they have very clear understanding about what the Jordanians were going to do to try to realize the international labor standards. No. 1, they were going to eliminate slave trade; No. 2, they were going to make advances moving ahead on child labor; No. 3, they were going to permit the organizing of various labor organizations with real enforcement going in there, and penalties and sanctions if there were a violation. In other words, under the labor provisions in the Jordanian agreement that was passed by this body, we were moving forward, upward, to meet the international labor conditions. That is what ought to be in this agreement.

But is it in this agreement? Absolutely not. Were there any provisions in this agreement that, as a result of this agreement, American workers would get some kind of compensation for loss of their jobs as we have done at other times? Absolutely not. That proposal was defeated in the Finance Committee.

In other words, we are leaving American workers out there, high and dry,

and are asked to go ahead and pass this without any serious effort to provide at least some protection for workers in those countries where there are going to be profits that will certainly not trickle down to the workers in that country and where real American workers will pay with the loss of their jobs because of this agreement.

CAFTA does not just ignore international standards for Central American workers; it also fails to include the aid for American workers likely to be displaced. When the Senate Finance Committee debated this agreement, it recommended that CAFTA include aid for displaced American workers, but the White House ignored the bipartisan recommendation. The President effectively abused his power and presented Congress and the American people with a take-it-or-leave-it plan. We know it can be better and we should reject this defective agreement, send it to the White House and go back to the drawing board.

Although CAFTA is the administration's top trade priority, it actually does very little to reduce the Nation's growing overall trade deficit. Trade in the region accounts for less than 1.5 percent of total U.S. trade. It will barely lead to any improvement in GDP, an increase of only one-tenth of 1 percent. Instead of a policy to reduce our trade imbalance with China and deal with its currency manipulations and WTO violations, the administration has spent more than a year on this trade agreement that will do embarrassingly little to improve jobs and the economy. It is out of touch with sensible trade priorities for this country and ignores the needs of American families.

I want to take a few moments to show the pressure American families are under and why they are wondering why we are considering this legislation that provides no protection even for the workers in those countries and why it will accelerate additional pressures on American workers. Look what is happening in this country. More than 37 million Americans, 28 percent of the workforce, work more than 40 hours a week. Nearly 1 in 5 workers work more than 50 hours a week. More than 7.4 million Americans are working at 2 or more jobs, and 300,000 have 2 full-time jobs. Americans' work hours have increased more than in any other industrialized nation. American workers are working longer, are doing better, are increasing their productivity. Is there any recognition and respect for this extraordinary achievement? I certainly do not see it.

What do we have here? Workers are not benefiting from their work. This chart shows there is an increase in productivity from 2001 to 2004. Productivity is growing 43 times faster than wages.

Generally, in our country, when we have seen the expansion in productivity, we have also seen a growth in American workers' wages. That is the way it has been since we have been an

industrial nation, with the exception of the present, current time. Currently, workers have been increasing their productivity—they are working longer, they are working harder, and they are increasing their productivity—but effectively their wages are stagnant.

What kind of life do these American workers face? They face an increase in their health insurance. Their wages are stagnant, their health insurance costs increase 59 percent; college tuition for their children is up 35 percent; housing is up 36 percent; and gas 38 percent. We just passed an energy bill. You would have thought in an energy bill we would try to do something about the cost of gas that working families and middle-income families are paying every single day. Right? Wrong. Wrong. We did nothing. We did nothing about the increased cost of gas.

We took care of the major companies that are producing it, but effectively we have done nothing that has helped the workers in that particular program.

Look at what has happened. This President is the first President since Herbert Hoover to lose private sector jobs. These are the figures: 2001, 111,622,000 were working in the private sector. Now we are 111,598,000 in May of 2005. We have seen the reduction of jobs that are available in the private sector. There has been some growth, but it has all been in the public sector, not the private sector.

I saw the earlier presentation of the Senator from Colorado. He talked about the recoveries we have had. We have seen in this recovery of this administration, it is the lowest one we have had in recent years. What we find now is, as a result, we have 7.6 million Americans who are out of work; 1.6 million more unemployed than in 2001. These are the numbers of Americans who are out of work. The ones who are working are working longer and working harder.

This is a quote from Kevin Hassett, director of Economic Policy Studies, the American Enterprise Institute, which is a conservative institute:

Usually at this point in a recovery job creation is skyrocketing, but so far that hasn't happened: It's not a partisan issue, it's a fact. The labor market is worse than in a typical recovery.

These are the economic conditions. Now we have of those 7.6 million Americans, they are trying to compete for job openings. There are 3.6 million job openings in this country. These are hard-working Americans, trying to compete for a limited number of jobs.

Another very important point to know about the condition of American workers is the number of those who are long-term unemployed. We have seen that grow from 680,000 in 2001 to this in May of 2005, up 1.5 million. These are the workers who have been unemployed for 26 weeks or longer. This is an indication of the stagnation of our economy. Here we have seen 2.8 million manufacturing jobs lost over the period

since 2001. There it is, 2.8 million jobs lost, manufacturing jobs lost. They have been lost in virtually every one of the States; 47 States have lost manufacturing jobs. Now we are being asked to pass another piece of legislation that is going to accelerate that? That is what this legislation will do.

We know what is happening to the American workforce. They are working longer, harder. They have a greater increase in productivity. Their wages are flat. The things they pay for are going through the roof. And we know those workers are going to lose their jobs. What jobs are out there for them? This is the growth in the next decade, low-paying occupations. Seven of the ten fastest growing occupations pay \$27,000 a year: Retail, food prep, cashiers, janitors, waiters, customer reps, and nursing reps.

We should be in the Senate debating and arguing how we can ensure our workforce is employed in the country that has the greatest economy, certainly the greatest national security, and the greatest military. We want to keep it that way. The way to keep strong is with a manufacturing base. The way to do that is invest, invest, invest; invest in those workers to make sure they have good training, upgrade their training, invest in innovative and creative ways to expand our ability to manufacture and expand.

Are we debating those issues? No, we are trying to pass legislation that is going to put workers that do have jobs at greater risk. That is what this does.

It is against this background I mention the latest UNICEF study from 2004 revealed Costa Rica has 127,000 children working in their plants. Guatemala, virtually the same. Those countries are virtually the same. Will this legislation get those children out of those plants and factories? No. Absolutely, no.

The interesting aspect, there is one limited program sponsored by the Labor Department that permits the Labor Department to inspect plants and factories across the country regarding employment of child labor. What did this administration do? It cut the guts out of it, 80 percent of the appropriation. They cut the guts out of it. Does this add up or make sense; an 80-percent reduction in appropriations of the program that provides the inspection for child labor in these countries? The children are going to be in those sweat houses. Our workers will be losing jobs. The American workers are going to be losing jobs. There is virtually no penalty. Actually, yes, there is a penalty that could be imposed against the country but not against the specific industry. The industries really do not care. Those countries will be negotiating those penalties.

It does not have to be this way. We ought to be able to have a program that is going to be fair to American workers, uplift the working conditions of those countries around the world,

and also be something that all members of this Senate would be proud to support. That is not this legislation. It is heavily flawed. As a result, there will be not only enormous numbers of people in that region that are going to be exploited, but we will pay for it with the price of American workers.

I yield back my remaining time.

The PRESIDING OFFICER (Mr. BURR). The Senator from Vermont, under a previous order, is recognized for 5 minutes.

(The remarks of Mr. LEAHY are printed in today's RECORD under "Morning Business.")

The PRESIDING OFFICER. Under the previous order, the Senator from Oregon is recognized for 15 minutes.

Mr. WYDEN. Mr. President, I have decided to support CAFTA. Because I know I will have a lot of welts on my back for it, I want to take a few minutes to describe how I arrived at my decision.

A special concern to me is that if CAFTA is rejected, China will have yet another opportunity to grow its economy and strengthen its economic base at America's expense. Why Americans would want to do that defies logic.

China is already an economic juggernaut. But as of now, they are not going to get duty-free exports to Central America. Only the United States has that prospect, and only with CAFTA-DR. If America walks away from this agreement, does anyone really think the Chinese will sit on the sidelines? As the kids say, "hello!"

The Chinese would love the opportunity to get an economic toehold in our backyard. I, for one, don't think we ought to give them that opportunity. Personally, I believe we ought to be more vigilant in terms of watchdogging trade with China than we have been. That is why last week I pushed the Bush administration to immediately move to do a review of the proposed purchase of Unocal by China's state-run oil company under the Exxon-Florida law, to examine the national security and economic implications of a deal that is essentially unprecedented.

If you are a free trader—and I am willing to be called that—you ought to protect your interests. That is why I favor, for example, doing a vigorous review of that proposed purchase of Unocal, and I also propose standing up for our interests in Central America rather than walking away from the region and handing the Chinese yet another golden economic opportunity to strengthen their economic base. In my view, it will be an opportunity we have given up, and gratuitously so.

My view is that with respect to international trade, we ought to make things and grow things in the United States of America and then sell them around the world. Particularly, I want to sell more value-added products made in the United States of America. There is an opportunity in Central America to sell those value-added products made in the United States such as

health care equipment, energy production and conservation goods, computer chips, communications gear—a whole host of products. The reason I say that is that the Presidents of various countries in Central America have written me indicating they are prepared to now make those purchases. They are interested in U.S. suppliers.

Some have asked, how is someone in Central America going to have the money to purchase these health care products and chips, computers, and communications gear? The reality is, the first purchases will be made by governments in Central America. The governments have indicated to me they are the ones that want to spend on our value-added products: computers and chips and energy-production devices.

For example, Honduras is starting a "Telephony for All" program. They intend to increase dramatically the number of telephones, wireless devices, and the various technologies that will allow them to be part of the information age. We ought to make sure those products are made in our country and sold there. We will have an opportunity to do more of that under this agreement, which will allow us to send American exports into Central America duty free.

Now, I would be the first to say this is not the agreement I would have written. For example, I feel very strongly about using the Jordan Free Trade Agreement as the model for labor and environmental standards. I think it is a major mistake that was not done. I also think our inability to get a strong trade adjustment package into this legislation is something the Senate will greatly regret.

I see my good friend from Montana on the floor, Senator BAUCUS. He has championed Trade Adjustment Assistance, along with myself and Senator ROCKEFELLER and Senator COLEMAN. We got 54 votes in the Senate not long ago for our bipartisan legislation to try to assist workers who are adversely affected by trade.

It seems incomprehensible that we cannot modernize this program. It is decades old. It ought to be extended to service workers. There is bipartisan support for it in the Senate. It would be yet another message to the workers of this country, who are out on the shop floors, that we are concerned first and foremost for their well-being.

So I am going to continue to come back and prosecute this cause with the Senator from Montana. The chairman of our committee, Senator GRASSLEY, knows full well how strongly Senator COLEMAN and I feel about it, because it is unacceptable to me there is not a trampoline for workers who are adversely affected by trade to get other family-wage jobs. We ought to have that opportunity for them to bounce back when they are adversely affected by trade. We have it in other areas. The failure to extend it to service workers, who could be affected by this and other trade agreements, I think is a major mistake.

There are other changes I would have wanted, particularly in the pharmaceutical area. I think this legislation is not well conceived in that it clearly favors brand names over generic ingredients. But I will say to colleagues that even with these concerns—the inability to have a modernization of the trade adjustment program and some of the labor issues addressed in the way I would—it is a bigger mistake to reject this agreement. If you reject this agreement, you send a message to China: You ought to head for Central America as fast as you can because you have an opportunity to get a toehold in America's backyard.

You are denying the opportunity to a lot of American exporters, people in Oregon and other states who make those value-added products, the high-skill, high-wage products and technologies to sell those goods in Central America.

I want colleagues to know I have met with a lot of those companies and the governments in Central America. I would like to see us bring them together. There is no reason why energy production and conservation products made in our country, and computers and chips and health care technologies, should not be sold in Central America, when the governments in that part of the world are prepared to make major purchases.

Let's do more to try to make sure those purchases come from American exporters rather than Chinese exporters. I urge colleagues to support the agreement.

The PRESIDING OFFICER. Who yields time?

The Senator from Montana.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the following Senators be recognized in this order: Senator ROBERTS, 15 minutes, with the time to be taken out of the time allocated to the Senator from Iowa, Mr. GRASSLEY; Senator HARKIN, 20 minutes, with the time to be taken out of the time allocated to the Senator from North Dakota; and Senator GRAHAM, 15 minutes, with the time to be taken out of the time allocated to Senator GRASSLEY.

The PRESIDING OFFICER. Is there objection?

The Senator from North Dakota.

Mr. DORGAN. Mr. President, might we at this point find out what time remains of the three allocations of time on this bill? You can proceed with the unanimous consent and then perhaps give us the time remaining.

The PRESIDING OFFICER. The Senator from Iowa has 7 hours 7 minutes remaining. The Senator from Montana has 2 hours 50 minutes remaining.

Mr. BAUCUS. Two hours 50 minutes?

The PRESIDING OFFICER. Two hours 50 minutes.

Mr. BAUCUS. Thank you.

The PRESIDING OFFICER. The Senator from North Dakota has 3 hours 52 minutes remaining.

Mr. DORGAN. I thank the Presiding Officer.

The PRESIDING OFFICER. Is there objection to the unanimous consent request for ROBERTS, 15 minutes; HARKIN, 20 minutes; and GRAHAM, 15 minutes?

Without objection, it is so ordered.

The Senator from Kansas is recognized for 15 minutes under the previous order.

Mr. ROBERTS. I thank the Presiding Officer.

Mr. President, today I rise in support of the Central American and Dominican Republic Free Trade Agreement called CAFTA. I also want to state a word of caution in regards to an issue that is commensurate with this vote; and that is the waning support for free trade in this country, more especially in farm country.

It was not long ago when the prospect of expanding our trading opportunities with our neighbors across the ocean—the 96 percent of the rest of the world in terms of trade—was met with great optimism and urgency. I do not know of anybody who made a farm speech who did not say: OK, point No. 2, point No. 3—in the laundry list of things they were trying to get done in Washington—without involving trade and expanding exports. Times have changed.

Today I think we are suffering from what I call “trade fatigue.” That is to say, many times we oversell and we overestimate what is going to happen in regard to the expectations of a particular trade agreement. We oversell it. I know that many more times we over-criticize them. As a result, in farm country, I think our producers of food and fiber are a little weary and a little wary of this animal we let out of the chute called free trade.

There have to be better examples, specific examples, in regard to how our producers basically benefit from free trade during very challenging times in farm country—a time when we see a lot of industry concentration going on and consolidation, not only in farm country but throughout our entire economy.

Well, I am privileged to represent the State of Kansas where farm exports support over 47,000 jobs, both on the farm and in food processing and transportation. Farm exports from the State of Kansas are estimated at \$3 billion, compromising one-third of all farm income. Our State is the Nation's top exporter of wheat and the second largest beef exporter, both of which rely heavily on increased market access. In short, an opportunity such as CAFTA is going to be essential for Kansas.

But in my hometown of Dodge City, and in the rest of farm country, you hear the discussion of trade and exports, and there is some reservation, not expectation. I do not think it is isolationism. I do not think it is protectionism. Too many times farm organizations and commodity groups are looking out for their own commodity interest instead of the big picture, which involves opportunity for all American farmers and businesses.

Perhaps more importantly, this is an issue of national security and stability, just south of our border as well. Let me touch on that.

Our country has benefitted from trade agreements with Chile, Australia, Canada, and Mexico. Since NAFTA was signed—you do not get the specific instances of this in the press; you always get the instances of somebody who has suffered economically or seen their job outsourced or whatever—but basically, these Kansas exports to Canada and Mexico combined have increased by more than 120 percent. In the first year of the Chilean Free Trade Agreement, our Kansas exports to Chile actually grew by more than 9 percent.

CAFTA will build on this trend by securing 44 million new consumers. Under the agreement, half of the current U.S. farm exports to CAFTA countries will become duty free immediately. This includes high-quality cuts of beef and cotton and wheat and soybeans—major commodities.

Under the existing World Trade Organization commitments and tariff preferences, most exports under CAFTA countries already enter the U.S. duty free. However, U.S. exports could face potential tariffs of up to 250 percent in the case of beef. Despite these tariffs, why, our producers in Kansas exported to CAFTA countries a total of \$23 million last year.

Earlier this month, the U.S. Census Bureau reported that our Nation's international trade deficit measured \$57 billion. That was a \$4 billion increase from previous reporting. As we face the growing competition in global agriculture, it is more important than ever to secure duty-free rates in these countries.

Now I want to touch on this business of security just south of our country. As chairman of the Intelligence Committee, and as a member of the Armed Services Committee, I must stress this agreement is not only about expanding market access. We are talking about stability, stability within these countries, and our own national security. Specifically, I am talking about the big issues of immigration, drug trafficking, and energy.

If you put in Mexico and Venezuela, for instance, albeit they are adjacent to the CAFTA countries, we are talking about 23 percent of our energy supply. I do not think it is an exaggeration to say that without this trade agreement we run the risk of these countries falling prey to others who have far less interest in democracy and stability than in manipulation and power within these countries. I do not want to go back to the days of the 1980s. I do not want to go back to the Nicaraguan situation and Danny Ortega. That is not in the best interests of these countries in the region, and it certainly is not in the best interests of our national security.

So given this reality, it is difficult to understand how the interests of one

commodity—one commodity; and I am talking about sugar—has largely outweighed the potential for regional stability in CAFTA countries. In the past, whether in trade agreements or trade disputes, whether it be in farm bills or budget reconciliations, our commodity and producer groups sank or swam together. We either hung separately or we basically tried to hang together.

But today that is not the case. And, I am not trying to pick on the sugar industry or the sugar representatives or the hard-pressed sugar producers in the United States. It is just that I am terribly concerned that instead of “one for all and all for one,” we have “all for one and one for one.” And that is not right in regards to how we approach this from the standpoint of the agriculture interests in this country.

Sugar is already under one of the most protected U.S. agricultural programs. In fact, when compared to the rest of the world, our producers enjoy the highest world price for their product. I know about their cost inputs. I know about the difficulty, but my previous statement is correct. In recent years, we have journeyed down a dangerous road in our negotiations with the Australian Free Trade Agreement and now with CAFTA, by allowing the singular interests of one commodity to dictate the livelihood of a comprehensive and well-intended agreement. I do not think it is right for one commodity to dictate in regard to their self-interests to the detriment of other interests in agriculture.

I remember the whole-herd dairy buyout, which pretty well ruined the entire beef industry. I do not want to go down that road again. I think this is an example of that case.

Under CAFTA, during the first year of the agreement, allowable sugar imports will amount to only a little more than one day's U.S. production—one day. The Secretary of Agriculture pulls out of his pocket two sugar packets and says that is what every consumer will have in extra supply in regard to the CAFTA agreement. Despite the nominal projected effect on the U.S. sugar prices and production, our domestic sugar industry has demanded that they go unharmed by this and, plausibly, by any other trade agreement.

Despite efforts by the administration and others to try to reach some accommodation, many in this Congress support the sugar industry—and I have as well. As chairman of the House Agriculture Committee during 1996 and through six farm bills, I tried to be helpful to the sugar industry. Every time we have a reconciliation bill, every time we have an appropriations bill, every time we have any votes on a farm bill, we have tried to be of help to the sugar industry. Usually those votes are very close, by two votes, four votes, five votes in the House of Representatives, and the same happens in the Senate. So you stand up and say: OK, let's really try to stay together in regard to

the agricultural lobby and be fair to our producers nationwide, nobody singled out. I am saying to the sugar industry, you may win this battle, but you may also lose the war.

Sugar's insistence upon receiving special treatment makes it very likely that the rest of agriculture, which overwhelmingly supports CAFTA, may opt not to participate in sugar's defense the next time that program faces a WTO challenge, budget reconciliation measure, and the endless amendments to end sugar's support program during the next farm bill. Let that warning be heard.

Some of my colleagues have expressed their concern—we just heard Senator WYDEN, the distinguished Senator from Oregon—in regard to labor and human rights standards in the CAFTA countries, arguing the agreement does not set strict enough standards in these areas. I am concerned about the environmental concerns in these countries and the labor concerns in regard to these countries and the human rights standards, but trade agreements are not the appropriate forum for addressing these issues. Basically the country will say: Thank you very much. We are a sovereign country. We are not going to trade with the United States. We will trade with somebody else. We will address these problems on our own. It is a little bit impervious in regard to that concern.

I don't think we can expect these countries to establish and value the same high labor standards we have overnight. Rather, we should encourage and facilitate the emergence of such standards.

Today the most important question is not what happens if we approve CAFTA but, rather, what would happen if we don't pass this agreement. Only an ocean away, China is aggressively pursuing opportunities to compete in both the high tech and production agricultural sectors. We have only gotten a glimpse of the economic capability and resources of this country. Furthermore, we face additional and continued threats and allegations from the WTO in regards to our international food aid and export programs. I am talking about our food aid and export programs. The recent cotton case brought by Brazil is one of the most serious agriculture trade disputes we have ever faced. And farm country has not awakened to this challenge. The Senate has not awakened to it. The ramifications of this decision in this case are far-reaching and could potentially affect every section of our farm export programs.

If we fail to approve CAFTA, we stand to lose credibility in these negotiations and, in turn, the ability to aptly protect the food aid programs and the development assistance that are essential in our war against terror and our efforts to prevent children in the Sudan from going hungry.

We have not come this far to take one step forward in the WTO and, with

our other bilateral trade negotiations, to take two steps backward by failing to approve CAFTA. If we do not approve CAFTA, I don't know what we do with the Free Trade in Americas Act. I don't know what we do as we go into the WTO negotiations facing the Brazil challenge. I don't know what we do in the next farm bill in regard to how we structure the farm bill if we do not rely on trade and exports, at least to the realistic degree that we should. What do you do? Do you write the farm bill and say: Go back to your domestic production and then pay a higher subsidy for which we do not have the budget dollars? I don't think so.

I urge my colleagues to support this agreement. It is in the best interest of the United States, not only on behalf of agriculture and all the other business activities that will benefit from the agreement, but also from a security standpoint as well.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Iowa is recognized for 20 minutes.

Mr. HARKIN. Mr. President, as the Senate debates the Central American Free Trade Agreement implementing legislation today, we know that it has been more than 13 months since the United States and its six partner countries in Central American and the Dominican Republic formally signed the agreement. So what has taken so long? The reason I think for the long delay, obviously, is that supporters have had a hard time selling this agreement to the American people. The supposed benefits are murky, in the distance, while the flaws are all too obvious. This is a shame because we could have a much better agreement that would have won broad bipartisan support.

I have evaluated CAFTA with a genuinely open mind, having supported most major trade agreements during my three decades in Congress. I have no philosophical or ideological bias for or against trade. Far from it. I take a strictly pragmatic approach, and generally I am in favor of trade. But that same pragmatism tells me that it is folly to load all of our economic and diplomatic hopes on the slender back of inadequate trade agreements.

As has been my practice with past trade agreements, I have carefully weighed the prospective advantages and disadvantages of CAFTA. Under the fast-track procedure, our only option is to vote up or down. And late last evening, after thoroughly looking at this, I finally had to come to the conclusion that the problems with CAFTA, as we have it before us, clearly outweigh the very small benefits. On balance, the facts and reasons against CAFTA are significantly stronger than the arguments for it. Therefore, I must vote no on this implementing legislation today.

As one would expect, proponents of CAFTA have presented a glowing picture of the agreement's benefits, but there has been an awful lot of over-

selling, in some cases outright exaggeration about how important this agreement really is. Let's take agriculture, for example. On paper, CAFTA appears to offer opportunities for some U.S. farmers and negatives for others, and the magnitude of these pluses and minuses is part of the debate. But while in theory agriculture should benefit overall, the projected benefits are strikingly modest, and they come many years in the future.

Economists at the American Farm Bureau Federation estimate that U.S. agricultural exports would increase by about \$1.5 billion a year when the agreement is fully effective. That is 15 to 18 years from now. So if we assume an average annual inflation rate of about 2.3 percent, that \$1.5 billion increase by 2024 would be only about \$930 million in today's dollars. That is about 1.5 percent of our total agricultural exports. So the benefits 15 to 18 years from now, calculated in today's dollars, are relatively small.

There is one other aspect to this. The International Trade Commission of the U.S. Government also had a study. It showed that they predicted a \$100 million decline in net annual exports from the United States to the six partner countries as a result of CAFTA. So we get a small 1.5-percent increase in agriculture in 2024. But the International Trade Commission says we are going to have a \$100 million decline in net annual exports from the United States.

Whether CAFTA's modest predicted benefits actually materialize is in dispute. Average per capita income in CAFTA countries is about \$1,800 a year. Are they going to become good customers? About a third of the population there lives on \$2 a day or less. How are they going to buy a New York strip steak or one of our delicious Iowa pork chops that some are so optimistic that we are going to export to those countries?

Potential for big gains is further limited by the fact that we already dominate trade in those countries. In 2003, we accounted for about 45 percent of all merchandise exports to the region. The benefits that CAFTA backers optimistically predict are based on the assumption that CAFTA will spur economic growth in these generally poor and small countries. Right now, under existing trade preference programs, these six countries already face zero tariffs on 80 percent of the goods they ship to the United States, meaning that additional tariff reductions will not spur significant economic growth in those countries. Many are skeptical of these claims about CAFTA and the economic growth in Central American countries.

One of the reasons that has moved me to the "no" column on this is, I recently had a meeting in my office with a Catholic bishop, Bishop Alvaro Ramazzini, a senior Catholic prelate in Guatemala, who came to my office to lobby against CAFTA. I spent time with him. I quizzed him about it. I

wanted to know why he felt so strongly that CAFTA would not be in the best interest of his parishioners. He said that he and other advocates for the poor in Central America opposed CAFTA because its benefits would go mostly to the economic elites and it would deepen the disparity between rich and poor. So if, as the bishop says, CAFTA would not raise incomes broadly for Central America's people, it won't help them and it won't help us.

The previous speaker mentioned something about Daniel Ortega. Talk about a ghost out of the past. I am talking about the Catholic bishop of Guatemala who came to this country a few months ago to tell us that this would not be in the best interest of his small farmers, his campesinos, and their families. He said it would drive them off their farms and push them more into cities where there is no work for them.

CAFTA will make it harder for U.S. workers, farmers, and businesses to succeed in the increasingly competitive global economy. We can compete on a truly level playing field. It is not fair competition if other countries allow their manufacturers or farms to disregard internationally recognized labor rights and child labor protections or if those countries have lax or non-existent environmental rules. This CAFTA does virtually nothing to deal effectively with the competitive issues relating to labor and environmental standards. For labor, the internationally recognized rights are pretty basic, such as the right of association and bargaining, prohibition of forced or prison labor, and protection of children from working at young ages or in hazardous or exploitative jobs. I have worked for many years in the effort to eliminate abusive child labor around the world. It is morally wrong, and it leads to all kinds of other injustices and inequalities.

Reports from our own Department of State and the International Labor Organization have documented labor rights and child labor problems throughout the six countries of CAFTA. Just yesterday morning, we learned that our U.S. Department of Labor had been hiding from us a report it commissioned that found serious labor violations in the countries that signed CAFTA. Right now—this is what is important—under current U.S. law, if one of those CAFTA countries condones abusive child labor or other violations of internationally recognized labor rights, we can keep that country from shipping goods to us at low tariff rates. In other words, our U.S. trade law right now allows us to enforce international labor rights. This came about because in 2000, I worked with then-Senator Jesse Helms to modify our Generalized System of Preferences Program, the GSP Program, so that countries that allow abusive child labor are ineligible to ship products to the United States at low GSP tariffs.

The other provision is in the Caribbean Basin Initiative. It allows our

Government to deny the benefit of lower CBI tariffs to enforce the broader set of internationally recognized labor rights; that is, if a country is tolerating violations of international labor rights, we can take action so that goods from that country coming into the United States are subject to a higher tariff than is applicable to goods from other CBI countries. In fact, we have taken action under that CBI provision against violations of international labor rights.

So right now, as pertains to these CAFTA countries, we have strong provisions in law to protect against child labor and internationally recognized labor rights. Guess what. CAFTA would supersede and abolish both of these labor rights enforcement features of our current U.S. law with respect to the six other CAFTA countries. Talk about a giant step backward. Five years ago, this Congress added—and the President signed it into law—provisions that protect children, protect people who want to organize and bargain collectively, protect against forced or prison labor in these countries. Guess what. CAFTA does away with it.

What is happening? I thought we were supposed to be progressing in the world, in terms of recognizing basic, fundamental human rights. What could be more fundamental than the human right of children not to be exploited and find themselves in abusive types of labor situations and forced to work? Yet, CAFTA removes these countries from being covered by those laws. It says: Fine, if one of these countries were to use kids working in places where it would be in violation of internationally recognized human rights labor standards, we cannot do a thing about it—nothing. Today we could. When CAFTA passes and goes into effect, we won't. Not too many people know that. I guess that is the major reason why I am opposing this CAFTA—the giant step it takes backward in protecting against abusive child labor.

Under this bill, we have no ability to hold a CAFTA country to internationally recognized labor rights and child labor protections if its own laws are weaker than the international standard. So we are faced with a contradiction. One of the big reasons that I keep hearing to support CAFTA is to boost economic and social progress in these countries. Yet, we are taking a giant step backward in our ability to press our CAFTA trading partners to combat abusive child labor practices and other violations of internationally recognized labor rights.

Elsewhere, this administration insists on social and political reform as a condition for allocating aid to developing countries. For example, eligibility standards for the Millennium Challenge Accounts require progress on social and political fronts. Why should we jettison such requirements under CAFTA? Should free trade come at the

cost of progress in combating abusive child labor practices? Of course not. It is not acceptable for me, and it should not be for any of us. That is the problem with the bill before us.

Again, if the President would have worked with us and consulted with us in good faith and said we are going to keep these provisions that we put into law in 2000 and the provisions we put in the Caribbean Basin Initiative to protect child labor, well, you've got my vote. But they didn't do that. In discussions with U.S. negotiators before the text was completed on CAFTA, Members and staff made clear our concerns about all these issues. Unfortunately, little or no effort was made to address those concerns until after the agreement was completed and the White House recognized it might fall short of the necessary votes. At that point, it was too late; the final agreement had been negotiated.

Mr. President, from a broader view, the modest benefits that we are theoretically promised 15 years from now under CAFTA simply do not offset the harm it will do to kids and poor people and small farmers in those countries. The modest benefits do not compensate for what is going to happen if our small manufacturers in this country rush down there for cheaper labor, lower environmental standards, make products down there, pay people low wages, don't give them decent benefits, don't recognize appropriate labor standards, use children as workers, dump the refuse out in the environment, and then ship the products back to the United States. That is what we are voting on here.

Mr. President, I don't consider this agreement worthy of passage. Modest benefits, 15 years from now, may or may not be realized. But we are taking a giant step backward in terms of protecting labor rights and child labor and the environment. For that reason, I believe this CAFTA bill, as it is written, is a big mistake. I do not oppose all free-trade agreements with Central America. But for these reasons, I oppose this one. We can, and we should, do better for our people, our farmers, our small manufacturers but also for the poor people of Central America and the campesinos there who need to have their standard of living raised, not have their children working and not going to school, not have refuse dumped into the environment which threatens their health in the future. That is why this is unfair. That is why it ought to be defeated. We ought to have a better trade agreement than this one.

With that, I yield the floor.

The PRESIDING OFFICER. Under the previous order, Senator GRAHAM was to be recognized.

The Senator from Montana is recognized. Who yields time?

Mr. BAUCUS. Mr. President, I do not see Senator GRAHAM here. I ask unanimous consent that the order be vitiating, and I will yield to him when he arrives.

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

The Senator from Montana is recognized.

MR. BAUCUS. Mr. President, in a narrow sense, the Senate today is considering the free-trade agreement with five Central American countries and the Dominican Republic, but in a larger sense, the Senate is debating how the United States can remain competitive. In a larger sense, the Senate is debating how America can continue to earn \$37,000 per person, or more, when there are hundreds of millions of people in China who earn \$1,100 per person a year.

Little agreements like that before us today cannot be the answer. It may be a partial answer but, frankly, in the larger scheme of things, it is really much less important than the central question facing America today with respect to economic competitiveness. The agreement before us today will not open enough markets for American exports to make that much of a difference. That is clear.

No, we need a much more aggressive strategy. On trade policy, we need to try to negotiate bigger agreements—not these small ones, but bigger ones that have much greater commercial value. We need to open negotiations with trading partners who represent a larger share of American trade. There are many examples. We are not doing that, but we should and we must. Time is ticking by. We need to give renewed emphasis to multilateral agreements like the Doha Round. And we need to do a better job enforcing the trade agreements we have already entered into.

Each Senator can list many agreements the United States has entered into with other countries, but the other countries, by and large, have not lived up to the agreements. The most glaring example is intellectual property. We know who the countries are that have not lived up to their obligations to honor intellectual property rights and, as a result, American companies are losing billions of dollars a year. The United States must be much more aggressive in enforcing those agreements.

We need to improve America's education. We need to ensure that we can remain more productive than workers in other countries. That too is clear. We need to give teachers the recognition and compensation they need to ensure that they can help to educate the most productive workers in the world. We need to increase the incentives for students to study the basics—math, science, engineering. Why? So that American students can remain the source of tomorrow's new ideas. We pride ourselves—we have in the last several decades—in being the country that is the most innovative and creative, and that has been true. We also know that others are catching up. There is no reason why people in other countries cannot be as creative and as

innovative as Americans. There is no reason—none. They are people, and we are people. They are human beings, as we are. Their brains are the same as our brains. It really comes down to who is the most educated, the most aggressive, who works the hardest, and who works better together. And people in other countries are becoming very well educated, very aggressive. They are hungry. They are working closely together, and they are investing in areas to increase their productivity. They are catching up very quickly.

We also need to increase our national savings. America has an abysmal national savings history. It will not be much longer, if that trend continues, when we are going to face very dire economic consequences. We have to do something about that; we are not. Our private savings rates are zero. Americans do not save. They spend. We spend. We like to buy refrigerators, cars, boats, clothes. We consume; we do not save. With housing prices so high these days, what do we do? We borrow against the equity in that house. What do we do with the borrowing? We spend. To make matters worse, the Federal Government not only has a savings rate of zero, it has a dissavings rate, huge deficits and debts.

We cannot continue like this. That is one part of the agenda that we must work on if we are going to address American competitiveness. This agreement before us is an important debate, but it is not the real debate. It is an important issue, but it is not the real issue. It is only a small part of the central issue we should be facing. We need to expand incentives for employees to save through work, for example. There is no glamor or rocket science in this. It doesn't make the evening news. That is one reason we don't do it because we are people with such a short attention span. It is the instant view—what is now—and not what can be 10, 15 years from now. We need to expand incentives for employees to save through work, which is a small step in the right direction to increase savings. We need to stop running massive Federal budget deficits because they are reductions in national savings.

We need to address our outsized and very expensive health care system. We spend twice as much on health care per capita than the next highest country. I ask, are we twice as healthy? Of course not. We are not twice as healthy. Why do we spend twice as much? A lot of reasons. It is very complex, but we do. What is the consequence of that? One consequence, clearly, is that our companies are having a very difficult time competing—particularly our larger, older companies. They have extremely high health care costs, legacy costs to employees and retirees. Their competitors don't have them nearly that high.

I have talked to CEOs of large companies who say they are thinking of locating their plants in other countries largely because the health care costs for those employees in those countries

is much lower and so they can compete.

I remind my colleagues, this is an incredibly competitive world. It is incredibly competitive, and just the slightest margins make a difference. We have to, therefore, be incredibly competitive ourselves. It is teamwork. It is Americans working together. We are not working together.

Look at this debate. This debate is pretty sterile. One side exaggerates; the other side exaggerates. We are not talking with each other. We are not focusing on the real problem. I hope in future days, weeks, and months we start to wake up and not get so involved with the periphery. CAFTA is not really the periphery, but it is not far from the periphery. We should, rather, focus on the central questions.

We also need to foster much greater use of information technologies in health care. Did you know, Mr. President, that the equivalent of two 747s crashing every day is the number of Americans who die on account of medical errors? Between 58,000 and 98,000 people a year in America die because of medical errors. It is not true in other countries. It is in America. Much better information technology in the health care industry will reap immense benefits.

What is one of the reasons we do not invest in IT in America in health care? It is pretty simple. It is reimbursement. Hospitals will spend thousands of dollars on CAT scans and on PET scans, the latest technologies. Why? Because the Medicare program reimburses them for those machines. It is also competition, keeping up with the Joneses. What is the Medicare DRG for IT? There isn't one. We have a system that reimburses and sets up incentives that discourages development of IT in health care, which we have to have, which will reduce medical errors. It will have all kinds of positive consequences if we get a much better IT system. We have to get going in this country. We are behind the eight ball.

In sum, to be competitive, we need to have a plan. This is a bit simplistic, but I think it somewhat makes the point. I mentioned earlier how competitive this world is. We all know that. If we put two teams on the playing field—by the way, I am an American. I am for the American team. I do not want to denigrate other people or hurt other people. The ideal is that everybody around the world is doing extremely well. I am an American. I am on the American team. I want America to do well.

If we put two teams out on the playing field—let's take football. One team has a quarterback, blocking backs, the linemen, they have a coach, a play, a plan. That is one team. The other team has 11 players on the field. One person wants to do one thing; he wants to carry the ball. Someone else says: I want to carry the ball. No, I want to kick. No plan, no coach. They are out doing their own thing. They are entrepreneurial. It is free competition,

going in their own directions, doing what they want to do.

Which team wins? I grant you, that is simplistic. That is very simplistic, but I think it does make a point.

Other countries have plans. I can name them: China. China has a plan. Japan has a plan. I think some European countries do; I am not sure. I do not know how much better organized they are, but the main point is we do not have a plan. I am not asking for a centralized plan where somebody decides what everybody does, but I am asking for much greater cooperation, much more working together so that Americans can compete.

I go back to what I said earlier. So much of this is education. It is value added. We need to add value up here at all levels—K through 12, continuing education, vo-tech, and so forth. Ultimately, that is where it is at—education. There is nothing else but education—math, science, and other areas.

I see the Presiding Officer taking notes. I can see he is listening to me. I can tell I am making some points that maybe make sense and he is going to do something about it. I appreciate that. I wish others would, too.

Mr. President, I ask unanimous consent that the following Senators be the next recognized for debate: I see Senator GRAHAM is in the Chamber. He will have 15 minutes, and that time will be taken out of the time allocated to Senator GRASSLEY. Senator CONRAD of North Dakota wants 15 minutes, and his time will be taken out of the time allocated to Senator DORGAN. Senator THOMAS will be recognized for 15 minutes, and his time will be taken out of the time allocated to Senator GRASSLEY.

The PRESIDING OFFICER. Is there objection?

Mr. GRAHAM. Mr. President, I believe my time should come from Senator DORGAN because I oppose the bill.

Mr. BAUCUS. I do not know that it matters, Mr. President. For the sake of moving along, we will stick with what we have.

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

Under the order, the Senator from South Carolina is recognized for 15 minutes.

Mr. GRAHAM. Mr. President, I thank Senator BAUCUS. Senator BAUCUS made some very telling points that I think we should all listen to in trying to get a game plan.

I rise today as a “no” vote to CAFTA. I do not think that surprises many people. The point I am trying to make with my vote is many of the things being said about the benefits of CAFTA are very true. I think it will help the Central American countries, the CAFTA nations that are trying to emerge as democracies in some regard. There will be some benefit to the economy. There is no doubt there is some benefit in any trade agreement. But my concern is of a geopolitical concern dealing with China.

The trade agreement we negotiated with Central America, the CAFTA agreement, has many loopholes that China will exploit, just as they have exploited every other trade agreement we have done. The cumulative effect of China on our trading situation throughout the world and our relationship is becoming devastating.

In April, the U.S. trade deficit was \$62.2 billion. With China it grows \$7.83 billion per month. Since we gave PNTR status to China in 2001, the trade deficit with China has gone from \$100 billion to \$162 billion. It is 47 percent greater this year than it was last year.

It has been devastating to the textile and other industries. During the first quarter of 2005, imports from China have grown 1,250 percent for cotton knit shirts and blouses, 1,500 percent for cotton trousers, and 300 percent for cotton and manmade underwear.

The bottom line is products coming in from China are not conforming with international trade regimes. They are not conforming with the standards we would like to see throughout the world.

The bottom line is they are cheap. They take advantage of trade agreements negotiated—NAFTA and eventually CAFTA—through transshipments. What is going to happen very clearly, to me, is Chinese companies will move into the CAFTA. They will take material made in China with slave-wage conditions, horrible conditions, throw a label on it as if it were made in CAFTA, and get it into our country in a way they could not do directly from China. It is called transshipment.

Particularly, this agreement is poorly drafted. It does not realize exactly with whom we are dealing. The combined effect of the CAFTA nations, in terms of a market for us, is the size of San Diego. So those who sell this agreement as a major way to create export opportunities for America I think are not realistic. If you took all the combined countries’ economic buying power, it is the size of San Diego, and that is not going to fuel the American economy.

We are going to see goods from the CAFTA nations cheaper than we can produce here. It is going to have an effect on manufacturing in my State and other States that will be part of an overall trend that is getting to be more than we can bear.

China will take advantage of this. It has many loopholes for China. The rule of origin provisions requiring a yarn for arrangement is only for the essential fabric of the garment. What that means in English is we are trying to lock down the fabric and the yarn to be tied to our country, to give a benefit to our textile manufacturers, and that is a good thing. That helps us get into that market.

It does not deal with pockets, collars, and nonvisible jacket liners. They are exempt from that yarn for arrangement. There is a side deal having to do with pockets to address what will happen in my State. I have about 500 to 600

workers who make pockets for garments. The Chinese companies are going to put them out of business because the pockets to be made in a CAFTA nation are not going to come from South Carolina or other places in the United States. They are eventually going to come from China because the pocket agreement, trying to protect the pocket part of a garment, requires all six CAFTA countries to ratify it. That is just not realistic. It is not going to happen. So there are going to be people in my State, unfortunately, if this gets passed, who are going to be put out of a job because China is going to come into the CAFTA region and they are going to put American manufacturing, when it comes to textile goods with regard to pockets, out of business.

There are other loopholes. The single transformation provision allows for pajamas, boxer shorts, and bras to be imported into the U.S. duty free regardless of origin so long as they are assembled in a CAFTA country. In other words, you can have all the material made in China for these products and do the sewing in CAFTA, and they come into our country, and that is going to be devastating to Fruit of the Loom and other people who have come by to talk about it.

This agreement, like all other agreements I have voted for, except Australia, which I thought was a pretty good deal for America, has major loopholes within it to allow China to take advantage of it even though they are not party to it.

The problem we have with China and the way they manipulate their currency, the way they have no regard for intellectual property, the way they transship by cheating, sending goods from China into other regions of the world where we have existing trade agreements, is having a cumulative effect.

We have lost 21.6 percent of the manufacturing jobs in South Carolina in the last 5 years. Some of it is due to modernization. Some of it is due to factors beyond international trade. But a lot of it has to do with international trade that is not being fairly policed.

We have a 6.5-percent unemployment rate in South Carolina. We are fifth in the Nation. Our State has a manufacturing-based economy. The side deals that are being touted for people in this agreement are going to be like most other side deals when it comes to agreements in the last 15 years. Eighty-three percent of these agreements, according to a report by Public Citizen, a watchdog group, were not kept, reversed, or became meaningless.

So my concern about CAFTA is my concern about trade in general. Until we regulate and get buy-in by the Chinese to live within the family of nations when it comes to trading and doing business, every time we expand an area of trade, it becomes another portal for China to enter into our marketplace and to do things they could

not do in a direct relationship with the United States.

They will be able to do things in the area of textiles in the CAFTA countries they could not do directly with the United States. It is just not going to be textiles. Eventually it is going to be other products.

The buying power of these nations, again, combined is the size of San Diego, but what will happen is the ability of China to exploit this agreement is going to be much larger than the buying power of San Diego.

I do believe that trade can help emerging democracies and that there is a logic to the idea the President is proposing for these emerging democracies for which we could create economic opportunity.

However, unfortunately, I believe the way this deal has been negotiated, the way it will be implemented, and the way it will be exploited is not going to improve the democracies in Central America because they are going to lose jobs to China eventually. It is going to hurt the manufacturing base of this country, which is already in jeopardy. That is why I will choose to vote no.

I yield the floor and 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. THOMAS. 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. THOMAS. Mr. President, I will take a few minutes to talk about the topic that is on our agenda today, the CAFTA trade agreement. Certainly, it is something in which all of us are interested. Trade agreements are very important, of course, and whether they fit or not they are always there and we have to deal with them.

Frankly, I have been very involved in this, partly because sugar is one of the products from my State and it is one of the things that has been a very controversial portion of this trade agreement.

Trade agreements are not easy. Whether we like it or not, trade moves around the world and so what we need to do is to find a way to make that trade work as well as we can for ourselves and for others. Sometimes I am a little disappointed. When we passed the free-trade agreement, I think we should have called it the fair-trade agreement. Free trade is not always the way things are.

There is a book called "The World Is Flat," talking about how there is equality throughout the world, but it is changing. Well, it is changing, but it has not all changed. There is a great deal of difference between one country and another in terms of their economy, in terms of the way it works and whether one is getting paid \$2 a day or \$20 a day or \$20 an hour.

So when one talks about free trade, one has to make sure that they recog-

nize the differences that are there. All I am saying is it is difficult. Of course, we want to work with other countries. Part of the reason for having CAFTA before us is we are looking for relationships with the Central American countries. That is a good idea.

We are looking at countries that are fairly undeveloped or newly developed, certainly a different economy than we have here. Yet we want to strengthen those. I think over time, in terms of thinking about trade, it is going to be important that this hemisphere be together and be strong as we see things develop in Asia and other places around the world. So it is important that we do this.

We are the largest Nation of purchases in the world. So we have some strength to bargain and even though we need to be fair about it, we need to exercise that muscle a little bit because we are in a position to do that. So it is a matter of coming up, hopefully, with fair trade and equality as much for everyone as we possibly can. It is not just a matter of helping others.

There are other ways to help others. It is not just a matter of strengthening other countries but having a relationship that is fair.

I mentioned sugar. Sugar is not the biggest industry in the world, but it is an industry that is important to this country. It is an integral part of our economy. It is a little unique. Agriculture is a big thing in Wyoming, of course; mostly livestock, as one might imagine, in the open space and so on. In our agricultural economy, livestock produces the most by a great deal. The second actually is hay and feed for livestock, but third in crops is sugar. So it is a relatively large one for us.

Sugar is unique as a commodity. If one raises oats and something happens to the price, they can raise barley or some other kind of grain. That is not the case with sugar. With sugar, there is a high investment in particular equipment such as thinning equipment. They used to use Mexican workers mostly to go out with a hoe and thin sugar beets. Well, they do not do that so much anymore. They use expensive equipment to do it. So it is a little different.

The second thing that is different about it is that the producers now also are owners of the processing equipment. So in our State where we have relatively little manufacturing, we have some sugar processing plants which are unique. It is about the only agricultural product in our State that is processed to the extent it is ready for the grocery store shelf when it leaves our State. So even though, as the New York Times, I think, erroneously reported that it was not very important, there are lots of people hired in that industry who are not farmers, but they are producers. So it is unique and it has been treated uniquely over time in the farm bill and other places.

So as one bargains into a trade agreement it is one of the things that one really does not have much flexibility to work on.

Now, in regards to CAFTA, it is important that we deal with our neighbors in that part of the world. We need to work to have a relationship there. They need to strengthen their economy. There is no question about that. That is a good thing. But it is a relatively small market, about half of what some of the larger cities would be in the United States. So we do need to work at it, but we need to understand that it is not going to change the world in terms of what we are doing.

We have made some efforts to make it work, and I am willing to say to my friends and others that several of us who are particularly interested in this have worked with the sugar beet and sugar cane growers over the country and have had a number of meetings with them, have listened to their issues and have worked with them before. We have also worked very closely with the Secretary of Agriculture, and I want to commend him for his efforts to try to find some arrangements that could make it better. We did, finally.

However, one of the strange things about this is that this trade agreement was signed about a year ago and was not brought up to the floor until last week. So when we heard it was coming, I think, a week ago today, we had the very first meeting with the Secretary, with some congressional members who were interested, and the sugar people. There was a great deal of discussion, as there should be, but no one was prepared to make decisions in that short time. So we tried to get back together again, work some over the weekend and be back again on Monday. Lo and behold, here comes the bill to the Finance Committee, of which I am a member, before we even had our second meeting.

I tried to suggest we need a little more time and maybe we could work something out. Nevertheless, that is where it was. Part of our problem was we have not had much time. I do again want to say the Secretary came in with some ideas. He still has some ideas and they are good ones. Our new trade ambassador, Rob Portman, is doing a great job. He has done everything he could possibly do to make this workable. Of course, he had nothing to do with negotiating it in the first place, but nevertheless both of those gentlemen have worked at it very hard. There has not been time to do something.

The problem basically is that this sugar program has been one over time that has been kind of measured in trying to hold its production to the demand in the country. Currently, for example, there is lots of sugar being stored in Wyoming because production is over demand and our own sugar is not being put on the market because there is not enough capacity for it now.

So the Secretary did agree that he could do some things until the next

farm bill comes up, which is 2 years from now, and I think he can. He may have to use some CCC activities, exchange of one goods for another, to handle a relatively small amount of sugar that could come under this pact. The problem is, with the sugar people and others, that it is simply about a 2-year remedy. They need to look at something much further than that down the road.

I say to my colleagues, it is not just exactly the CAFTA agreement that is of concern to us. It is also the fact that the NAFTA deal with Mexico will expire in 2 years, presumably opening up the market there not only for sugar but fructose and other things that could come here and could have a real impact on this fairly difficult to manage sugar industry in our country. So we have to keep in mind we are not just talking about CAFTA, we are talking about the impact that can come from the changes that take place in NAFTA as well.

In addition, if we do something with CAFTA—and we are—then the next thing we are going to be looking at is other countries in Central America, Ecuador, and Brazil—finally, Brazil, which is a big sugar producer. So the precedent that is set with respect to sugar is one that is very concerning to the sugar industry.

What are we going to do in the next immediate trade agreements? So these things all go into it, and that is why a 2-year solution—even though I really respect the fact that they tried to do something, we still will work at it. We are not through trying to find a remedy, but it apparently cannot fit into this. So I do, again, want to respectfully thank them for what they have done.

In any event, those are some of the problems that we have. Finally, one other point, and that is that there seems to be, to me at least, a little lesson in this in terms of negotiating trade contracts. The authority to do that comes from the Congress, asked for by the Executive. As this is done, it seems to me we ought to have a little more input into it before it is resolved.

What really happens in this case, at least practically, is that the negotiators go on, and when their negotiation is finished they come to us with a package over which in this case, because some of the countries had already agreed to it, there really was not any opportunity for changes in it when it came here. So I think we ought to have more input. We could deal with this.

Two more points. One is how important this is. I got calls from the Secretary of Defense, from the Secretary of State, the President, and the Vice President talking about not only is the trade aspect important but also the relationships. I do not disagree with that, but I also have to say that I met with the six Presidents on this and they said the same thing, that this is more than just trade. I say to them and

to myself, Why do we let this relatively little thing hold it up? Why did we not fix that knowing it was going to be a problem before we got there?

I think we can do a better job in the future. I think we are going to be faced with some more of these kinds of issues. We ought to be able to deal with them.

I am sorry we didn't have more time to perhaps come up with a remedy before we have to vote. I voted against it the second time in the committee. Unfortunately, I cannot support it this time. But I do hope we can make some changes and deal with it in the future.

I yield the floor.

Mr. BAUCUS. Mr. President, I ask unanimous consent that subsequent to the remarks of the Senator from North Dakota, Mr. CONRAD, pursuant to the existing agreement, Senator MCCAIN be recognized to speak for 10 minutes and that time be taken from the time allocated to Senator GRASSLEY; following Senator MCCAIN, that Senator DAYTON be recognized for 15 minutes and that time to be taken from the time allocated to myself.

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

The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank the ranking member of the Finance Committee, Senator BAUCUS of Montana, for his leadership on this issue and for the outstanding work he does on the Finance Committee. I sometimes wonder if Senator BAUCUS ever gets any sleep at night, given the number of things on his plate.

I thank my colleague from Wyoming, Senator THOMAS, who has been a great ally in an attempt to protect an American industry from unfair provisions that will decimate an industry that employs 146,000 people in this country. Senator THOMAS has truly been a great advocate for the people he represents on this issue. I very much appreciate working with him.

I support free trade that opens markets and benefits American farmers, businesses, and workers. I supported the Uruguay Round WTO agreement. I supported PNTR for China. I supported the Chile agreement, the Singapore agreement, and the Morocco agreement. I did so because I believed those deals would benefit America and the people I represent in North Dakota. But I have come to the conclusion that our trade policy is not working. It is not a free trade policy. It is not a fair trade policy. Increasingly, it is a failed trade policy. This trade policy is clearly off track.

I am beginning to wonder what are we thinking about in this town when we look at the results of the trade policy followed by Republican and Democratic administrations for an extended period of time. Here are the results of this trade policy that is supposed to be such a great success.

This chart shows the trade deficit year by year, going back to 1992. Up, up, and away it goes. The trade deficit

now totals \$617 billion in 2004. For a very long time we never had a trade deficit above \$100 billion in a year. Now we are over \$600 billion, and the latest numbers show we are headed for \$700 billion.

Colleagues, how can anybody call this a success? If this is a success, what would be a failure?

We keep signing these agreements that are supposed to benefit the country and our position keeps getting worse. In the 10 years since the North American Free Trade Agreement took effect, a period in which we adopted the WTO agreement, China PNTR, free-trade agreements with Chile, Singapore, Morocco, and Australia, our trade deficits have exploded.

Up until 10 years ago, our annual trade deficit had never exceeded \$100 billion. When we look at these individual agreements, we see the same story. Our trade agreement with Canada is one I opposed because I thought it would be injurious to my State, and indeed it has been. When we passed the Canadian agreement, we had a \$9 billion deficit with Canada in trade. After the great success of the Canadian Free Trade Agreement, is the deficit less or is it more? Those who say more are right—not just a little bit more but a lot more. The trade deficit with Canada now is not the \$9 billion we had when we entered into the agreement. Now it is \$66 billion.

The same is true with Mexico. On Mexico, remember we were told what a great opportunity this was going to be. If we just signed up to it, our trade relationship would flourish. At the time we entered into the agreement, we had a \$2 billion trade surplus with Mexico. Let's go back and check the records. What is it now? Do we still have a trade surplus with Mexico? No. Instead, we have a massive and growing deficit. We went from a \$2 billion trade surplus with Mexico to a \$45 billion trade deficit. And the very people who negotiated that agreement are now going all over town telling us that this next one is another great success.

I told them it reminds me a little of the German general in World War II who said that he knew things were going bad for Germany when the victories kept getting reported closer to Berlin. They had one great victory after another, but the victories were all getting closer to Berlin, as our forces approached.

You know, I look at these great successes. My question is: How many more of these great successes can we afford? What are we doing with these rapidly growing trade deficits that mean we are borrowing hundreds of billions of dollars all over the world—over \$600 billion from Japan, over \$200 billion from China? We have even borrowed tens of billions of dollars from South Korea. Does anybody think that makes our country stronger? I don't. I think it makes us weaker, more vulnerable.

What are we doing about it? We are not taking action to get China to stop

manipulating its currency or stealing our intellectual property. That is not being done. We are not making progress to reopen the Japanese and Korean beef markets. That is not being done. We have not put a stop to Airbus's unfair subsidies. That is not being done. We have not put a stop to Mexico's unfair tax on beverages sweetened with corn. That is not being done. We have not put a stop to Canada's unfair softwood lumber subsidies. That is not being done.

We have lost focus in these WTO talks, allowing them to drift in the wrong direction. Instead, the focus is on CAFTA. I love these CAFTA countries. They are wonderful people. But the combined economic impact of these countries is equivalent to Columbus, OH. This is our priority when we have a trade deficit of this magnitude? What earthly sense does this make?

When I look at this agreement—I am on the Finance Committee. I have listened, at length, to our ambassadors and our negotiators, for whom I have high regard. They are wonderful people. But they have come back with a lousy agreement. They have gone all over America telling people this is a great opportunity for the United States. They say 80 percent of Central American goods come tariff free into the United States, yet we face tariff barriers when we export to their countries.

OK, I understand that. It sounds logical and reasonable that this might be a good opportunity for us, if 80 percent of their goods come into our country tariff free, but our goods face tariff barriers going into their countries that would look like an opportunity. So when you analyze it, I assumed this would mean great progress with respect to trade deficits. Here is the report from our own International Trade Commission. This is not the U.N.'s trade commission. This isn't the CAFTA countries' trade commission. This is our own trade commission.

On this chart is the conclusion they come to. That is what happens to imports, to our imports from the CAFTA countries. This is what happens to our exports. The import number is bigger than the export number. In other words, our trade deficit with the region is getting bigger—and they call this a success, when we already have record trade deficits? This negotiating team goes down there, spends years and comes back and says: Boy, have we done a great job. We have gotten an agreement that increases the trade deficit with the region.

Hello. Is anybody paying attention? Not only does it make the trade deficit with the region worse, here is what the International Trade Commission says it will do for our economy.

After listening to these speeches, listening to this testimony about how this is a great opportunity for America, I assumed that when they did the analysis of what it would mean for our economy, there would be a big plus.

Guess what. Here is what the International Trade Commission found in their report. This is not my report. This is our own International Trade Commission report. They are the body that is responsible for scorekeeping on these agreements. Here is what they concluded. Here is what it would add to the gross domestic product of the United States. I don't know if they can see that on television—that is a zero. Any gain is so modest it doesn't even show up: Zero.

Zero is a very low number. That is what this agreement would do for the U.S. economy, according to our own International Trade Commission—zero.

But you know what, it also poses a very big risk, at least to one industry in this country. The industry that it puts at risk is the domestic sugar industry. The domestic sugar industry employs 146,000 people in this country. Apparently, our negotiators decided to just negotiate that industry away. It is a \$7 billion industry in the United States; a \$2 billion industry in the Red River Valley of North Dakota and Minnesota. These trade negotiators who brought back a plan that worsens the trade deficit with the region—that according to our own scorekeepers adds nothing to the economy of the United States, adds zero percent to the GDP—puts at risk an entire industry. It is no wonder that our country is in trouble. It is no wonder that we are running record trade deficits. It is no wonder that those record trade deficits are getting even worse with a trade policy like this one.

For months, the USTR has been telling us: Don't worry. This is going to be a little trickle of sugar that is going to come in here. You don't have to worry. It will be equivalent to a teaspoon. I wish it were true. It is a glib description and characterization of what it will do. The fact is, this would threaten an entire industry. Why? Because, under this agreement, it would permit 109,000 metric tons of additional sugar to come in. But that is not the only agreement that is being negotiated. If that same precedent would apply to the agreements with South Africa, Thailand, and the Andean countries that are being negotiated, you can see that would put us at over 500,000 tons of sugar coming into this country, over and above what comes in now.

Every economist has said another 500,000 tons of sugar coming into this country would collapse the price of sugar below the redemption price, would unravel the sugar program and destroy the domestic sugar industry.

That does not end the story. It is not just the agreements with South Africa, Thailand, and the Andean countries that are a problem, it is the previous agreement already entered into with Mexico under NAFTA.

For months, USDA has been saying we can absorb the CAFTA amount of sugar because there is a cushion between our WTO import obligations and the farm bill trigger in the sugar pro-

gram. But that cushion assumed Mexico would not export significant amounts of sugar to the United States. Guess what. That assumption was wrong. It is just not true. USDA just revised its Mexican sugar projections, and Mexico now is projected to have net surplus production of over 440,000 tons. That means under the NAFTA agreement, Mexico can send us another 250,000 tons of sugar duty free, completely eliminating the so-called cushion.

But it gets worse, much worse. Mexico's total exportable surplus this year is now projected to be more than 900,000 metric tons. So they can send us 250,000 duty free. But the story does not stop there. On top of that, they can bring sugar in under what is called Tier 2, where they pay a modest tariff, a tariff that makes it completely in their interest to pay the small tariff on that second tier and bring in the sugar. That means another 650,000 metric tons of sugar above and beyond the 250,000 tons of duty free sugar. Put it all together, and over 1.151 metric tons of sugar comes into this country.

The point is this: When we put together the treaties being negotiated and we put together what USDA has just said will be the capability of Mexico to send sugar into this country, we are way above the amount of sugar that would collapse the sugar industry in this country.

There has been a side deal offered to the sugar industry. I will talk for just a minute about that deal. I have three words for those who think the deal might solve the problems I just described: Don't be fooled. That is not a deal, it is a figleaf. Here is why. The Secretary of Agriculture has suggested to certain Members of Congress that he intends to limit sugar import to 1.53 million tons. He says that will ensure the farm bill provision that turns off marketing allotments will not be triggered.

Unfortunately, it does not work. Why not? First, the deal is only good for 2 years. Second, it does not address the next farm bill or other trade agreements that are under negotiation or what happens in 2008 when the NAFTA sugar protections are gone. In fact, the way this is structured, it almost guarantees that any additional access in future agreements will be backloaded into 2008.

My colleagues, that creates the potential for a perfect storm that will leave the market badly oversupplied going into the next farm bill. Despite highly unpopular payments to foreigners to keep them from sending us sugar—what an idea that is. Want to start paying countries not to send us stuff? Are we really going to do that? How long will that last? How long will it last, that we pay countries not to send us stuff? It will make it virtually impossible to retain the program in its current form and threaten the existence of an entire industry in this country that employs 146,000 people.

I would be remiss if I did not make brief mention of the process that has gotten us to this point—fast track. Fast track prevents Senators from having the right to amend. Instead, we conduct what is called a mock markup in the Finance Committee and in the Ways and Means Committee in the House. We are supposed to be able to offer amendments there that would change the contour and the direction of an implementing bill as part of the Congress's constitutional responsibility for foreign commerce. But it turns out amendments in the Finance Committee mean nothing.

Last year, when we considered the agreement with Australia, the Finance Committee set the precedent that if an amendment was adopted in the so-called mock markup and a majority of the committee rejected the proposed implementing bill, the committee action could be ignored. I got an amendment passed in the committee. It meant nothing.

This year, with the Wyden amendment, the committee has set the precedent that when an amendment is adopted by the committee and the underlying proposed implementing bill is then approved by the committee, that amendment, too, can be ignored. So now we have a situation where this mock markup is a total mockery. It means nothing.

What has happened is Senators have given up their right to amend, and they are left with nothing except the opportunity for a straight up-or-down vote on the whole agreement. There is no opportunity to change the bill in committee or in the Senate. There is no other legislation that moves through this Senate that can be dealt with in that way. That is not how the process is supposed to work.

In conclusion, CAFTA is the wrong agreement at the wrong time. It has been pushed through a process that in itself is wrong. It adds \$100 million to our trade deficit with the region, it puts a \$7 billion industry at risk, creates the likelihood of increased illegal immigration, and it provides immeasurably small benefits for the economy as a whole. It does not make much sense to me.

Here we have record trade deficits, the biggest they have ever been—and growing—and our negotiators go out and reach an agreement that makes the trade deficit with the region in question worse and threatens an entire industry. They call it a success. Colleagues, I don't know how many more of these successes we can afford.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Arizona is recognized for 10 minutes.

Mr. MCCAIN. Mr. President, I will respond.

Mr. BAUCUS. Does the Senator want more time? We can certainly find it.

Mr. MCCAIN. I may ask for an additional 5.

Mr. BAUCUS. I make that request.

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

Mr. MCCAIN. I thank my friend from Montana.

The Senator from North Dakota just stated, Who pays? I wonder, who pays when my wife goes to the supermarket and pays 13 cents more for a pound of sugar than she does and would if we had sugar from these countries able to come into this country?

I am not in the business of producing or selling sugar, nor are many American families. But there are a whole lot of American families who are in the business of buying products that have sugar in them. They pay an exorbitantly higher price because of the protectionism that is practiced for the sugar industry. Since when can't the United States compete on a level playing field?

The opposition to this is clearly one that is protectionist in nature—for an industry that, in my view, should be able to compete with foreign producers. That is not what this debate really should be all about.

The stakes could hardly be higher—whether we import or export sugar, whether the Central American Free Trade Agreement passes has implications, whether the American farm exports will enter the Dominican Republic duty free, or whether Guatemala will be able to increase its textile protection.

By the way, I say to the Presiding Officer, if Guatemala is unable to export its textiles into the United States, I don't believe it will be the United States that would be producing textiles; I believe it will be the Chinese and others.

I don't want to be hyperbolic, but I believe the vote we will soon take on CAFTA is one of the most important that will be cast in the Senate this year. It is important because at stake is the future of Central America in its economic and political dimensions and, hence, its security dimensions. It is important because it will determine whether the free-trade agenda as laid out by President Bush proceeds toward a successful Doha round of global trade talks or whether the effort will be stopped in its tracks. It is important because it will help determine whether the invigorating effects of free trade are experienced in our country anew or whether the protectionists are able to erect their walls around us. It is important because it will show whether a trade policy in America is determined by sugar growers, unions, and other special interests or whether it is determined by leaders who place at the forefront the interests of our Nation as a whole.

A few years ago, we concluded a free-trade agreement with Chile. There are certain facts that are available already. There were the usual arguments against it from the protectionists. In 2004, the first year the agreement was effective, two-way trade increased by 33 percent. In the first 4 months of this

year, it grew even faster—45 percent. Exports from the United States to Chile have risen at still higher rates—nearly 35 percent in 2004 and almost 63 percent in the first quarter of this year. Preliminary numbers suggest that in 2005, U.S. exports to Chile may nearly double those recorded in 2003. That is what free trade is all about. That is based on the firm conviction that most of us have that American products can compete with any in the world.

Now, some can't. And that is terrible, and that is why we have trade adjustment assistance. When industries in the United States are directly affected by importation of products from other countries as a result of trade agreements, we have trade adjustment assistance to provide workers retraining to upgrade their ability to find other employment. We need to do more in that area. But to somehow reject the benefits of free trade because of the damage it may do—and I emphasize "may"—to certain industries is very shortsighted.

We see in Latin America today a growing skepticism about democracy—equated in the minds of many with austerity programs and lack of improvement in the standard of living. Disturbing polls suggest that discontent with democracy is on the rise and that large percentages would prefer a strong man who could improve living standards to a democratically elected leader who could not. CAFTA has the potential to illustrate the tangible benefits that come from democracy—free market economics and partnership with the United States.

Let me give one concrete example. The apparel industry is critical in the regional economy, accounting for \$9 billion in exports each year. CAFTA will lift duty on most apparel and non-apparel goods, immediately bolstering an economic sector that represents tens of thousands of jobs in the region. The overall effect of this and other benefits would be to help lock in Central America's political and economic gains.

Let's consider what happens if CAFTA fails. Rejecting the pact would be seen by our Central American partners as American disengagement from a region important to our security. Thousands of apparel production jobs would likely be lost as they move production facilities from Central America to China, further exacerbating illegal immigration to the United States. It would signal to the people of Central America that the support of the United States for their freedom and prosperity is more rhetorical than real—even in a win-win situation for both sides. It would have a devastating effect on our effort to lower trade barriers with other partners around the world and to push forward the Doha round of multilateral talks and put another notch in the post of the special interests as they despoil the public good for their private gain.

We need CAFTA. It is important to our economy. But it is also vital to our political security and humanitarian interests in Central America.

The former President of Costa Rica, a Nobel Peace Prize winner, Oscar Arias, speaking of CAFTA, said it represents “an unparalleled opportunity to transform Central America into a dynamic economy, deeply integrated with worldwide flows of trade and technology. We ask not for charity, but enlightened self-interest from our northern neighbor.”

I am concerned about the state of democracy in Central America. I am disturbed that in Nicaragua there is every likelihood we may see Daniel Ortega as the next President of that country. I am disturbed about the failing economy and corruption that exists in El Salvador. I am concerned about the continuing stagnation of the economies of Guatemala and Honduras.

Mr. President, if the countries of Central America continue to fail economically, it will give rise to a situation that I do not want to revisit. When I first came to the Senate, one of the overriding and compelling challenges we faced was the rise of communism in Central America, the influence of Castro in countries such as Nicaragua, the Sandinistas in power, the effect it had on neighboring countries such as Honduras and El Salvador where there was an ongoing revolution. Billions of dollars of American taxpayers’ dollars were poured into the region in aiding El Salvador in combating others in the region.

One of the most emotional and unpleasant debates I have ever engaged in on the floor of this Senate had to do with aid to the Contras. I do not want to revisit those days of the 1980s. I do not want to go back to a region that may be beset by corruption, anarchy, and possible insurgencies.

We have another individual on the rise in our hemisphere, and his name is Chavez from Venezuela. He espouses policies and programs that I believe are not in the best interests of the people of Venezuela. And he also, I believe, is having an influence in the region. If there is anything we need today, it is strong, viable economies in Central America, so they can progress, so they can be strong, and they can again be allies of the United States of America, not in a military fashion but in their advocacy for free and open societies, democracies, and places where people can raise their families in a situation of security and peace.

I would like to mention again, if there is one lesson we have learned in the challenge of illegal immigration in this country, it is that if people cannot feed themselves and their families where they are, they will go to places where they think they can. If that means risking their lives crossing the Arizona-Sonora border, they will do so.

Mr. President, I strongly urge—I strongly urge—my colleagues to not only understand the trade implications

of this agreement but the political, social, as well as economic reasons for us to consider favorably this agreement. The stakes are very high. I believe, with the leadership of this President and the bipartisan support of this body, we will prevail.

I thank my colleague from Montana for allowing me this time. I yield back the remaining time.

The PRESIDING OFFICER (Mr. BURR). The Senator from Montana.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the following Senators be recognized next to speak after Senator DAYTON: Senator KERRY for 15 minutes, with the time taken from the time allocated to me; and then a Republican Senator not yet named, for 10 minutes, with the time taken from the time allocated to Senator GRASSLEY.

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

Under the previous order, the Senator from Minnesota is recognized for 15 minutes.

Mr. DAYTON. Mr. President, I thank my distinguished colleague, the leader of our representation on the Senate Finance Committee, the Senator from Montana, who has been outstanding in his guidance to all of us in our caucus and in standing up for the interests not only of his own State but for the farmers and the workers and the people of Minnesota and America, as well as Montana. I thank him and I thank my colleagues from North Dakota who also have been in the forefront of this issue because they, like myself, represent people who are seriously at risk with this agreement.

TRIBUTE TO THE U.S. CAPITOL POLICE

Mr. President, before I address DR-CAFTA, I would like to take a moment to pay tribute to the courageous men and women of the U.S. Capitol Police, who risked their lives yesterday, once again, to help evacuate the rest of us safely from the Capitol Complex.

This is, unfortunately, my fifth evacuation from the Capitol Complex, beginning with September 11, 2001. This has been the best of them, if such a word can be applied to that race against time and the possible horror that is involved.

But as my staff and I walked out of the Russell Senate Office Building’s nearest door yesterday afternoon, which is directly across the street from the Capitol, and hurried down the street away from the Capitol and the buildings, I saw several Capitol Police officers who stood directly exposed while they were calmly directing everyone else to safety. Other officers, I am told, remained once again at their posts inside or right outside the Capitol Building itself, helping everyone else to exit as quickly and safely as possible.

Had the plane yesterday been a hijacked jetliner, as it was on 9/11, it would—if it had not been shot down—have struck its target within 2 minutes of that evacuation alarm. It is ques-

tionable whether the evacuation of everyone in this complex would have been completed by then. But it is almost certain that the Capitol Police officers—who were doing their jobs heroically—would have still been at those posts, or very close to them, at that time. They kept themselves exposed to mortal danger to help their fellow citizens escape it. To all of them and to the other Senate staff who were involved, I say a heartfelt thank you.

It is unfortunate, Mr. President, that exceptional virtue—to place the best interests of other Americans ahead of one’s own—does not apply to this trade agreement called DR-CAFTA. It is a wolf in sheep’s clothing. It pretends to help American workers and American farmers, to provide net gains to our domestic economic and employment growth, and also to benefit the people in six neighboring countries, when, in fact, its driving motivations are higher corporate profits and capital gains by shifting American jobs and their production to those nearby countries to exploit their low wages, scarce benefits, nonexistent protections for workers, environments, local economies, and lower transportation distances and costs than in China, India, Vietnam, and other places, to increase corporate profits and personal wealth at the expense of other Americans and our national economic health.

This is the era of un-American capitalism, with great riches and no taxes for the richest Americans and lost jobs, lower incomes, and less financial security for the rest of Americans.

Those are the facts from a decade of NAFTA, the unfortunate, unpleasant but actual real-world economic, employment, and trade facts resulting from 10 years of the North American Free Trade Agreement.

As with DR-CAFTA now, NAFTA’s proponents prior to its enactment peddled lots of wonderful promises and projections: that NAFTA would create big economic gains for every country and almost everyone in them; there would be increases in U.S. exports to NAFTA countries that would exceed the increased imports from them; and that net gain would increase domestic employment, domestic production, and domestic prosperity.

They turned out to be, unfortunately, domestic dilutions. The real net effects from NAFTA have been exactly the opposite of those promotional fantasies. Over the last 10 years, U.S. imports from Mexico and Canada have increased by 10 times more than our exports to them, resulting in huge net losses, estimated to have cost over 900,000 American jobs.

Many of them have been good-paying jobs, benefit-providing, company-pension-offering and previously secure, reliable, lifetime jobs, the kind of jobs that create stable, secure, healthy, and prosperous communities all across America, throughout all of our 50 States—the jobs that were the economic engines and the social foundations for the hard-working, productive,

and successful people who had those jobs for their families, who were—and still are—their own greatness of America.

But those ingredients of America's greatness—those jobs that support families, provide security, provide health benefits, provide pensions, allow Americans to earn the American dream—they are being dissipated, outsourced, traded away for immediate profits and financial gains for a few, at the expense of many more dislocated workers, destroyed families, damaged communities, destitute seniors, and deficit-plagued local, State, and Federal governments, with serious trade imbalances that are increasing private and public debt, and having a weaker national economy with even more serious consequences ahead.

The proponents of these free-trade agreements—and they are on both sides of the aisle, and they come from the preceding administrations as well as this one—remind me of the story of the crew that was blazing a road in the jungle. After quite a bit of work, the foreman sent somebody up to survey their progress. He climbed up to the top of the highest available tree and looked out and said: Stop, stop. We are going in the wrong direction. The foreman called back: But we can't stop now, we are making so much progress.

These trade agreements have made progress but in the wrong direction. The proponents' solution to that predicament is more of the same—yet another trade agreement with the same bad effects for much of America. In fact, DR-CAFTA is the worst of NAFTA. It involves countries that have even lower standards of living than our own. The per capita income, the average citizen's income, in those six countries range from one-tenth of the U.S. per capita income to one one-hundredth of our per capita income.

We are told, by those who want to pass this agreement, that it is going to create these great export opportunities for our own industries. But exports require people in those countries who can afford to buy what Americans produce. There will be a marginal increase, to be sure, if there is increased employment in those countries. That is positive. I hope—and we should hope—that any trade agreement we make will be good for our fellow world citizens.

However, we should make our trade agreements for our own citizens first and foremost, and not for anyone else's, because every other country in the world, every government in the world, whether capitalist, Socialist, or even Communist—if it is rational in its economic policies—makes trade agreements in its own national self-interest. And then they try to maximize the benefits to their country from those agreements. Unfortunately, we have seen other countries' governments far more effective, even within the scope of these previous trade agreements, at maximizing to their advantage, and often to our detriment, what they can

gain from the exploitation of those agreements.

Our trade policy should not be based on free trade or fair trade or any other kind of policy ideology or economic idolatry, as it has almost become, but on what is the best policy with the best economic results for the most Americans. By that measure, what is the broad public interest—after you take the winners and the losers, which in an enormous, complex, diverse economy such as our own, almost any trade agreement is going to have gains and losses—you have to look at the net effects, what is in the broad public interest, to decide what is best for America.

The U.S. International Trade Commission—Independent of all of us; tasked by law with developing the expertise to carry out these agreements and to analyze them and to analyze each of these proposed agreements in advance of our voting—has already concluded by its independent, expert analysis that under the DR-CAFTA agreement, as proposed, the U.S. trade deficit with those six nations will increase by an estimated \$110 million per year.

That is because the increases in their imports into the United States will be greater than the increases of our exports into those countries. That is the net balance. That is the bottom line. That is not, as some people say, one group's interests or another group's interests. That is America's best combined interest, and it is exactly the opposite of what proponents have been saying is going to be one of the benefits. Once again, the facts, based on the International Trade Commission's projections, but also consistent with the facts as we have seen from 10 years' experience with NAFTA, do not support the Bush administration's false assurances and the claims of others who will benefit and are promoting this agreement.

The response, one would hope, from the administration, in light of that projection by the International Trade Commission that came out about 6 months ago, would be to negotiate changes in the agreement so that we would come out as a net winner rather than a loser. But that has not been their response. It is to increase the advertising, increase the paid promotions for this proposed agreement by those who will benefit from it and by, reportedly—and I have heard this directly from some of those involved in the sugar industry who have been in direct negotiations with the administration—to threaten those who oppose the agreement because they perceive, correctly, that it will have serious negative consequences for their own livelihoods, for their own families, their friends, their neighbors, threaten them with reprisals in the future if they persist in their opposition, or to try to, as we are seeing now, buy them off with some special side deal.

I don't hear anybody on either side of the argument, for or against CAFTA—

DR, who disputes the projections by the experts and the industry itself that the American sugar industry—sugar beets in northwestern Minnesota and central Minnesota and neighboring States, sugar cane in other States—would be seriously and negatively affected.

The extent is perhaps debatable, but the negative effects are indisputable, if CAFTA-DR is approved. So to tell them that they should sign off on their own economic death warrant, or they are going to suffer future reprisals for not doing so is wrong. It is unfair.

The latest approach has been, well, we are going to offer you this special side deal for a couple years to buy you off. I don't know all the details. It has just been disclosed. I don't fault my colleague in the Senate from Minnesota who is purportedly instrumental in that negotiation. I don't agree. I strongly disagree with the arrangement, as I understand it. But I fault the administration for insisting that he or others try to work out such a deal. It is like being handed a huge lemon and being told to make lemonade. Unfortunately, with this trade agreement, there is not enough sugar in all of America to sweeten what is wrong with CAFTA, even for the sugar industry.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DAYTON. I ask unanimous consent for 5 more minutes to complete my remarks.

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

Mr. DAYTON. I thank the Chair.

The proponents want this agreement so much that they are going to use—one way or another, directly or indirectly—U.S. taxpayer dollars to subsidize domestic sugar production or to buy off some of the otherwise imported sugar from these CAFTA countries at taxpayer expense in order to promote a free-trade agreement. It has the added irony, bitter irony of using tax dollars from working Americans in some cases to subsidize an agreement that is going to cost them their jobs. It underscores how the policy is bad economics, how it is bad trade policy. But the proponents of it want it so badly, because of its benefits for those companies that can outsource their jobs, based now in the United States, and that production to nearby countries, taking advantage of low wages there, costing American jobs, costing American communities their businesses and their employment and their social stability for the benefit of the wealthy few corporate interests who are bankrolling this effort, and now, in the ultimate bitter conclusion, taking taxpayer dollars to pay for the political grease to get this agreement through.

If I really wanted to be Machiavellian in my thinking, I would say also—as a big proponent of the domestic ethanol industry, which is now just reaching, because of the world oil price, competitive parity, even without

the public tax subsidy for ethanol, of price competitiveness, even a price advantage in my State of Minnesota with regular gasoline—that by taking this, as some reports have said, excess sugar production and providing what will be an effective subsidy of an additional dollar for a gallon of the ethanol produced from it, distorting the economics, the competitiveness of ethanol, distorting the supply in the competitively growing, successful domestic ethanol industry and trying to show how—in this case, with sugar beets or sugar cane in this country—price uncompetitive making ethanol is from those products is poisoning the well, the public support, is going to reinforce those opponents of ethanol who will then say: Look at how uncompetitive it is and how outrageous this additional taxpayer subsidy is for the production of ethanol from it. And in this case they will be right. And they will use that, I believe, unfortunately, to try to poison the political and public well of support for ethanol, which is a very important, promising part of our energy independence and economic future.

This is a bad agreement for America. It is bad for the sugar industry, and I oppose it for that reason. But even taking sugar aside, it is bad for the rest of America. It is bad for American workers, American industry. It is bad, as the International Trade Commission has concluded, on the basis of the bottom line—the trade imbalance increased, trade deficit with those countries increased, imports that will exceed the increase in our exports. That means, net result, it is bad policy, bad trade for America.

I oppose it. I urge my colleagues to do the same.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I ask unanimous consent that I be allowed to speak in place of Senator KERRY for 15 minutes, and that the next speaker after me be a Republican Senator under the time Senator GRASSLEY was previously granted.

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

Mr. DURBIN. Mr. President, I come to the floor today to announce my opposition to CAFTA. Some expect Democratic Senators to buy and large oppose trade agreements and Republican Senators to support them. I come to this debate as a Democratic Senator who has supported trade agreements in the past. I supported NAFTA, permanent normal trade relations for China, trade agreements for Chile, Singapore, Morocco, and Australia. I think globalization is as inevitable as gravity. We have to accept the fact that America cannot be a rich and prosperous country by selling to ourselves. Merely doing one another's laundry will not create wealth and will not improve our standard of living. We need markets. That is why I have supported trade agreements in the past.

I also understand that as you expand trade, there is pain and there is gain. We have seen it happen throughout the history of the world that as trade expands, some industries expand with it and others decline. When we Americans look at the course of history, we find strong evidence that joining together democracy and free markets is a winning combination. Expanding trade goes hand in hand with pushing the concepts of freedom, ingenuity, innovation, efficiency—all sorts of respect for people at every level. That is one of the reasons I have supported some trade agreements in the past. That is the very reason I oppose CAFTA.

I am disappointed. If there is one casualty in CAFTA, that casualty would be the worker—not just the American worker but the workers in Central America. We know what is happening. We have seen over the past 4 years that America has lost one out of every six manufacturing jobs in the last 4 years and few months. It hit my State pretty hard. Several hundred thousand manufacturing jobs in Illinois are gone, never to return. It is happening across America. The trade policy we have today is exporting jobs. How long can this continue?

We would like to believe that we are going to educate and train a new group of American workers for the 21st century economy. We have to. But in the meantime, should we be entering into trade agreements that encourage the export of good-paying manufacturing jobs from the United States? Should we, instead, be saying that we are going to have trade agreements that make certain we aren't playing to the lowest level? If we have to compete with the countries that pay the lowest wages in the world, we will always lose.

What are we going to say to American workers? Compete at a wage level the same as another country? If you do that, you know what is going to happen to the standard of living. How can you provide for your family? How can you expect to have health insurance? How can you put any money away for your retirement, when you play to that level? That is what this trade agreement does.

Let me tell you two specifics. Senator RON WYDEN of the State of Oregon offered an amendment to this CAFTA agreement which said: If American workers in the service industries lose their jobs because of our decision to enact this trade agreement, we will help retrain them, give them new skills and education so they can go back to work. Displaced workers from service industries would have a fighting chance to get back on their feet and be able to compete. The amendment was rejected by the Bush administration, leaving these workers, who are the victims of CAFTA, high and dry. But there are other workers at stake here, too. I don't think it is unreasonable for us to ask, when a country says they want to trade with us, How do you treat your workers? Do you treat them

with dignity? Do you give them a chance to bargain collectively for their future? Do you allow child labor? Do you allow slave labor? Why in the world would we want to get into a trade agreement with a country that is exporting goods to the United States because they exploit the very people who live in their country?

The language in CAFTA is the weakest language I have ever seen in a trade agreement. It basically says to the Central American countries: Just play by your own rules, whatever they happen to be.

That is not enough. It isn't as if we don't know what is coming. Our U.S. Department of Labor, under the Bush administration, ordered a study of the labor laws in the Central American countries that we are entering into this agreement with. That study came out and made the following report:

In practice, labor laws on the books in Central America are not sufficient to deter employers from violations, as actual sanctions for violations of the law are weak or nonexistent.

What does that mean? It means that if you hire children to make textile goods or whatever it happens to be, if you exploit these little kids in one of these countries, if you work people enormous hours without adequate compensation, if you stop them from organizing and bargaining collectively, the laws in Central America are not going to be there to protect those workers. Ordinarily we say: Life is different in other parts of the world. We shouldn't worry about it. These are the very workers who will make the products who will compete with America. That is what it comes down to. Are we going to continue to play to the lowest common denominator, that as long as businesses are profitable in their trade agreements, we don't want to know the details? That is what this trade agreement does.

Under this administration, workers are expendable. They are expendable in the United States, and they are expendable in the countries that we are entering into agreements with.

That is a sad reality.

I know that there are going to be changes, and we have to accept economic change. But wouldn't we want to stand by American workers first and their families? We have done it in some other agreements—the Caribbean Basin Initiative and the Generalized System of Preferences. This agreement is one of the weakest I have ever seen when it comes to the rights of working people. In those countries in Central America, it is not uncommon to face blacklisting, violence, even assassination of union organizers. It goes largely unpunished. This agreement would not move us one step toward more civilized treatment of workers in those countries.

If we truly care about the basic protections that are supposed to be behind a free-market economy and democracy, we ought to protect American workers

first, not rush to the bottom when it comes to labor standards. We ought to enter into trade agreements where parties are not free to ignore labor standards and basic human rights. That is what is at stake.

Since this President took office, we have lost 2.8 million manufacturing jobs—1 out of 6—and 140,000 in my home State in the last 4½ years. It is a tragic, dismal, and shameful record of American workers losing their opportunities. And this trade agreement, sadly, will only make it worse.

Let me tell you about the group that, frankly, will prosper the most from this agreement. It will come as no surprise to you if you understand the political dynamics of Capitol Hill.

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

The PRESIDING OFFICER. The Senator has 7½ minutes remaining.

Mr. DURBIN. Please advise me when I have 2 minutes.

One of the special interest groups with more power in Washington than any others is the pharmaceutical industry. We have seen it time and time again. When we go into a bill for Medicare prescription drug benefits, we say: Would you not want Medicare to bargain with the drug companies so seniors across America would pay lower prices? No way. It was kept out of the bill so that the pharmaceutical and drug companies can charge exorbitantly high prices to American citizens. That is why people are going to Canada, Mexico, and Europe trying to find cheaper drugs. It is because their Governments care, they force competition, they keep prices down. Not our Government. Along comes a trade agreement. What could that have to do with the pharmaceutical companies and drug companies? There are roughly 165,000 people in the Central American nations living with HIV/AIDS. These are low-income countries where the people are struggling to survive and medicine is barely affordable.

Doctors Without Borders—you may have heard of this fabulous organization based out of France, doing wonderful work all around the world. They provide drugs to HIV patients, and 1,600 in Guatemala alone. They rely on generic drugs because they cannot afford the most expensive drugs. They cost less than brand-named drugs. They can keep a person alive with HIV/AIDS in Guatemala for \$216 a year. If they had to pay for the brand name, it would be \$4,818. That is the difference—more than 20 times the cost.

I know these patents to drug companies are important. They help to spur innovation by rewarding companies for investing. We need a careful balance where we allow generic drugs in these Central American countries and not abuse the patents of the drug companies unnecessarily. At the global level, there has been an active debate about this very issue. We have had agreements that have been entered into. These agreements try to strike a care-

ful balance between allowing more inexpensive drugs in the poor countries and still protect the patents.

Sadly, this CAFTA agreement destroys the balance that has been entered into in previous agreements. This CAFTA trade agreement requires CAFTA countries to adopt provisions, such as keeping testing data for drugs secret for longer periods of time than even required in the United States of America. And without access to testing data, it becomes nearly impossible for new generic companies to break into the market and provide the drugs for these people in Central America, and some, of course, in our region.

CAFTA will require countries to extend the lives of patents, under certain circumstances, for even longer periods of time than is permitted under U.S. law. This is a bonanza for pharmaceutical companies. They will make more money out of this agreement because we put their special interest provisions into this trade understanding. These provisions will apply to new drugs as they are developed, not existing generics.

The long delays that CAFTA will impose means patients will have to wait even longer to get access to lifesaving treatment. I think when you look at this and you understand workers are losing, you have to understand as well that a lot of sick people with HIV/AIDS are going to lose, too. People are struggling to survive, and they will fall victim to the profit margins of American pharmaceutical companies. Those are the priorities—the priorities of CAFTA.

Why aren't the American workers the priority of CAFTA? Why aren't the workers of Central America the priorities of CAFTA? Why is America's record of humanitarian care when it comes to using these drugs all around the world—why isn't that the priority?

Let me speak about agriculture. I come from a strong agricultural State. I have promoted or stood behind many trade agreements in the past because it helped create agricultural markets. But CAFTA countries, Central American countries, have a combined population of about 31 million people who generally have limited incomes with which to purchase agricultural products. The market is worth about \$1.6 billion in annual agricultural exports. That is a large sum, but in the perspective of all of the exports we have, it is not overwhelming. Many key U.S. commodities already have open access to the Central American market. About 94 percent of all grains imported into the six CAFTA countries comes from the United States. This domination means there is little room for further upward growth when it comes to agriculture.

So I think when we look at this, we have to ask a more important question: Think about the Central American country for a moment. Think about a subsistence farmer living in the countryside of one of these Central American countries who is growing grain.

Assume it is corn for the moment. Think about the possibility that this trade agreement means that more and cheaper corn will come in from the United States to this Central American country. Think what happens to that poor farmer and his family if he can no longer eke out a living for himself and his family and sell enough to continue on, and he has to leave his farm—and it happens all the time—because of this agreement. Where does that peasant farmer go? His first stop is likely to be a large city in Central America, San Jose in Costa Rica, or some other city. Failing to find a job in that city, where is his next stop? El Norte, the United States.

So as we assault the economies of Central America, without respect for their workers, without respect for their farmers, we create economic instability which moves families into cities first, and finally, in desperation, to anyplace they can go to find any job to survive. Now, there may be large companies that will make great profits out of CAFTA. But, sadly, they are not taking into consideration what it is going to mean to workers and to a lot of smaller companies in the United States that will not survive this trade agreement.

If there was ever a time in our history when we should step back, as we face the largest trade deficit in the United States, as we see countries such as China around the world exploiting us because they are buying our debt—the largest national deficit in the history of the United States under the Bush administration—and understand that China and these countries will continue to exploit us on the trade side—China manipulates its currency, and we don't do anything about it. We don't even talk about it. Because of that manipulation, they take away American jobs.

This Senator has voted for trade agreements in the past. I will not vote for this one. If we are going to have trade agreements, there should be laws enforced on both sides, exporters and importers. Sadly, that has not been the case. This CAFTA agreement will hurt American workers, hurt the workers of Central America, be a bonanza for American pharmaceutical companies, and create instability in the United States.

It could not come at a worse time. I look forward to voting against it.

Mr. HATCH. Mr. President, I ask unanimous consent that the next Senator to be recognized be Senator CORNYN for 10 minutes from our time, and then Senator KERRY for 15 minutes from Senator BAUCUS's time, and then Senator VITTER for 10 minutes from Senator GRASSLEY's time.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Texas is recognized.

Mr. CORNYN. Mr. President, I rise today to lend my voice and my support

for the Dominican Republic-Central America-United States Free Trade Agreement. CAFTA would be a great benefit to the United States and all countries involved. Momentum continues to build for this important accord which will, notwithstanding what some have said on the floor today, actually grow jobs in the United States and grow jobs in Central America. It will boost opportunities for exporters in the United States and provide additional market access for our products in Central America. Congress should pass this important agreement for the good of both our economy and our national security, as well as those of our neighbors.

Economic growth brought about by free trade and free markets creates new jobs and raises income. This growth lifts people out of poverty, even as it spurs positive economic development. Free trade supports sustainable development and strengthens private property rights while encouraging competition, transparency, regional integration, and the open flow of technology. And a strong world economy based upon free trade and transparency advances not only the prosperity of nations but the cause of peace and liberty around the world.

A vibrant, free market that values innovation and competition is one of the vital components of American success. For consumers here in the United States and the DR-CAFTA countries—Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua—free-trade will provide real and tangible benefits. It will demonstrate our commitment to the economic prosperity of that region, and it will also encourage the spread of democracy, transparency, and respect for the rule of law.

DR-CAFTA countries are our 12th largest export market, with nearly 44 million consumers. Currently, nearly 80 percent of products from these countries enter the U.S. duty-free, but the average tariff on our goods is between 7 and 9 percent. DR-CAFTA would eliminate this imbalance and provide instead for reciprocal trade between all parties to the agreement—this means the playing field would be leveled for American exporters.

The benefits of this agreement are clear: When CAFTA is implemented, 80 percent of U.S. products will enter DR-CAFTA countries duty-free, with the remaining 20 percent being phased in over 10 years. Currently, the average tariff imposed on U.S. exports to Central America is between 7 and 9 percent—and some farm products being taxed as much as 16 percent.

Key U.S. export sectors stand to significantly benefit from the agreement, including medical and scientific equipment, information technology products, construction equipment, and paper products.

As well, agriculture exports will be allowed to expand: More than half of current U.S. farm exports to Central

America will become duty free immediately, including cotton, wheat, soybeans, fruits and vegetables, high-quality cuts of beef, processed food products, and wine. It is estimated that U.S. agriculture producers will increase their exports by \$900 million as a result of the DR-CAFTA agreement. Finally, after tariff liberalization has been fully implemented, and all economic adjustments have occurred, overall U.S. welfare is likely to increase in the range of \$135.31 million to \$248.17 million. As well, the U.S. International Trade Commission has found that the effect of the agreement would be to reduce the overall U.S. trade deficit by \$756 million.

Furthermore, over half of current U.S. farm exports to Central America will become duty-free immediately, and other U.S. exports, such as information technology products, agricultural and construction equipment, paper products, chemicals, and medical and scientific equipment will immediately gain duty-free access.

Workers in Central America and the Dominican Republic support the agreement. They recognize that it will help create more and better paying jobs. This in turn will help fight poverty, lifting these workers out of circumstances where they currently survive on only a few dollars a day. Enhanced opportunities for economic growth will provide these governments with additional resources for much-needed health care, education, and basic infrastructure.

By working to alleviate poverty in Central America, we increase the likelihood that would-be immigrants would instead choose to stay and work in their own countries. We have seen the flow of immigrants who flock across our borders—they come here to work hard so they can send money home to support their families and relatives. They may be well-intentioned, but these hard workers are doing little to help the economy of Central America.

The young democracies of Central America still face resistance from those opposed to the spread of democracy and economic freedom. In supporting DR-CAFTA, the United States will stand alongside those who support these ideals—those who believe in the rule of law, and will demonstrate that America does not merely view Central America as a trading partner, but that we intend to support the continued democratic development of our neighbors.

Congress should promptly pass DR-CAFTA, as agreements that remove unnecessary barriers to free markets are good for America, and it is in our economic and national security interests to support a prosperous Central America. DR-CAFTA will encourage economic prosperity, stability, transparency, and respect for the rule of law throughout the region. I ask that my colleagues join me in supporting this important agreement.

Mr. President, let me focus, in the time I have remaining, on immigra-

tion. I heard the Senator from Illinois claim that if we pass CAFTA, it will somehow displace Central American workers and they will be caused to immigrate—illegally, perhaps—to the United States. I could not disagree with him more.

About a year ago, I traveled to Central America to five of the countries involved in this agreement, and in each and every one of those Central American countries we were told that their new democracies' future depends on ratification of these free-trade agreements. To a man, the leaders of those countries asked us to do everything we can to see that this free-trade agreement passes.

While certainly we want to be a friendly neighbor if we can, I would not support this agreement if it weren't in the best interests of the United States on a number of bases. There is one conversation I remember in particular that relates to the comments we just heard from the Senator from Illinois about immigration. In Guatemala, at the Ambassador's residence, a gentleman told me, "We want to export goods and services, not people."

Mr. President, that stuck with me because what he was saying is that by our ratifying CAFTA, we create jobs and opportunities for the people of Central America where they live, so they don't have to come to the United States—illegally or otherwise—to be able to support their families. That is one of the reasons I am so strongly for this agreement.

I am also for this agreement because these new democracies, many of which were engaged in civil war not that many years ago—and countries such as Nicaragua, where Daniel Ortega is hoping and praying that we will somehow turn our back on that country and these other new democracies—there are literally people waiting to take advantage of America if we turn our back on these countries, and to claim that instead we should align our interests with people like Fidel Castro, Daniel Ortega, and others.

It is in our best interest to make sure that these new and fragile democracies flourish, that people who live there can also find work there and support their families. The irony is that we hear people argue that unless we have stronger labor provisions or environmental provisions for these agreements—this agreement in Central America—that we somehow should not pass it. The fact is, there are strong labor provisions and environmental provisions in this agreement. But do you know what. The best guarantee for a good environment is democracy. The best guarantee for good labor laws and the rule of law in these countries is democracy.

If we turn our backs on Central America and these countries in this free-trade agreement, critics and enemies of this country will point to us and our actions and our rejection of this agreement and claim victory and say that America was not serious about

helping; America does not care about anyone but itself, when in fact the opposite is true.

We know, further, that the avenues used for illegal immigration up from South America, Central America, through Mexico's southern border, through seaports, and in the air are being used by organized criminals who smuggle human beings, who traffic in persons, who smuggle weapons, and who smuggle illegal narcotics. In other words, they are organized criminals who care only about making money, and they don't care one whit about the human suffering that they cause.

It is simply in America's self-interest that we enter into this agreement which provides new markets for our producers in this country. It opens our markets further to those fragile democracies and market economies in Central America. It gives democracy a root in a way that cements our interest and reinforces our national interest, not only in this country, but in this hemisphere in Central and South America, an area that could sorely use the attention after what has been called a period of benign neglect.

I urge my colleagues to vote with me in promptly passing CAFTA as agreements that remove unnecessary barriers to free markets which is in the economic and national security interest of the United States and a prosperous Central America.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I ask unanimous consent that Mr. VITTER be recognized for his 10 minutes, and then we will go immediately to the distinguished Senator from Massachusetts, Mr. KERRY.

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

The Senator from Louisiana is recognized for 10 minutes.

Mr. VITTER. Mr. President, I rise today in opposition to S. 1307, the bill to implement the Dominican Republic-Central America Free Trade Agreement. I do it for one very clear and specific reason. CAFTA will greatly harm Louisiana's sugarcane industry. It is, quite frankly, a raw deal for Louisiana sugar.

Because of the great disruption in our domestic sugar market that this agreement would cause, I have been actively opposing this agreement since it was signed. This agreement would allow an additional 122,000 tons of imported sugar into the United States in its first year alone, with annual increases following. These steady increases in imports threaten to flood the U.S. market and truly devastate the Louisiana sugarcane industry, as domestic sugar is displaced by highly subsidized foreign imports.

Our current sugar program is designed to limit imports to help counter unfair trade actions, and these limits help mitigate the ill effects of dumping by other nations. Unlike programs for

many other foreign commodities, it should be noted that this U.S. sugar program provides no cash payments and operates at no cost to the U.S. taxpayers through cash payments as mandated by the farm bill.

Even with that existing program in import controls, the U.S. still stands as the fourth largest net sugar importer in the world, importing 15 percent of our sugar consumption every year. Allowing more imports from select CAFTA trading partners truly brings a potential flood to the market, displacing even more domestic sugar. CAFTA really could set the stage for future bilateral agreements focused on the largest sugar-producing nations, and these impacts are compounded with other pending changes, such as the NAFTA-mandated change that will allow Mexican sugar complete unfettered access to U.S. markets after 2008.

When the Jesuit priests introduced sugarcane to Louisiana in the 1750s, I guess they could not have imagined that sugar would essentially be a \$2 billion industry and, much more importantly, even a vital part of Louisiana's history and way of life for over 250 years. It is this economic and even cultural impact and the thousands of families who rely on sugarcane for their livelihood and their way of life which lies behind my decision to oppose CAFTA.

The Louisiana Farm Bureau estimates CAFTA would have caused an \$8.5 million reduction in Louisiana's agricultural sector, and sugarcane constitutes one of the foundations of this important sector of Louisiana's overall economy.

Louisiana is home to 27,000 sugar industry jobs, 15 sugar mills, 2 sugar refineries, and more than 580,000 acres of sugarcane throughout 24 parishes. All told, Louisiana alone produces 20 percent of all of our domestic sugar.

As I said, this represents an enormous economic impact. But even more importantly, it truly represents a culture and a valued way of life.

The administration made a last-ditch, three-part proposal to the sugar industry to mitigate CAFTA's impact, but I truly believe that it is untenable.

First, they committed to hold harmless the sugar program but only through the reauthorization of the 2002 farm bill. This is something modest, something I could and will support, but it is my understanding that it is already the responsibility of the Secretary of Agriculture, under this farm bill, to operate the program at no net cost and its import trigger.

I know that sugarcane farmers in my State appreciate the Secretary's commitment to provide this short-term relief from a flood of sugar import commitments, but this temporary protection will not help them avoid the flood in the medium and long term. We, in Louisiana, know a lot about hurricanes and floods, and I fear that in the past 2 years, our sugar industries have drowned in this flood of foreign imports.

The second component of the proposed deal from the administration is perhaps the most problematic. If imports threaten to exceed the 1.523-million-ton trigger in the farm bill, the Agriculture Department would commit to compensating foreign producers for not selling their sugar within our market. U.S. tax dollars are going to compensate foreign producers. USDA would also establish a pilot program to divert imported sugar into ethanol use up to the amount coming in under CAFTA.

The prospect of paying foreign producers is very troublesome, perhaps politically untenable. Regardless of the Secretary's statement that he has the authority to implement such a program, there are so many unanswered questions on how it would work and if it would be politically supportable. Do we really want to make cash payments to foreign governments or private foreign corporations in exchange for a commitment not to export sugar to our market? I don't think so. This proposal is expected to cost \$200 million a year.

Sending our tax dollars to our foreign competition I think is an untenable position for a variety of budgetary, policy, and political reasons, making this long-term proposed solution untenable.

The ethanol diversion program has its own uncertainties on how it will work, and it seems to signal a desire to purchase foreign sugar for possible ethanol use instead of assisting the domestic industry in developing new markets for our own production and likely spend significant more of the taxpayers' dollars on those foreign sources in the process.

Third, there has been a proposal for a feasibility study on converting sugar into ethanol to be submitted to Congress no later than July 1, 2006. We already know sugar can be turned into ethanol because they are doing just that in other countries.

Worldwide, more ethanol is produced from sucrose than from corn, and we now need to jump start our own efforts and truly implement a program to provide sugar access to the national renewable fuels program.

The Energy bill we passed this week provides for 8 billion gallons per year of renewable fuels, most of which will be ethanol. The new renewable fuels program would amount to more than quadruple the ethanol currently being consumed in the U.S. So there is plenty of room to accommodate diverse sources of ethanol, including a modest room for sugar.

Access to ethanol was the crux of the sugar industry's proposal to deal with CAFTA—not a study, but real access to that established program moving forward in the Energy bill. They asked for a short-term increase in the tax credit during the developmental phase of this program, something that I understand was done for the beginning of the program for corn.

With so much uncertainty facing the industry because of NAFTA, CAFTA,

and other trade negotiations already in progress, I think this was a fair ask from the industry, from an efficient domestic industry that has been a robust engine for jobs in our economy for over 2 centuries. I wish the administration could have accepted that full and robust proposal in terms of ethanol.

Our sugar farmers and processors work hard and deserve a level playing field. What I have been asking, what others have been asking is not simply protectionism for our domestic industry as far as the eye can see, but a level playing field dealing with this sugar issue on a global WTO basis so it can be dealt with fairly so our domestic sugar industry has at least a chance. That is exactly what I will continue to fight for. That is precisely why I will continue to fight against CAFTA and urge its defeat in this body and in the House.

In closing, I wish to take this opportunity to thank Chairman CHAMBLISS and Senator COLEMAN for their efforts to find a solution to the sugar issue within CAFTA. They have been leading a bicameral effort, working diligently. It did not yield the results I hoped, but I salute them for their efforts.

Unfortunately, as I said, those efforts did not prevail. That is why I strongly oppose CAFTA and why I ask my colleagues to do so, and specifically my colleagues in the House as this measure most probably moves there.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that I be able to speak instead of Senator KERRY under the previous order, to be followed by Senator LAUTENBERG for 10 minutes under the time controlled by Senator DORGAN, to be followed by a Republican Senator to speak under the time of Senator GRASSLEY.

The PRESIDING OFFICER. Is there objection?

Mr. VOINOVICH. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that I be able to speak instead of Senator KERRY under the previous order for up to 20 minutes.

The PRESIDING OFFICER. Is there objection to the second unanimous consent request that the Senator from Wisconsin be able to fill the time of Senator KERRY for 20 minutes instead of 15 minutes? The Senator from Utah.

Mr. HATCH. Mr. President, I ask unanimous consent that the distinguished Senator from Wisconsin on the Democratic side be the next speaker for 20 minutes, that he be followed by Senator LAUTENBERG for 10 minutes, and then Senator VOINOVICH will immediately follow Senator LAUTENBERG for at least 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I rise to oppose the Central American Free

Trade Agreement, known as CAFTA, the latest expression of the disastrous trade policies of this administration which are, unfortunately, a continuation of the disastrous trade policies of previous administrations.

I hold listening sessions in each of Wisconsin's 72 counties every year. I have held those listening sessions for over 12 years now, listening to tens of thousands of people from all over Wisconsin. I recently completed my 900th of those sessions, and I can say that there is nearly universal frustration and anger with the trade policies we have pursued since the late 1980s. Even among those who would have called themselves traditional free-traders, it is increasingly obvious that the so-called NAFTA model of trade has been a tragic failure.

I voted against NAFTA, GATT, and permanent most-favored-nation status for China, in great part because I felt they were bad deals for Wisconsin businesses and Wisconsin workers. At the time I voted against those agreements, I thought they would result in lost jobs for my State.

Even as an opponent of those trade agreements, I had no idea just how bad things would be.

And things could hardly be worse. One can see the results of those policies in hundreds of communities around my State. As one might expect, our largest communities—places like Milwaukee, Madison, and Green Bay—lost thousands of jobs as a result of those trade policies, most notably NAFTA and permanent most-favored-nation status for China. But less obvious to some may be the devastation experienced by smaller towns and cities across my State. In those communities, the legacy of our trade policy has been especially cruel.

Even if we only use the extremely conservative statistics collected by the Department of Labor, statistics which many argue grossly underestimate actual job loss, smaller communities all over Wisconsin have been the victim of the trade policies of the past decade.

NAFTA's legacy of lost jobs includes places such as: Baraboo, with 190 lost jobs; DeForest, with 40 lost jobs; Elkhorn, with 354 lost jobs; Hawkins, with 443 lost jobs; Marinette, with 54 lost jobs; Mauston, with 48 lost jobs; Merrill, with 263 lost jobs; Montello, with 70 lost jobs; Oconto Falls, with 100 lost jobs; Peshtigo, with 95 lost jobs; Platteville, with 588 lost jobs; Spencer, with 23 lost jobs; and Waupaca, with 130 lost jobs.

Some might suggest that 23 lost jobs in Spencer, WI are not all that many but when a small town loses a business, and the dozens or possibly hundreds of jobs that business provides, the impact surges throughout the entire community. Families are left without a breadwinner, or sometimes even two breadwinners. Stores are left without customers. New homes are not built. Families may be forced to move away. Schools lose children. The tax base

drops, putting an increased burden on those who remain.

When a bad trade deal results in lost jobs, it is not only those who lost a job who suffer.

And the suffering in Wisconsin has been considerable. Altogether, Wisconsin has a net loss of more than 23,000 jobs because of NAFTA, and thousands more because of the other trade agreements into which we have entered in recent years.

Now we have CAFTA, which is based on that same failed model of trade.

I should note at this point that in too many instances, these trade agreements have been lose-lose trade agreements. They have been bad deals for our workers as well as the workers of our trading partners.

This is a vital point, because many who are advocating CAFTA argue that the agreement is critical for promoting economic growth and reducing poverty in these Central American nations. In fact, the experience of the flawed trade model has been just the opposite.

Eleven years of NAFTA have lowered living standards in Mexico, both for urban workers and in rural areas. Professor Riordan Roett of Johns Hopkins wrote on this very issue in a recent column, and this is what he had to say:

Mexican workers under NAFTA lost precipitously through the 1990s, despite the extravagant promises made by proponents of the model on which CAFTA is based.

At least 1.5 million Mexican farmers have lost their livelihoods under NAFTA. According to a 2004 report by the Carnegie Endowment for International Peace, "Agricultural trade liberalization linked to NAFTA is the single most significant factor in the loss of agricultural jobs in Mexico." Thus far, limited employment growth in Mexico's manufacturing sector has failed to absorb displaced rural workers.

This does not bode well for the CAFTA countries. A 2004 U.S. International Trade Commission study on the potential impacts of CAFTA leads one to conclude that the agreement will displace many in the rural sector in Central America. Following a recent visit to Guatemala, United Nations Special Rapporteur for Food Jean Ziegler determined that CAFTA will increase hunger and poverty once the agreement fully kicks in. . . . one is left to wonder where the displaced rural population of Central America will find employment.

If the arguments made by the proponents of CAFTA sound familiar, it is because they are. CAFTA's advocates are making exactly the same arguments today that the proponents of NAFTA made a little over 10 years ago. Because our markets are already largely open, they argue, it will be American businesses and American workers who will benefit from this trade agreement.

It is an argument that sounds neat and simple, but let's compare the rhetoric to the record. In 1993, before NAFTA was implemented, our trade deficit with Canada and Mexico was \$9 billion. In 2004, 10 years after NAFTA was implemented, our trade deficit with those two countries has ballooned 1,200 percent—1,200 percent—to \$111 billion. By one estimate, the massive

growth of imports into this country from Canada and Mexico relative to exports to those two countries has displaced almost one million jobs.

Giving China permanent most-favored-nation trading status and ratifying the creation of the World Trade Organization have only made matters worse. Our trade deficit is now more than \$600 billion.

Far from improving our trade balance, NAFTA and these other trade agreements have only made matters worse.

Our trade policy is fundamentally flawed. This is not a new problem, nor is it the fault of only one political party. The leadership of both parties have pushed these deeply flawed agreements, and too many Members from both parties were ready to support them without scrutiny.

When questions were raised about the actual provisions of these flawed agreements, supporters were quick to play the free trade card and label those who questioned these policies as "protectionist."

It is somewhat encouraging that some who blindly accepted these agreements are now beginning to read the fine print.

One might think it obvious, but apparently it needs to be reiterated, these are not your father's trade agreements, and the elegant theories of Adam Smith and others do not apply to the agreements we are asked to approve. As Thea Lee wrote in a recent column in the *Wall Street Journal*:

We should all understand by now that modern (post-NAFTA) free-trade agreements are not just about lowering tariffs. They are about changing the conditions attached to trade liberalization, in ways that benefit some players and hurt others. These are not your textbook free-trade deals. These are finely orchestrated special-interest deals that boost the profits and power of multinational corporations, leaving workers, family farmers, many small businesses, and the environment more vulnerable than ever.

Millions of working families across Wisconsin know this.

I sometimes think that if instead of exporting manufacturing goods China exported editorial writers, the opinion pages of our newspapers might reflect an understanding of this as well.

The argument we hear is that trade deals like CAFTA may cause some short-term pain but they are ultimately good for all countries concerned. Maybe we lose a few jobs to Mexico or China, the argument goes, but we would also gain jobs. Each country would engage in the economic activity for which it has a so-called "comparative advantage" and everyone wins.

But this nice, neat academic theory bears little relation to what is actually happening in the real world. And one of the reasons for this disconnect is that in an arena that has been fundamentally changed by technical advances, such as the Internet and the rapid flow of capital, we are not playing by the same rules as our trading partners.

The trade agreements into which our country has entered in recent years too often lack even the most reasonable of standards to prevent a race to the bottom, and ensure that our businesses and workers can compete on a level playing field.

This is certainly the case with CAFTA, which fails to include meaningful labor standards, and the weak standards that it does include are effectively unenforceable.

CAFTA states that member countries cannot, for their own benefit, fail to enforce their labor laws. But the agreement also states that nothing in the agreement "shall be construed to empower a Party's authorities to undertake labor law enforcement activities in the territory of another Party." Thus, any protections that might be afforded by the requirement to enforce current labor laws are left to each government to self-enforce. This really does nothing.

Unlike the commercial provisions in CAFTA, the labor provisions cannot be enforced through binding dispute settlement, or trade sanctions. If a country violates its commercial obligations, sanctions can be imposed quickly, but a violation of workers' rights is only subject to a possible fine.

In the unlikely event that a country is forced to pay a fine, it pays that fine to itself. While the fine is supposed to be used to fund domestic labor initiatives, we all know that such revenues are fungible, and there is no way to prevent a violating country from also transferring money out of its labor budget, so the fine adds no new net resources for enforcement. This is not an academic concern. Studies have documented serious labor violations in Central American countries.

American businesses and American workers should not have to compete with countries with such flawed labor records.

CAFTA also fails to include adequate environmental safeguards. What environmental provisions there are in CAFTA are largely cosmetic in nature.

As with worker standards, the environmental standards that are in the agreement lack the kind of enforcement teeth provided to commercial provisions in the agreement.

For example, while the agreement includes the establishment of a process under which citizens can identify failures to enforce environmental laws effectively, advocates note that the proposed citizen process has no clear enforcement mechanism to ensure action on public complaints. By contrast, the enforcement mechanisms for investment related provisions are real. Investors can demand monetary compensation of governments under CAFTA's investment rules.

In fact, any hope that CAFTA countries might, on their own, strengthen environmental standards to make the playing field a bit more level is undermined by the investment rules included in the trade agreement.

Those rules allow foreign investors to challenge environmental laws and regulations in front of international trade panels, circumventing local courts. Moreover, the threat of having to pay investor interests heavy monetary damages if a challenge is successful is certain to have a chilling effect on the willingness of CAFTA government, both federal and local, to establish the kinds of environmental protections that might help that region and provide better balance for American firms that must live under our own strong environmental laws.

Among the rosiest of predictions made by the proponents of CAFTA are the positive impacts they claim for U.S. agricultural sectors. But our experience with NAFTA again leaves me deeply skeptical of such claims. The promises made to farmers that we heard over the early 1990s, have largely failed to materialize.

But even setting aside for the moment the failure of NAFTA to deliver on those promises, even if we accept the most optimistic of projections by CAFTA's proponents, there is no scenario under which this helps small family farmers in Wisconsin or the Nation. The American market dwarfs the CAFTA market, so any benefits will be minuscule and concentrated in the middlemen and large agribusinesses.

I am afraid to say that is the up side. The down side is that CAFTA sets up an unfair playing field that could put our farmers at a long-term competitive disadvantage.

As my visits with Wisconsin farmers have shown me, American farmers are not afraid of competition and I would not hesitate to put them up against any other farmers across the world on an equal footing. The problem is that CAFTA does not provide this fairness. Instead, Wisconsin and the rest of America's farmers are required to meet environmental and labor standards to both keep the water, air and land clean and at the same time pay their employees a living wage.

As I have noted, CAFTA does not require the same standards in other countries.

Our farmers can attest that our environmental and labor standards are very real and enforced. CAFTA does nothing to level the field on which our farmers will be asked to compete, and that tilted playing field apparently extends even beyond CAFTA countries.

For example, ethanol production has long been considered an opportunity for American farmers to reap greater and consistent income from their crops, while helping to reduce our dependence on foreign fuel. But under CAFTA, Central American countries could become a conduit for cheap ethanol exports to the United States, importing unlimited amounts of ethanol tariff free even if they were blended with 50 percent ethanol from non-CAFTA countries like Brazil.

Perhaps most concerning to me is that while CAFTA would put American

farmers at a competitive disadvantage with the relatively small CAFTA market, its impact could be far greater. CAFTA will likely be used as the blueprint for the much larger Free Trade Agreement of the Americas. If this retreat from the principle of fair trade is repeated there, the negative effects could be dramatic and felt throughout U.S. agriculture.

Wisconsin has paid a heavy price for CAFTA's predecessors. Since 2000, Wisconsin has lost nearly 92,000 manufacturing jobs. NAFTA, the GATT, and most-favored-nation treatment for China have devastated local businesses and punished working families, taking away family-supporting jobs, and offering lower-paying jobs, if any, in return.

When the impact of these agreements comes crashing down on people's lives, it is clear that we have already traded away too much in a series of bad deals.

CAFTA promises more of the same devastation brought by the agreements that have come before it, putting our businesses, workers and farmers at a competitive disadvantage, while also undermining the economic development that might benefit workers, farmers and small businesses in Central America.

This trade agreement fails on every count. I urge my colleagues to scrap it and tell the administration to come back with a deal that is fair to American businesses, workers and farmers, as well as the small businesses, workers and farmers of our trading partners.

I yield the floor.

Mr. BAUCUS. Mr. President, under the order the Senator from New Jersey is recognized next for 10 minutes. I ask unanimous consent he be given an additional 5 minutes, total of 15, and the time to be taken out of the time allocated to Senator DORGAN.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New Jersey is recognized.

IRAQ

Mr. LAUTENBERG. Mr. President, I thank the Senator from Montana. Today I want to discuss the speech made by the President Tuesday night about Iraq. I think it is encouraging that the President is reaching out to the country and attempting to explain his policy in Iraq. But I think, to be more effective, the President has to be candid and upfront with the American people.

Frankly, in my view, the credible speech on this subject should have come from the Oval Office, not from a stage with uniformed service people all around. Apparently, a patriotic backdrop behind the President, and rows of soldiers in dress uniforms, was necessary to speak to the American people about the crisis our country faces in Iraq. It was, I thought, good theater, but not a very informative speech. Maybe that is why the soldiers didn't applaud until the White House staff urged them on.

Tuesday night's staged show reminded me of another Hollywood-type

event, when President Bush declared "mission accomplished." We all remember this picture very clearly. It was on an aircraft carrier, with signs up—their authorship was denied by lots of people. The Navy personnel were standing there directly behind the President. The speech took place on May 1, 2003, just slightly over 2 years ago, when the President said to the country at large that major combat was over in Iraq.

How wrong he was. Before the "mission accomplished" speech on May 1, we had lost 139 people and had about 500 of our troops wounded. Since President Bush's "mission accomplished" declaration, we have lost 1,594 Americans in Iraq—versus that 139, 2 years ago. Almost 1,600 versus 139; and 12,000 seriously wounded versus 500 at the time, in that 2 years.

It has been a terrible 2 years. Despite the gigantic banner and the theatrical presentation on the aircraft carrier 2 years ago, the mission was not accomplished then and it is not accomplished now. In fact, the mission isn't even close to being accomplished, as all of us in America, and I am sure the President is included, would like to see.

We are not going to solve our problems in Iraq through spin and photo ops. We will solve these problems only with a tangible plan that gets our troops home and then we will all truly celebrate mission accomplished. Not only are we not seeing a plan, but high level administration officials seem to be in serious disagreement about the status of the insurgency. One day we saw Vice President CHENEY say that the insurgency is in its "last throes." Then a few days later we see Secretary Rumsfeld say that the insurgency could last "12 years."

This war has turned into a quagmire and Americans want to hear what changes we are making to address our growing difficulties in Iraq, and unfortunately a lot of what we heard from the President Tuesday night was rhetoric. Unfortunately, much of the President's rhetoric focused on September 11. But simply referencing September 11 over and over again does not explain how we are going to move forward in Iraq. In fact, it only serves to remind the American people that our most dangerous enemy, Osama bin Laden, is still on the loose, and we are all perplexed by the statement made by Mr. Goss, the head of intelligence, that we know where Osama bin Laden is. I don't know why we don't go get him if we know where he is.

Nearly 4 years after the 9/11 attacks, Osama bin Laden, the leader of the terrorist group that killed almost 3,000 Americans, including 700 of our neighbors and friends from my State of New Jersey, continues to inflame his terrorist network. Al-Qaida cannot be effectively dismantled unless we capture bin Laden, and getting him should be our No. 1 priority, but it seems it has moved its way down on the President's priority list.

I urge President Bush not to use September 11 again as a way to support our failures in Iraq. The American people would rather you simply address the problems and fix them.

Poor planning for the war in Iraq is causing serious long-term problems for our military. Mainly we are failing to meet our recruiting goals. Yes, I know we had a blip up in the present month, but in May the Army fell about 25 percent short of its recruiting target. That is after they lowered their target. The Army also missed its monthly targets in April and March and February of 2005, each month worse than the one before. In February it fell 27 percent short. In March the gap was 31 percent short. In April it was 42 percent. Things are so bad that the Army is contemplating \$40,000 signing bonuses for new recruits. It reminds me of some of the bonuses offered athletes who sign contracts. That may rival what professional ballplayers get. And the Army is perhaps going into a new deal that allows for very short enlistment periods, as low as 15 months of active duty.

The National Guard and Reserves are even farther behind in recruiting this year. The Army Reserve met only 82 percent of its May recruitment goal and the Marine Corps Reserve met only 88 percent of its recruiting goal. This raises questions. Even if the President agrees to send more troops to Iraq, where are they going to get them? I don't think it is simply the casualty numbers that are hurting recruiting. It is a sense that this administration does not have a plan for Iraq—and maybe they never did. After all, in March of 2003 Vice President CHENEY predicted that the conflict would last "weeks rather than months." Now it is years and, according to Secretary Rumsfeld, it could be over a decade before the country is stabilized.

What about those Army service men and women who return to our country and become veterans? Look at how they are being treated by this administration. My Democratic colleagues Senator MURRAY and Senator BYRD tried three times to increase funding for the VA this year because they understood that veterans returning from Iraq are going to need more help. What happened? Republicans voted those amendments down each time. Why? Because the administration kept saying "we don't need the money."

But just this week the VA Secretary, Jim Nicholson, suddenly realized he is facing a \$1 billion budget shortfall. Nicholson said it was "unexpected." Unexpected? How could they not expect increased needs from the troops coming back from Iraq? We know people are being severely wounded there, and returning and needing a lot of attention. What kind of message does this send to our troops? We forgot to fund your veterans health care needs? I think it is shameful and shows a lack of respect.

Only now, because of embarrassment, did we see the other side of the aisle

vote for Senator MURRAY's amendment to increase VA funding. All of a sudden a prominent member of the Republican leadership, the junior Senator from Pennsylvania, after repeatedly opposing increases to VA funding, has become an enthusiastic cheerleader. It is interesting how elections motivate people.

Our service men and women and their families are getting a raw deal. Because of the administration's lack of planning, military families are stuck with extended tours of duty leading to family problems and serious financial difficulties. A real eye opener is to talk to some of the Reserve and Guard people who have returned from Iraq and find themselves in desperate situations with family problems, upset relationships, financial disaster. It is terrible.

The bottom line is we need plain, straight talk coming out of the White House and not staged events such as "mission accomplished" in Tuesday night's speech.

One of my distinguished Republican colleagues, a combat veteran of the Vietnam war, recently said:

The White House is completely disconnected from reality.

And it is tragically true.

If the President wants to earn back the American people's trust on his Iraqi planning, he needs to start by being truthful and admitting some mistakes. So far that hasn't happened and I plead with the President and this administration: Level with the American people. It is a very discouraging picture out there when we see the casualties mount and the morass thicken.

Mr. President, I yield the floor with this plea: Say it like it is.

The PRESIDING OFFICER (Mr. ALEXANDER). The Senator from Ohio is recognized for 20 minutes.

Mr. VOINOVICH. Mr. President, I rise today to discuss the Central American Free Trade Agreement—CAFTA. I have been a long-time supporter of expanding United States trading relationships. I believe trade is vital to the long-term health of the U.S. economy and to raising living standards around the globe. Since my days as Governor, I have worked to open markets around the world for Ohio's exports. Exports are extremely important to the Ohio economy. When I was Governor, exports were one of my four economic development priorities.

During my tenure in the Senate I have supported the vast majority of trade agreements that have been brought before the Senate. However, in the last year and a half or so, I have been troubled by several aspects of our trade policies that I believe severely, and understandably, undermine the American people's support, as well as my own support, for new trade agreements.

In particular, I believe the failure of the United States to properly enforce its existing trade agreements has contributed to growing skepticism of the American people about the benefits of

trade. In particular, the failure to enforce the intellectual property right protections in our trade agreements has contributed to a proliferation of counterfeiting and pirating of American products across the globe.

I have met with numerous Ohio business leaders whose support for trade has been severely tested when their company's products were counterfeited by firms operating in countries whose governments simply refuse to live up to their commitments to protect intellectual property rights.

I believe in free trade, but the cornerstone of free trade is the protection of property rights. It is unreasonable to expect American companies to compete against companies from countries that do not abide by this basic principle.

Last year I was so troubled by the lack of enforcement of our trade agreements I decided the United States should hold off entering into any new trade agreements until our enforcement efforts dramatically improved. Accordingly, I voted against the Australian and Moroccan Free Trade Agreements. Those were not popular votes, but they were necessary to draw attention to the need to enforce our trade agreements.

Although I have been critical of the way our trade agreements have been enforced, I remain committed to seeing the United States continue its leadership in promoting lower trade barriers and global trade. My criticism is that of a friend of trade and one who wants to see the U.S. trade policy succeed.

Accordingly, I have been very pleased with the administration's new efforts to improve the enforcement of our trade agreements. Earlier this year, I held a hearing by the Homeland Security and Governmental Affairs Subcommittee on Oversight of Government Management, the Federal Workforce and the District of Columbia, to examine the administration's new Strategy Targeting Organized Piracy or STOP! Program which aimed to combat intellectual property theft abroad and help small and medium size businesses protect their intellectual property. Although much more needs to be done, STOP! is off to a very good start.

I hope my colleagues in the Senate will familiarize themselves with the STOP! program because it will be of great assistance to small businesses in States that have had their intellectual property rights infringed upon.

Mr. VOINOVICH. I am very pleased with the efforts of Secretary of Commerce Thomas Gutierrez and my good friend Ambassador Rob Portman at USTR to help several Ohio companies, victims of intellectual property theft abroad. They have shown the importance of enforcing our trade agreements and are committed to improving our enforcement record, especially in the area of property rights. I am very impressed by how much progress they have made during their short tenures in raising the issue of intellectual property rights abroad, and I am con-

fident they will continue to work closely with Congress to address trade issues.

Our trade policies are only as good as the people who execute them. I am pleased to say we have excellent leadership right now in Secretary Gutierrez and Ambassador Portman. They both have a good background on trade. Secretary Gutierrez has firsthand experience with trade issues due to his work as CEO of Kellogg. Ambassador Portman has unique knowledge of trade legislation as a result of his work as a member of the Ways and Means Committee while he was a Member of Congress.

Recently, I sent a letter to the President asking him to appoint a coordinator for all of the agencies that deal with commerce—Commerce, the Patent Office, USTR, Homeland Security, Customs, Border Patrol, and the Justice Department. They need someone to coordinate them so they get the job done.

I was also pleased to hear Treasury Secretary Snow's comments earlier this week that he is prepared to cite China if it does not address the yuan's overvalued exchange rate against the dollar.

In light of the administration's new effort to improve enforcement of our trade agreements and in consideration of the merits of the agreement, I have decided to support the Dominican Republic-Central America-United States Free Trade Agreement. Passage of CAFTA will lay the foundation for a growing and valuable trade relationship with CAFTA countries as well as strengthen the U.S. leadership position in promoting global trade.

I believe CAFTA embodies precisely the type of long-term economic planning that we too often fail to integrate into our policies. CAFTA will not only facilitate the expansion of trade between the United States and other CAFTA countries by eliminating most trade barriers but will also help American companies get on the ground floor in those developing countries, ahead of our competitors in Europe and in China.

Right now, the CAFTA countries have relatively small economies, but they have made great progress over the last decade. Over the past 5 years alone, U.S. exports to Central America have increased by 35 percent. As these countries continue to grow, we will see growing demands for our exports. Presently, about 44 percent of the region's imports come from the United States, so as their economies expand, so will purchases of American products.

Moreover, the United States has already accorded duty-free treatment to more than 80 percent of Central American imports to the United States under the Caribbean Basin Trade Partnership Act and other trade agreements. As a result, CAFTA is largely a one-way lowering of trade barriers by the CAFTA countries and will measurably improve our opportunity to export to those countries.

Presently, the CAFTA countries impose high tariffs on agricultural products, especially on several of Ohio's top agricultural exports such as soybeans, corn, dairy products, beef, and pork. Under CAFTA, these tariffs will be eliminated, making Ohio's agricultural exports much more competitive in the CAFTA country. Since most agricultural products from CAFTA countries already enter the United States duty free, CAFTA levels the playing field and gives American farmers the same access to the markets in the CAFTA countries. For Ohio farmers, CAFTA is a good deal. Not surprisingly, CAFTA has received support from the Farm Bureau, the Ohio Cattlemen Association, Soybean Association, Poultry Association, and, of course, the Ohio Corn Growers Association.

CAFTA is also very important to the survival of the U.S. apparel industry. Only with open access to CAFTA can American apparel compete with China. Unless CAFTA is passed, we will see the entire American apparel industry move to China.

CAFTA also improves the protection of intellectual property in the CAFTA countries. Under CAFTA's intellectual property provisions, they are obligated to ratify numerous international agreements on intellectual property rights to which the United States is already a signatory and will be obligated to enforce intellectual property rights. The ratification of these agreements is a very important step to protecting American companies from intellectual property theft abroad. While some may argue that more needs to be done, the fact is, if CAFTA does not pass, American companies will not have the protection of even those basic agreements.

We often forget that trade agreements are about more than just trade. They are key components of American foreign policy. They are one of the best ways this country can develop better relationships around the globe. At a time when I believe the United States badly needs to improve its relationship with other countries, trade agreements offer us an excellent opportunity to reach out to the other countries and foster economic ties.

The CAFTA countries are exactly the types of countries with which we should build better relationships. After decades of civil wars, the CAFTA countries have made dramatic progress toward establishing democracy and market-based economies. Because the United States is their largest trading partner and foreign investor, the CAFTA countries need a good trade relationship with the United States to fuel their development and help them to continue their reforms. By passing CAFTA, we can help ensure that our southern neighbors succeed in their reforms and in the process greatly expand our influence in the region. I note that President Jimmy Carter supports CAFTA for precisely this reason.

It is in the best strategic interest of the United States to see that CAFTA

countries become successful republics and do not once again fall victim to economic crises and civil wars. The existence of stable and prosperous countries in our southern border will not only be good for American commerce but also good for American security.

Approval of CAFTA will also send an important signal to the countries in the region as well as other developing countries that the United States is committed to assisting them in building their economies. If the United States does not develop closer relationships with these countries, they will undoubtedly look elsewhere for help, such as the European Union or, more troubling, to Cuba, Venezuela, or China. Rejection of CAFTA will only clear the way for our competitors to enter our backyard. In my opinion, a defeat of CAFTA is a victory for China and Cuba.

In addition to rejecting CAFTA, it would greatly damage Ambassador Portman's ability to open markets for U.S. exports at the Doha round of WTO negotiations and with respect to the planned trade agreement with the Andean nations and for the free trade area of the Americas. The U.S. trading partners would have a reduced incentive to agree to open their markets to U.S. goods because they would claim, sincerely or tactically, that the U.S. commerce will not be willing to approve a final agreement. To get other countries to agree to politically unpopular reductions in trade barriers, the United States needs to have credibility that it will do the same.

Since the end of World War II, the United States has been the driving force in promoting trade liberalization. Because of U.S. leadership, global trade barriers have steadily fallen for nearly 60 years, greatly expanding world trade and helping to improve living standards around the world.

I believe it would be unfair to Ambassador Portman to reject CAFTA and undermine his ability to continue the U.S. leadership on trade, especially given that he only recently assumed his post. Members who have worked with Ambassador Portman know he is very talented and a skilled legislator and negotiator who understands the importance of close consultations with Congress during the negotiation of any trade agreement. Hence, I think we have a great opportunity to improve Congress's involvement in the negotiation of trade agreements which would build support for future trade agreements by having Congress's concerns addressed early in the process. Too often, it comes in too late.

We have somebody there as our new U.S. Trade Representative—and I have spoken to him about it—who understands because of his legislative experience that he needs to get over here and spend some time with Congress before the final touch is put on those trade agreements. By voting down CAFTA, however, we would undermine Ambassador Portman's ability to respond to

our concerns in the future and negotiate better agreements.

CAFTA is a good agreement which will further integrate the United States in the world economy and help ensure the United States remains the world's leader in global trading.

I urge my colleagues to vote in favor of this agreement.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I have a rough understanding that Senator DORGAN will speak next. He is not here.

I suggest the absence of a quorum and ask consent that it be charged equally against both sides.

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

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, I yield myself such time as I may consume.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I will respond to some of the speakers through the course of debate on this bill who pointed to a report of the International Trade Commission on CAFTA as evidence that this trade agreement is not meaningful to the United States.

Let me explain that the International Trade Commission is an agency of the Federal Government, but it is an agency that is very independent, with 9-year terms for members to serve. They do a great deal of research in international trade and are very well respected for the reports they put out.

This report that was referred to as evidence of this trade agreement not being helpful to the United States misrepresents the scope of the International Trade Commission estimates as well as the scale of the CAFTA agreement itself. Critics point to one part of the International Trade Commission report which estimates the tariff and quota liberalizations under the agreement will result in zero percent change in welfare for the United States.

Now, those critics ignore the Commission's conclusion that if CAFTA is fully implemented, overall U.S. welfare will increase in a range of \$135 million to \$248 million, with minimal impact on U.S. employment and output.

In fact, the Commission estimates that no sector of the U.S. economy is likely to experience a decline in output, revenue, or employment greater than 2.5 percent once CAFTA is fully implemented.

So critics fail to acknowledge that the Commission's estimates are based only on the tariff and quota liberalization provided under this agreement. The Commission's estimates do not

quantify the other very important elements of this agreement—which the people using this report to justify a vote against CAFTA take into consideration—such as the benefits from an improved regulatory environment, improved protection of intellectual property rights, efforts at trade facilitation, and liberalization of regulations governing investment and the provision of services we will sell to those countries of CAFTA.

The Commission report does not attempt to quantify any broader geopolitical benefit to the United States of improved economic well-being and political stability in the CAFTA countries as a result of the agreement. But the fact remains that those benefits—not referred to by the opponents of this agreement, who find it convenient to quote one part of a trade commission study but not the whole study—the fact remains, then, that if you look at the whole report of the International Trade Commission, those benefits are a part of this agreement, as well, and will materialize and are obviously good reasons for voting for this bill.

After some critics are done arguing that CAFTA is meaningless to the United States, they do, however, point to another part of the Commission's report and offer another doom-and-gloom scenario. They point to the Trade Commission's estimates that suggest that once CAFTA is implemented we will increase our bilateral trade deficit with these countries by as much as \$110 million. Those critics ignore the Commission's conclusion that if you take into account likely changes in our global pattern of trade, once CAFTA is fully implemented, then our overall trade deficit is likely to decline by \$750 million.

Now, how does the figure of \$750 million get ignored, but a \$110-million figure gets taken into consideration? Well, it is quite obvious that the people who are quoting from this report quote what benefits their position for voting against CAFTA and do not look at the overall beneficial impact of CAFTA on the United States.

That \$750 million is a very important number. Our bilateral trade balance with individual countries or regions may be interesting to consider, but the one number that is of significance to our economic health is our overall trade deficit. According to the ITC, the International Trade Commission, CAFTA will help reduce that trade deficit by \$750 million.

Now, all the people crying about our trade deficit, are they going to take into consideration \$750 million? Why on Earth would we walk away from that benefit, as the opponents of this agreement will have the United States do with their "no" vote?

I hope this dispels the critics' misinformation about CAFTA. The fact is, when you read the ITC report in its entirety, it becomes clear that implementing CAFTA offers meaningful benefits to the United States, both in

terms of improving the economic welfare of the United States and in terms of reducing our overall trade deficit.

Again, CAFTA offers us those benefits with minimal impact on U.S. employment and output. That is not what Senator GRASSLEY says, that is what the International Trade Commission says. And if you add all the other economic and geopolitical benefits that are not readily quantified, I believe the tremendous benefit of this agreement to the United States is then seen in its proper light.

So I urge my colleagues not to be misled by the critics. The ITC report corroborates that CAFTA will be beneficial to the United States.

Also, let me suggest that during this debate, I have heard much talk about the lack of Government policies concerning the trade deficit. I am not here to justify any trade deficit. I am not here to say those people who say it is too big are wrong. But I think I have heard left out of this entire debate a policy that we have had under Republican and Democrat administrations for a long period of time, and that is, the freedom of the American consumer to have access to any product made anywhere in the world that they want to buy. Because we believe in freedom, we believe in choice for our consumers. We believe the consumer ought to have the benefit of choice, of quality, and price. And we happen to have the consumers of America buying much and saving little.

Now, is that right? I do not know. But people who are concerned about our trade deficit, do they want to shut off the faucet that allows our consumers to have the choice of anything? I may be speaking too sweepingly when I say this next sentence but I believe we let anything into our country that consumers want to buy, except for pharmaceutical drugs. Senator DORGAN and I have been working together to make sure the consumer has that choice as well, to drive down prices, and give them the best product they can get.

Now, I do not think anybody wants to take freedom of choice away from American consumers. If we are spending too much on consumer products, importing too much, maybe we ought to have more incentives for savings, maybe we ought to be, without a doubt, enforcing our antitrust laws, antisurging laws, countervailing duties to be applied, and all those things that need to be done about the problem that exists. But our deficit is overwhelming because of consumer products coming into the United States.

Wal-Mart brings in \$18 billion from China—\$18 billion of our imports; just one company. Now, when you go to Wal-Mart—I don't care. I happen to go to a Wal-Mart some. I don't go there as much as I go to our small businesses in Iowa to buy things but occasionally go there. Are you going to take that choice away from the American consumer by not having Wal-Mart import?

I don't know. I don't see anybody suggesting that.

Somehow we are led to believe that China is like a Japan with these big surpluses. China has a trade deficit as well. China has 3 percent of our national debt in bonds. Japan has 8 percent. Yet you would think that somehow that 3 percent is a major problem.

I would suggest that what we ought to be doing here is encouraging our consumers to buy American, buy American, or don't buy so much consumer goods yourself, and invest that money that we send to Japan through Wal-Mart directly in U.S. bonds. Buy American products. Do as we did in World War I and World War II, be patriotic and buy U.S. bonds to help our economy.

Consumers in America are king. And when consumers in America decide to cut down on our trade deficit, it will be cut down. I think consumers ought to continue to be king in America because that is economic freedom, that is individualism, that is America.

Mr. DORGAN. As to the question is all this a good thing, has it strengthened our country, or is this just gloom and doom by those who oppose the current trade strategy, my colleague is quite right, this is not a strategy that is just the George W. Bush strategy. This strategy has developed over about 25 years, although I must say that this administration is the most helpful to corporate interests that I have seen. But it is not just a strategy of the last year or two.

But it is hard—very hard—to take a look at these devastatingly dangerous trade deficits that get worse and worse and worse, and then hear some people say it is getting better and better and better for us. It is, of course, not getting better for us.

Ronald Reagan used to tell that old story about the young boy who would look at the pile of manure and insist there must be a Shetland pony somewhere. The fact is, there is no Shetland pony here. This is bad news. And the quicker we decide to confront it, look it square in the eye and decide as a country to do something about it, the better for our country.

The question is about freedom. I agree with that. It is about freedom, freedom for the American consumer, also freedom for American workers to be able to reasonably expect in this great country they will be able to find a decent job that pays well with benefits. That is freedom that is important as well.

When American workers are told on a Monday or a Friday—most characteristically a Friday—by Maytag or by Levi's or by Fruit of the Loom or by Fig Newton cookies or by Huffy bicycles or by Schwinn—and I could go on—that their job no longer exists because their employer has the freedom to get rid of them and hire somebody for 30 cents an hour—that is freedom. Yes, that is freedom.

What does it do to the country we built? This country was built on a debate in this Chamber about a wide range of critically important issues: Should you have the right to organize as workers? Should you have the right to expect to be able to work in a safe workplace? Should you have child labor laws? Should you prevent dumping pollution into the skies and the streams of this country and this world? We fought that battle for 100 years.

Now those who want to avoid those onerous restrictions pole vault over all of them and say: My jobs are going to China. And you American workers? Sayonara. See you later. Goodbye. So long. It doesn't matter. You were just tools. You were like a wrench or a pair of pliers, ready to be thrown away when we were done with you.

I have a lot to talk about this afternoon and a fair amount of time in which to do it. I yield to my colleague from Colorado, Senator SALAZAR, 15 minutes.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. SALAZAR. Mr. President, I rise today to speak on the Dominican Republic-Central America-Free Trade Agreement. At the outset, let me say I appreciate the efforts of Commerce Secretary Gutierrez and his heartfelt advocacy for this agreement. I look forward to working with him to create jobs in Colorado and on trade and commerce issues, including future revisions to this trade agreement. I have spent the last several months learning more about the CAFTA agreement, listening to individual farmers and ranchers throughout Colorado on their concerns about being left behind. Based on extensive deliberation, I regret that I must oppose this agreement because it continues a policy in Washington that forgets huge parts of our country. Let me summarize my opposition to this agreement.

First, there are huge parts of our country, including the eastern plains of Colorado, which have been forgotten by administration after administration, and they continue to wither on the vine. Those rural communities that continue to decline in population are going to be impacted in a very negative way by the implementation of the CAFTA agreement.

Secondly, I am troubled by the fact that we have not had a policy to deal with the real geopolitical challenges that we face with Central and South America. When one thinks back to the days of John Fitzgerald Kennedy and his announcement of an Alliance for Progress for the Americas, he had a strategy with respect to how we are going to make friends both to the north and to the south, that we are going to help to rebuild the democracies of Central and South America.

We have not seen that kind of a comprehensive policy from this administration. Instead, what we have seen is an episodic approach to dealing with the issues of Latin America. It is for

those reasons that I have decided to oppose this agreement.

In my State of Colorado, I have seen firsthand the forgotten America. Surveys done by the Colorado Department of Agriculture have cited steady declines in the number of cattle across my State. The inventory of cattle is reported the lowest in Colorado since 1962. Furthermore, in 2002, 60 percent of farms and ranches in Colorado had annual sales of less than \$10,000. Specifically, the eastern plains of Colorado, which would be the place most impacted by the CAFTA agreement, is truly the place where you see the forgotten America in its most difficult of times. It is home to farmers and ranchers and small communities that are vanishing, left behind by a Washington, DC, that has lost touch with what is important to the people and to the communities of the heartland. The eastern plains of Colorado is also home to the sugar beet farmers of my State who, in 2002, in order to save their farms, banded together with over 1,000 other sugar beet growers in Nebraska, Montana, and Wyoming to form the Western Sugar Cooperative, a sugar processing facility which continues to successfully operate today across Colorado and the other States. In order for them to do that, they mortgaged their homes, their farms, their ranches, their tractors in order to be able to build this facility for the good of the rural communities and the operations they represent.

The sugar beet growers believe that DR-CAFTA will set a precedent. It is a precedent that will send a message to our trade representatives that Congress will continue to allow haphazard negotiations of free-trade agreements like CAFTA that will chip away at important industries and programs here in the United States. I will do all I can not to let these families and these communities continue to wither on the vine.

At the same time, the International Trade Commission has stated that the U.S. trade deficit with CAFTA countries is projected to grow by more than \$100 million. As my good friend from North Dakota said, speaking about the trade imbalance we are facing, this agreement will add to the trade imbalance of our country. Therefore, other Colorado organizations and many farmers and ranchers from throughout my State have joined together in opposition to CAFTA. It is uncommon in my State, frankly, to find the Colorado Farm Bureau and the Rocky Mountain Farmers Union coming together and speaking with one voice, saying this agreement is bad for agriculture. Yet it has happened with respect to this agreement. They both say this agreement is bad for agriculture.

I also recognize that trade agreements are fundamentally geopolitical documents with important impacts on our foreign policy. It pains me personally to have to vote against this agreement. I do so because I recognize that

many of our friends in these six countries see it as an important symbol of America's commitment to them. It pains me that I am not able to vote for this agreement. I do so, looking back at the history of our relationship between the United States and the Central American countries. During the 1980s, this country spent \$5 billion on Central America in an effort to ensure that democracy and freedom markets triumphed in that part of our troubled world. Because of the courage and strength of our Central American friends, like Archbishop Oscar Romero, we see a region today that is defined by democracy and freedom, a region about which we could only have dreamed a short 20 years ago.

It is in that context that I have come to conclude that this agreement is a missed opportunity. Twenty years ago, you could not pick up a newspaper anywhere in the United States without a headline on the front page talking about some event or some episode in Central America. Today those countries barely merit a mention in an occasional newspaper. Presidents in the last 100 years have pursued the good policy, the Alliance for Progress, and the Summit of the Americas, and so forth. These policies have been pursued through administrations in differing parties, Democrats and Republicans, but they all shared a sense of commitment and focus on Latin America. I am sad to conclude that the last several years have seen a policy that has been, at best, disinterested in the issues of South America and Central America.

Consider this: The President's flagship foreign assistance program, the Millennium Challenge, has yet to distribute a single dime to Central America. Next, in the President's budget request for this year, Government investments in each of the countries subject to this agreement were cut, not increased. And finally, Latin America rarely appears in the administration's public remarks, despite the challenges of extreme poverty in Central America and democratic instability throughout the Andean region of South America. Supporters of this agreement are now telling us that to vote against CAFTA is to vote against Latin America. That could only be true if you believe that our policy toward this important region should be based only on a single trade agreement. It is not. It should not be. I have personally urged the President to work with members of both parties to reinvigorate our policy toward this important region of our world.

Such a policy would do a number of things. For example, it would consolidate the democratic gains the region has made throughout the last two decades by investing in democratic parties. Instead of deepening democracy, the United States seems paralyzed as we watch democracy take hits in countries such as Venezuela and Bolivia. Next, we must battle underdevelopment in the region by investing in its

people and microenterprise, health care, and education. Instead, Latin America is the only region that has not seen increases in U.S. Government investment in the last several years. Finally, we should fight corruption and deepen law enforcement cooperation to fight the scourge of illegal narcotics that passes through Central America on its way to our streets, affecting our kids and increasing criminality within our own communities.

Such a policy should be, and must be, based on a vision larger than a single agreement. I regret that the tremendous energy the administration is now expending on this agreement has not laid out a vision and plan for the larger challenges, such as illegal immigration, drug trafficking, poverty, and the other issues that affect this important region of our hemisphere. That is why, in my view, this agreement represents a lost opportunity of action for our Nation.

Lastly, let me say that I support trade for the Americas. I support trade for our Nation. I recognize that increased trade is good for our economy, for our businesses, farmers, workers, and families. But again, I wish we were here today talking about how we are opening new markets for our producers. Even under the most optimistic scenario, when this agreement is fully implemented, U.S. world exports are expected to increase by only a minuscule amount, if at all, to this small region. We simply need to do better at opening new markets, not just spend our time fighting to keep those we already have. If we spend all of our time fighting yesterday's battles on market access, we will miss the opportunity to leverage the major market opportunities that we have. That is why I have spent much of my first 6 months in the Senate working with the Department of Commerce and State to promote new markets, particularly for Colorado's agricultural products. That is why I asked Secretary Gutierrez to come to Denver last weekend to speak with Colorado's business, labor, and agricultural leaders. I am grateful for the Secretary having made this trip. I appreciated his candid discussion with my constituents in Colorado. That is why I have met with the Ambassador of China to urge him to send a trade delegation to Colorado on trade opportunities. And that is why I met with the director of the Taiwan Economic and Cultural Office to urge Taiwan to send a delegation to Colorado for the same reason.

At the end of the day, I am hopeful there will be a CAFTA I can support. But just as importantly, I hope even more that we, as a Federal Government, will redouble our efforts to promote American exports into new markets around the world, including our own backyard.

As I have deliberated on how to vote on this important agreement, I have thought a lot about Archbishop Romero, a courageous voice for dignity,

change, and opportunity in Central America, and the lessons that we learned from his martyrdom in El Salvador. Shortly before he was assassinated, he said in Spanish:

El Reino está ya misteriosamente presente en nuestra tierra; cuando venga el Señor, se consumará. Esta es la esperanza que nos alienta a los cristianos. Sabemos que todo esfuerzo por mejorar una sociedad, sobre todo cuando está tan metida esa injusticia y el pecado, es un esfuerzo que Dios bendice, que Dios quiere, que Dios nos exige.

(English translation of the above statement is as follows:)

God's reign is already present on our Earth in mystery. When the Lord comes, it will be brought to perfection. That is the hope that inspires Christians. We hope that every effort to better society, especially when injustice and sin are so ingrained, is an effort that God blesses, that God wants, that God demands of us.

This agreement is not our best work as a nation. As we try to improve our society and the societies of Central America and the Dominican Republic, we can do better.

I hope we get the chance to do better. I look forward to working with the administration to craft a better agreement with CAFTA.

I thank the Chair and yield the floor.

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

Mr. DORGAN. Mr. President, I compliment my colleague from Colorado. These have not been easy issues for him. I appreciate his position and understand it fully. I think he has represented that position well in the comments he offered today. We share—perhaps in some cases for different reasons—a feeling that this trade agreement is not a good one for our country.

I yield 10 minutes to my colleague from Michigan, Senator STABENOW.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Ms. STABENOW. Mr. President, I thank my friend and eloquent leader on this issue, the Senator from North Dakota.

Mr. President, I rise today, also, to share my great concern about this agreement and to oppose what I view as an unfair trade agreement. We can do much better than this. This country has been in an economic slump since 2001, and since then we have lost more than 2.7 million manufacturing jobs. Certainly, in my State, it has never been more clear as we see the headlines every day regarding job loss, jobs going to Mexico, China, and India—every day, headline after headline.

At the same time, we have grown record budget deficits and a record trade deficit. Workers are losing their health care and higher education is becoming even more expensive. What is the response? Well, the administration decides to push through a CAFTA trade agreement that will dig the job holes even deeper. This makes absolutely no sense to me.

This agreement will cost us jobs. It will increase our trade deficit. It will hurt our country's middle class, the backbone of our economy, our way of life. What makes us different from other countries is that rather than just having a few very wealthy people and a lot of poor people, we have a vibrant middle class, people who work hard, save, put their kids through college, and they know they can count on having up until this point—a pension when they retire or they receive health care through their jobs. All of that is at risk right now for the people in Michigan and others around the country.

This fight that we are having, this debate, is critically important. I think there is not a more critical debate to have on whether we are going to continue to support American businesses and American jobs and the American middle class. That is really what is at stake. We should pass legislation that will be creating jobs. We should be passing legislation that will lower the trade deficit and will create more access to health care, lowering the cost of care and for college. There is a lot we should be doing.

Unfortunately, I have concluded that this trade pact really moves us backward. It will lead us to more offshoring of American jobs. It would be better titled "NAFTA part II."

However, so that I am not misunderstood, I do support trade. Obviously, the debate about trade or not to trade is not the right debate anymore. You could not put a wall up around this country if you wanted to. The Internet reaches anywhere. The question is, Are we going to be smart so that we can compete up rather than down, compete in a way that increases the middle class in other countries that will buy our products rather than losing our middle class and exporting our jobs? What is at stake here is really fundamental.

I have supported trade agreements in the past. In fact, I voted in favor of six trade agreements in the last 4 years. I will give you an example of one of them. I supported the United States-Australia trade agreement because our economies are similar. Our workers get paid roughly the same amount of money. Our companies can sell their products in Australia because it has a high minimum wage, sound environmental laws, and good labor standards. We can sell and trade back and forth.

Unfortunately, the CAFTA agreement does exactly the opposite. This packet will ship jobs overseas and provide fewer export markets for American companies, and it is because in these countries the minimum wage is very low. In Guatemala, the minimum wage is 25 cents an hour. I don't want our workers having to compete with 25 cents an hour. You cannot live on that. Mr. President, how can we expect to export to a market and compete with an economy where workers make 25 cents an hour, and there are no basic

environmental laws and labor standards? I want to compete with a country where you can drink their water, where they can live on their wage, where we are competing up, not down.

I believe we should try to support agreements that actually lift up workers in other countries as well as our own, as I said, so they can purchase our products. That is not what this does. Tragically, the countries involved in the CAFTA agreement are poor countries. For example, the median GDP in Nicaragua is only \$2,300 a year. And 40 percent of all workers covered under the agreement survive on less than \$2 per day. It would make sense if we were putting in place an agreement that would raise those wages so they can buy our products. But I fear, from what I have seen in the past, that will not be the case. The entire purchasing power of all six of the CAFTA countries combined is less than the purchasing power of half of the city of Detroit.

We are not competing on an equal playing field in this CAFTA agreement. I ask, how many Nicaraguans are going to be able to buy a \$20,000 automobile made in Michigan? We want them to buy cars made in Michigan, by the way, Mr. President. We all know those who don't understand history are forced to repeat it. I am afraid that is what is happening.

When we look at NAFTA, after Congress passed NAFTA, hundreds of thousands of American jobs were lost to Mexico. It is still happening. Last year, Electrolux, a plant in Greenville, MI, that makes refrigerators, announced they were going to move to Mexico, with 2,700 good-paying jobs gone. Why? So they can pay \$1.50 an hour in Mexico, with no health benefits. This is having a devastating effect on a small town community in the middle of Michigan. That is not the only story. There are hundreds of those.

Right now, if we use NAFTA as a comparison, we see that over the past 11 years U.S. workers have lost nearly a million jobs due to the growing trade deficits with our NAFTA partners. During the same time period, real wages in Mexico went down. Now, it would be different if it were true that wages went up, as we often hear, because that would make sense economically. But instead, in Mexico, wages have fallen, while the number of people living in poverty in Mexico has actually grown. It makes no sense to follow that line out again with another trade agreement. Since NAFTA took effect in 1994, the U.S. trade deficit with Canada and Mexico has ballooned to 12 times its pre-NAFTA size, reaching \$111 billion in 2004.

I believe we can expect more of the same from CAFTA, unfortunately. We can do better than this for American farmers, we can do better for American businesses, we can do better for American workers, and for American families. I hope we will reject this proposal and send them back to the drawing board. There are other models, other

prototypes that have gotten it right. There are other agreements we have voted for on this floor that do a better job of creating and protecting our middle class and our jobs and businesses in America than this agreement. We can do better than this. We need to do better than this. I urge my colleagues to reject this agreement.

We are once again rushing into a trade agreement that doesn't help, and in fact, has the potential to hurt American workers and their families.

This country has been in an economic slump since 2001. Since that time, we have lost more than 2.7 million manufacturing jobs.

At the same time, we have grown record budget deficits and record trade deficits. Workers are losing their health care and higher education is becoming ever more expensive. And, in Michigan we suffer from the nation's highest state unemployment rate.

What is this administration's response? It has decided to push the CAFTA trade treaty that will dig the jobs hole even deeper. And, the administration has stripped out a trade adjustment assistance provision that would have helped workers displaced by CAFTA.

This trade pact moves this Nation backwards. It will lead to more offshoring of American jobs.

It will cost us jobs, increase our trade deficit and hurt our country's middle class. It will turn the haves into the have-mores and the have-nots into have-nothings.

We should be negotiating trade agreements that involve exporting products, not jobs and we should pass legislation that will help create jobs, lower our trade deficit, and help working families get access to health care and college.

However, so that I am not misunderstood I support free trade on a level playing field. I have voted in favor of six free-trade agreements over the past 4 years.

For example, I voted for the U.S. Australia Free Trade Agreement because when we trade with Australia we trade on a level playing field.

That agreement works because our economies are similar and our workers get paid roughly the same wage. Our companies can sell their products in Australia because it has a high minimum wage, sound environmental laws and good labor standards.

Unfortunately, the CAFTA agreement goes in exactly the opposite direction.

This agreement will ship jobs overseas and provide few export markets for American companies.

My State of Michigan certainly will not benefit because this agreement does not provide a meaningful export market for Michigan manufacturers.

That is because in order to have an export market you need to be selling to people who can afford your goods. But the typical wage in the CAFTA countries is very low.

Tragically, these countries are poor. For example, the median GDP in Nicaragua is only \$2,300 per year.

And 40 percent of all workers covered under this agreement survive on less than \$2 per day.

The entire purchasing power of all six of the CAFTA countries combined is half that of the city of Detroit alone.

In Guatemala, the minimum wage is approximately 25 cents an hour.

How can we expect to export to a market where workers make 25 cents an hour and lack basic environmental laws and labor standards?

We should try to lift up the impoverished workers in these countries so they can purchase American made products. But this agreement will not do that.

As we all know, those who do not understand history are forced to repeat it. Let's take a look at what has happened in recent history.

After Congress passed NAFTA, hundreds of thousands of American jobs were lost to Mexico. And it is still happening. Just last year, Electrolux closed a plant in Greenville, MI, and put 2,700 high paid workers on the street.

Despite the fact that the company was making a profit and its workers were productive, the management closed the plant in Greenville and will soon open a new one in Mexico.

If we use NAFTA as a comparison we see that over the past 11 years U.S. workers have lost nearly 1 million jobs due to growing trade deficits with our NAFTA partners.

During the same time, real wages in Mexico have fallen while the number of people living in poverty there has grown, according to the Carnegie Endowment for International Peace.

Since NAFTA took effect in 1994, the U.S. trade deficit with Canada and Mexico has ballooned to 12 times its pre-NAFTA size, reaching \$111 billion in 2004. Imports from our NAFTA partners outpaced exports to them by more than \$100 billion, displacing workers in industries as diverse as autos, aircraft, apparel and consumer electronics.

I believe we can expect more of the same under CAFTA.

American farmers have also felt the impacts of NAFTA. We quickly discovered that this trade deal was no deal because it accelerated the agricultural products trade deficit.

Consider that in the three years before NAFTA our trade surplus with Mexico and Canada increased by \$203 million.

After NAFTA, our surplus fell by \$1.5 billion.

The result is that some American crops, like tomatoes, have been pushed to the brink of extinction.

Also, in 1994, Congress passed the General Agreement on Tariffs and Trade more commonly known as GATT.

After we signed that agreement, we began to lose jobs to India, Indonesia and other East Asian countries.

Now, workers in India are doing thousands of jobs that Americans used to do.

They now staff call centers, provide technical support for our computer networks, and even process our tax forms and read our medical x-rays.

To make matters worse, we passed so called most favored trade status for China in 1998. And since then, hundreds of thousands of Americans jobs are now done in China.

Mr. President, you would think that after what has happened after previous trade agreements that we would know better than to pass another free trade agreement with countries that don't share our wage structure, labor standards, or environmental standards.

Before we pass another free-trade agreement, why don't we first enforce our existing trade agreements.

Currently, two of our major trading partners, China and Japan, are violating world trade rules by manipulating their currencies, which has the effect of making their products cheaper here and our products more expensive over there.

Additionally, China refuses to seriously combat the rampant counterfeiting of auto parts.

This hurts Michigan companies and costs American workers their jobs. This is unacceptable.

That is why I, along with Senators GRAHAM and BAYH, have introduced a bill that would create a trade prosecutor. This ambassador-level position within the office of the U.S. Trade Representative would be appointed by the President and confirmed by the Senate, with the authority to ensure compliance with trade agreements to protect our manufacturers against unfair trade practices.

In practical terms, this prosecutor will have the authority to investigate and recommend prosecuting cases before the World Trade Organization and under trade agreements to which the United States is a party.

Senator GRASSLEY has assured me that this approach would be seriously debated while we continue to move forward on trade reauthorization and I look forward to working with him on this important piece of legislation.

In addition to enforcing our current trade laws, we should pass other legislation that would help protect our jobs.

First, we should close loopholes in the tax code that actually reward companies for shipping jobs overseas. Senator DORGAN has introduced such legislation to do so. Why aren't we passing that in the Senate?

Second, why don't we help our companies deal with the runaway cost of health care so they can be more competitive overseas and keep our jobs here?

Third, why aren't we more aggressively moving comprehensive pension reform to help our workers and companies through this very difficult economic time?

Fourth, while we are building infrastructure over in Iraq, why can't we do

the same here at home? Our roads, bridges, transit systems, and sewer systems are in dire need of repair. Why aren't we setting aside the resources now to repair them? Doing so would create hundreds of thousands of new jobs.

Finally, why aren't we doing more to invest in new science and technology so our companies can better compete in the future? With very little federal funding, we are on the verge of producing a commercially viable hydrogen car and being the leader in the world on stem cell research.

So, Mr. President, I ask my colleagues, why aren't we using our time to pass job producing legislation? How can we ask our workers to compete against economies that don't allow for collective bargaining, that don't maintain reasonable environmental standards, and don't maintain workplace safety requirements on par with the U.S.?

It is not fair to their workers and it is certainly not fair to our workers.

Why don't we work with these countries to help lift up their workers? Let's work with them to raise wages, provide health care, protect their environment and then we can enter into a free-trade agreement.

This agreement represents a race to the bottom.

A race to the bottom makes the world a poorer place—not a richer one.

There are many things we can do to increase our trade with the world in a commonsense way. CAFTA is not one of them.

The PRESIDING OFFICER. Who yields time?

The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, I rise to speak in favor of this agreement. Twelve years ago, I rose in this Chamber to speak about NAFTA to express a vision that free trade will one day encompass all of North, Central, and South America. Today, we have an opportunity to further that vision by entering into an agreement that will strengthen U.S. trade relations and promote democratic reform in Central America.

CAFTA will provide the U.S. exports with market access to Central America, similar to the duty-free access we have given Central American exports. Although nearly 80 percent of Central American and the Dominican Republic exports enter the U.S. duty free, America continues to pay high tariffs on over \$1.5 billion of annual exports to Central America, our tenth largest export market globally.

CAFTA rectifies this inconsistency by providing open market access to U.S. goods, services, and farm product exports. Specifically, over 80 percent of U.S. consumer and industrial product exports to Central America and the Dominican Republic will be duty free immediately upon implementation of CAFTA. The remaining tariffs are phased out over 10 years.

Almost 20 years ago, Central American countries were ruled by dictators and communist insurgencies creating chaos and fostering corruption. With American support and encouragement, Central America has evolved into a region of fragile democracies. Elected leaders are welcoming freedom and encouraging economic diversity, while looking to the United States for a means to develop a mutually beneficial relationship. CAFTA allows the United States to strengthen the economic ties we currently have with Central America and the Dominican Republic, while supporting political stability.

History shows us that bilateral and regional free-trade agreements promote economic growth by significantly increasing U.S. exports. In my home State of Texas, exports to Chile have doubled since the Chile free-trade agreement was implemented in 2004. The success of NAFTA in the last 10 years yields similar results. Since NAFTA was implemented, combined exports from America to Mexico and Canada have increased by more than 150 percent in Texas, and 113 percent nationally.

CAFTA shows the same promise and encourages U.S. growth as well. One out of ten jobs in the United States depends on exports. Similarly, foreign companies which invest in the United States create jobs. In fact, since 1990, foreign companies have invested more than \$1.5 trillion and employed more than 6 million U.S. workers. Free-trade agreements encourage export growth and help create jobs.

I think it is important, also, to look at this from a hemispheric point of view. I do believe that it is important that we have free trade from the very north, Canada, all the way through the tip of South America. Strengthening our hemisphere will be good for America, and it will be good for every country in this hemisphere. It will also help us with many of the problems that we face with disparate economies. Many of our immigration issues come from people wanting to come to the United States because they cannot earn a living for their own families where they live. It is not that they want to leave their countries, it is that they are trying to provide for their families. If we have more free trade in our hemisphere, people will be able to support their families where they live, and we will have healthy economic relations with those countries rather than dealing with that on the basis of an immigration problem.

So I do think that as we are looking at the places where we can strengthen economies, and where it is in our best interests to strengthen economies, we should look in our own backyard. We are having trade issues with China and with the European Union. Why not look to our own hemisphere, our own backyard, for strengthened relationships? That is what CAFTA will continue us on the right track to do. We have NAFTA and now we have Canada,

the United States and Mexico; we have Chile and we have other countries in South America. I think the Central American agreement will add another component to that.

I want free trade with every country in South America with which we can get an agreement. This is a very important part of our long-term stability and the strength of our economy and the economy of our whole hemisphere.

I hope we will look at the big picture. I know that many Senators are concerned about jobs in their States and the impact this might have. Many people in Texas were very concerned about NAFTA because of the labor being less expensive just across the border, but NAFTA has been an overall plus for Texas, as it has been for America. We want to continue to strengthen our relationships with Mexico, Central America, and all the way through the tip of South America.

Mr. President, I urge my colleagues to support this agreement.

I ask unanimous consent that the time I consumed be charged to Senator GRASSLEY.

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

Mrs. HUTCHISON. I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I yield such time as I may consume from my allocation.

There has been some discussion today about the U.S. International Trade Commission report on the CAFTA agreement. One of the complaints although not stated directly, is that this is an independent agency. Funny thing, independent agencies seem to be the most reliable agencies, at least, they are around this town. We do not get material from them that is colored one way or the other. It is an independent analysis.

This probably is the most devastating critique of CAFTA. We have all of these people who load up their saddlebags and rush to the floor of the Senate telling us how wonderful this is going to be. They pull out all the goodies and say how terrific this trade agreement is for America. The problem is it is at odds with the independent analysis from the U.S. International Trade Commission.

They say effects of tariff removal under this agreement are likely to result in virtually no benefit to our country. They say there will be little or no benefit to U.S. consumers. It says little or no change in U.S. production in distinct industry sectors, with one exception; the largest decrease in production is for manufactured sugar and sugar crops, of which the output of both will decrease.

Then it says this will increase our trade deficit by \$100 million. I don't know, maybe it is confusing to throw facts into this discussion about theology and economics and trade and all the things that are going on here. But here is a set of facts that is pretty hard

for people to refute. They say, I have heard: "You have to read the entire ITC report." I don't know, maybe so. I have looked at this report. I am reading the summary and the sector results, and it says if we sign on to this trade agreement, there is really no benefit to American consumers, virtually no benefit to American consumers, but a detriment to sugar producers and an increase in the trade deficit by \$100 million.

I went to a really small school, but I learned in a small school that this would add up to a net deficit for our country. I do not understand how someone looks at this and says: "All right, I have looked at this. It says this is bad for our country, but I think it is good for our country. And the problem is this is an independent agency."

That is a problem having an independent analysis on issues such as this that take off the rosy glasses and say: Look, here is what you are dealing with.

Let me put a few charts up to show a few of the facts. I have said many times that everyone is entitled to their own opinion on this floor, but not everybody is entitled to their own set of facts. Facts are stubborn things. Let's talk about them.

Since NAFTA began in 1994—that is the North American Free Trade Agreement—that is when we hooked Mexico and Canada with our trade. At that point, we had a slight trade surplus with Mexico. We have been able to ratchet that up to a huge deficit through this trade agreement. We had a modest trade deficit with Canada, and that has now become a huge trade deficit through this agreement.

We have lost about 71,000 family farms. We have had a drop in agricultural trade surplus with Mexico and Canada by 71 percent. There have been 900,000 manufacturing jobs lost. There has been a drop in net farm income of 22 percent.

I have told my colleagues, and I will tell them again, one day I drove to the Canadian border with a farmer named Earl Jensen. We got up to that border with a 12-year-old orange truck. This little old orange truck had about 150 bushels of durum wheat on it. So in an old orange truck, we pull up to the Canadian border. All the way to the United States-Canadian border, we had been meeting trucks hauling Canadian wheat into our country at secret prices which had been set by the Canadian Wheat Board, a sanctioned state monopoly in Canada that would be illegal in our country. All the way to our border we met these 18 wheelers hauling Canadian grain into our country.

Earl Jensen and I, with our little orange truck, get to the border, and they would not let us through. You cannot take American durum into Canada. It was not just us with the orange truck. There was a woman from Bowman, ND, who married a Canadian. She went to Canada for Thanksgiving. She got some wheat, put it in a paper sack and put it

in the car because she wanted to use that to grind up and produce whole wheat bread. "You cannot do that," they said, when she got to the border. "You have to dump out that sack of wheat." At the same time, we were flooded with Canadian durum coming into our country.

Fair trade? Of course not. It is absurdly unfair. Nobody is willing to do a thing about it. It all came about because of NAFTA. We had a written agreement from Clayton Yeutter, who said representations of good faith in NAFTA are there will not be a substantial increase of grain trade across the border. In fact, that happened immediately by the Canadian Wheat Board—as I said, a sanctioned monopoly that would be illegal in this country—shipping into this country at secret prices a massive quantity of grain, taking money right out of the pockets of American farmers.

Earl Jensen can probably be excused, at the Canadian border stop that afternoon, wondering how on Earth our Government policy allows Canadian grain to flood into our marketplace, and he and I cannot drive a 12-year-old orange truck into Canada with just a small amount of U.S. wheat.

The answer is quite simple. These trade agreements are incompetently negotiated, No. 1, and, No. 2, they are not enforced. That is where we are. That is what has happened since NAFTA. All bad news: A drop in the trade surplus in agricultural goods with Mexico and Canada; massive lost jobs in agriculture; 71,000 family farms lost.

But it is not all bad news. It is bad news for the little guy. Corporate agribusiness profits are up 175 percent. Pretty good for them. The trade deficit with Mexico and Canada increased 266 percent. There is \$4.3 billion in agricultural trade deficits with these two countries.

The point is not everybody lost. You see, the corporate agribusiness profits went up when we lost farms and jobs. The little bee sucks the blossom, the big bee gets the honey; the little guy picks the cotton, the big guy gets the money. Bob Wills & His Texas Playboys sang that 70 years ago and it still applies today and it applies in these trade agreements.

The U.S. Government estimates that CAFTA will increase the trade deficit by \$100 million. That is the ITC report I just described.

I don't know how anyone can come to the floor of the Senate and say: I have my own set of glasses. I haven't cleaned them for a long time, but when I look through these glasses, I see nothing but nirvana, nothing but good news, when, in fact, no matter what glasses you wear around here, here is the ITC report which says this trade agreement we are about to sign onto will increase this country's deficit.

This trade agreement, of course, is one more bit of the circular economic winds. This chart shows CAFTA will

allow transshipment of foreign textiles through Central American markets from China, from Canada, down through the CAFTA countries into the United States.

Somebody said today to me: "So what. It happens anyway." Are we all giving up on helping American jobs remain viable? I don't understand that.

Let me talk for a moment about sugar. There has been a lot of discussion about sugar. Sugar is an interesting commodity. I happen to like sugar. We produce sugar beets in the Red River Valley. All of us can be excused for liking something quite as wonderful as sugar. It, in fact, is organic. You plant a beet in the ground, watch that green stuff come up, and then see the growth and then pull that beet out of the ground during the beet harvest, run it through a plant, slice it, dice it, squash it, and get the juice out of it. It doesn't smell so hot in that plant when they are processing it, but pretty soon you have sugar, and most sugar in this world is traded country to country on long-term contracts. That is the way most sugar is traded in the world, country to country, in long-term contracts.

The sugar that is outside of that, the sugar that is left over or in surplus is what is called dump sugar. It moves around the world at very low prices, just pennies a pound, very low prices. That is what our colleagues who know nothing about sugar, except the taste, come to the floor and lecture us about: "Well, the world price of sugar is a nickel or 6 cents." Sorry, that is not the world price, that is the dump price for sugar. You cannot raise sugar for that. You cannot grow sugar beets for that. Most of the sugar is traded at higher prices than that on long-term contracts.

We have a sugar industry in this country, and we have a sugar program in this country. Some do not like it, especially those who produce candy bars do not like it. The last time we had a debate on the floor of the Senate about sugar, I held up a Baby Ruth candy bar and read the ingredients. Oh, man, it is a long bunch of ingredients. Most of the things in candy bars you cannot pronounce. But there is a lot of sugar in candy bars, and that is what the debate has been about regarding the sugar program.

Those who use sugar for their confections and candy bars do not want a sugar program; they want to buy dump sugar. The sugar program has been a good program to help stabilize prices in the country, yes, for producers and consumers. We have had times when sugar spiked way up, and then sugar prices came back down. Did you see a change in the cost of a can of pop or soda, a can of Coca-Cola, Pepsi, or Sprite? Did you ever see their prices come down when the price of sugar came down from a high spike? No, it didn't happen.

This sugar debate has always been about those who use a lot of sugar in

candy, soft drinks, and so on. They want to buy dump sugar at dump prices, and they would like to get rid of the sugar program.

This sugar program is one part of the farm program that has worked consistently to provide consistent stability of income for American farmers. Yet a relentless urge in this Chamber is to take apart the one part of the farm program that has worked.

Let me talk about sugar and this trade agreement. This trade agreement provides an opportunity for the movement of additional foreign sugar from the CAFTA countries into our country. We know they can produce sugar dirt cheap in some of these CAFTA countries. We know when we turn to the next trade agreement under the Free Trade Area of the Americas, they can probably produce it less expensively in Brazil and massive quantities of it. If we are going to be the recipients of dump sugar and be like a cork on the waves of the price of sugar, we will be subjected to the price spikes up high and then sometimes cheaper sugar.

The fact is we will also destroy the current sugar producers in this country. In the Red River Valley of North Dakota and Minnesota, we have sugar beet growers. They go out in the morning and plow the fields, tend the crops, plant these beets. They are good people. They have a farm program that works called the sugar program. This is the first step in the direction of taking that sugar program apart, much to the glee of some because they never liked it. This is the first step of several steps because the next step in the Free Trade Area of the Americas will be the giant step.

It is very interesting when you listen to these discussions about sugar. The Agriculture Secretary says this will increase sugar imports by about 1½ teaspoons of sugar a week for every one of our nearly 300 million citizens. That is an interesting way to look at it. Another way to look at it would be that CAFTA will let in enough sugar to fill 5,389 semi-trucks. This is just the first step in the wrong direction.

This is just the first step in the wrong direction for trade. Through trade initiatives, we have done a lot of damage to our economy—good jobs leaving, jobs that pay well leaving, huge increased deficits. That means that it is the Chinese, it is the Japanese, the Europeans, the Mexicans, the Canadians who hold American dollars, American stock, American real estate in exchange for the trade deficit we have which grows by \$2 billion-a-day—every day, 7 days a week.

I said this morning that Warren Buffett describes this as heading toward sharecropper days because others in other parts of the world will own an increasing part of America. Piece by piece, day by day, they are buying part of our country.

I finish with the sugar program to say this: I am not bashful at all about supporting our economic interests in

this country. I am just a little sick and tired of people who are so quick to negotiate away our economic interests. Every trade agreement we have seen in recent years has negotiated away the economic interests of our country. I believe trade agreements are beneficial if they become trade agreements that bestow mutual benefits on the trading partners, but that has not been the case.

Can anyone in this Chamber honestly look at the United States, Canada, and Mexico, the three countries combined, united in a trade agreement called NAFTA, and describe a manner in which this country won? Can anyone describe that honestly? They cannot. In each case, we ended up with a much larger trade deficit, and that trade deficit is a measurement of substantially greater imports into this country than exports from this country.

It also means, then, that we lost jobs, lots and lots of jobs. No one wearing their Senate blue suit ever lost his or her job as a result of this trade agreement. It is just other folks who lost their jobs, people who loved their jobs, worked hard at their jobs, cared about their jobs, often worked for 20, 25, 30 years, only to find out one Friday their job was over because we negotiated trade agreements that moved American jobs elsewhere.

When do we stop that? How much evidence does one need to decide it ought to stop, especially with respect to the issue of the sugar program and the sugar trade with Central America? Let us just instantly understand they can produce sugar much less expensively than we can, and I am going to go through some things and talk about the circumstances of labor in Central America and describe why they can produce sugar less expensively than we can. But they cannot produce a living wage for their workers in Central America. So let me go through some of those and connect it to the sugar program among other things.

Under the labor laws in El Salvador and Nicaragua, it is legal to fire workers who belong to a union. In Honduras, it is legal to fire workers who say they intend to organize. In Nicaragua, it is legal to prohibit strikes without government permission. Our country wants to sign up to a trade partnership in which our workers should compete with countries with those labor standards? Are we thinking clearly here? Who wants to do that? Does that not by its very definition denigrate standards in this country? I believe it does.

This is a chart that shows something about El Salvador. This was published some while ago:

Jesus Franco, 14, has scars crisscrossing his legs from his ankles to his thighs and more on his small hands. For more than half of his young life, he's spent long days cutting sugarcane. He has the machete scars to prove it and so do his four brothers and sisters, age 9 to 19, all of whom work in the sweltering cane fields of El Salvador.

Jesus' story is repeated countless times across Latin America where children even

younger than he is are found working in cane fields at subsistence wages. More than 17 million children between the ages of 5 and 14 are working in that region.

Sugarcane workers, including children, use machetes to cut the hard, sharp stalks of thickly planted fields where there is little room to maneuver. Children and family members said cuts requiring stitches are common in the fields and many more children suffer burns from the caustic fertilizer they spread by hand.

Thirty-three percent of the sugarcane workers in the fields of El Salvador are under the age of 18. Many children in El Salvador start working in sugarcane fields between the ages of 10 and 13, and the number of children between the ages of 5 and 14 working in Central America is 17 million.

This is a young boy working in a sugarcane field in Central America. This is a picture of the living conditions for sugarcane workers in Guatemala. This is a picture of the type of injuries which children and adult workers sustain while cutting sugarcane. This photo is from Human Rights Watch.

I do not know how much more evidence is necessary to understand what we are trying to do. The majority who believe in this trade agreement are trying to hook this country into a competition with other countries that have decided they can fire workers who want to unionize, that have decided even if they have labor rules they do not need to enforce them, that have decided it is okay to have 9-, 10-, and 12-year-olds in the cane fields hacking away with machetes, and those are the conditions under which we compete. That is what the majority, many in this Chamber, will say when they vote for this trade agreement. They have said it before repeatedly with trade agreements, and they are going to say it again today. In the face of all evidence to the contrary, they are going to say it again today. It is unbelievable to me.

So last evening, when I got a little cranky and objected to unanimous consent requests and was walking around a little upset, I was upset because of this. This trade agreement, the Central American Free Trade Agreement, was negotiated over 1 year ago. It was not brought to the Senate floor, not brought to the floor of the House, not brought to the Congress at all. Do my colleagues know why? Because they did not think they had the votes in the House of Representatives. But I knew some day the President and the majority would say, "We are going to vote on CAFTA," and they would wedge it in right in that little corner, right in that crevasse before we go home for a break.

Next week, we are not in session. There is a Fourth of July break. Sure enough, last night, that is exactly what the majority leader did. I am sure White House instructions were to get this done.

It has been over a year. We think we now have purchased enough votes, we have given up roads and bridges and dams, and we have enough people who are willing now to vote for this. So we

are going to have this discussion, we are going to have it now, and it is going to be done before we go home for the Fourth of July recess, and we are not going to have a 2-day or 3-day discussion about real things that matter a lot.

We are going to have a discussion about flag burning, I guess, I am told probably in the month of July. The flag is very important in this country. It is a symbol of America's patriotism and freedom. I would not ever make light of that, but I would say this: As disgusting as it is, and it is disgusting to see anybody desecrate an American flag, one might well be hard-pressed to find someone who has burned an American flag. Look at the label. It might well be made in China because much of our textiles come from China these days. The people who used to make those textiles—shirts and trousers and, yes, flags—used to be American workers, but now they are foreign. They are gone because we have a trade strategy that says we want American workers to compete with workers in China, Sri Lanka, Bangladesh, and Indonesia. Those workers will work pretty inexpensively. Those are workers who can work 7 days a week, and we can ask them to work 12 hours a day. We can pay them 30 cents an hour and that will be just fine, and American workers cannot compete with that—that is tough luck.

I happen to think that what we have built on this little planet called Earth, the only spot on Earth that is the United States of America, is extraordinary. One of the reasons it is extraordinary is we had the guts as a country, all of us did, both parties and people marching in the streets, to do what was right. We said there is a right way to do things and a wrong way to do things. One has capital, labor, and all of these things that come together to produce. Both have rights, both ought to be protected, and so people chained themselves to the White House fence, people died in the streets of Detroit, people manifested a belief and a passion that workers have the right to organize, they have a right to work in a safe work plant, they ought to have child labor laws, and companies ought not be able to dump their sewage and chemicals into the streams and into the air. We made a lot of progress doing that, so we have a better country because of it. We use much more energy now than we did 25 years ago, and we have a cleaner country.

All of those things we have done to make this a better place in which to live, to allow jobs to be available that allow workers to provide for their families, are now being considered largely irrelevant because one does not have to bother with those things in production here at home. They can just produce elsewhere, and workers can be treated like a pair of pliers or a wrench: When you are done with it, just throw it away, just get rid of it, just leave it somewhere else. Do not worry about it

because you can find another one 8,000 miles away. You can transfer the capital immediately, you can transfer the technology immediately and combine the capital and the technology with somebody who will work for 30 cents an hour. Do not worry about the consequences for the American workforce because if one is an international corporation interested in shareholder profits, they do not have to say the Pledge of Allegiance. So do not worry about that.

Those are the values we ought to be talking about when we talk about these trade agreements, values long forgotten, in my judgment, during these debates, values that no one wants to discuss much. That is why we are here for 1 day on the Senate floor on an issue this important, just wedging it right in between now and the Fourth of July recess.

As I close, I ask my colleagues to look at this one more time. This is a trade deficit chart that tracks the loss of American jobs and tracks the selling of America to foreign interests. Every single day, \$2 billion of American cash, American assets, American real estate, ends up in the hands of foreign interests. It is what Warren Buffett means when he says that we as a country are headed toward a sharecropper future. I defy anyone in the Senate to come to the floor and tell me this is moving in the right direction, tell me this is good news.

This is a disaster. This is dangerous for our country. This is evidence of a Congress that refuses to stand up, that does not have the backbone, the will, and the strength to stand up for this country's interests and is not willing to stand up and say: "I want to protect America's interests." Why will they not say that? Because they are worried that somebody is going to call them protectionists. Well, sign me up, for God's sake. My interest in putting on a suit in the morning and coming to work is to protect the economic interests of this country. Yes, I think we have a global economy and, yes, I think trade can be beneficial, but if trade agreements are not mutually beneficial, then this country has no business signing up to trade agreements that cost this country jobs and economic strength and cost us an opportunity for a better future.

I will have more to say about a range of these issues later this afternoon, but I hope we will continue to hear from colleagues about the underlying premise of this set of failures and how we can turn it around. How do we turn it around? Every kid in this country who is now in school is going to have a future that is injured by this strategy unless we turn it around. Only we can do that. There is no one better able to do it than us, but we have to have the will to do it. I hope that perhaps at the end of the day, when we finally vote, we will find a will to quit moving in this direction and stand up for the economic interests of this country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I spent the last few minutes listening to my colleague from North Dakota discuss a very important issue for our country. While he and I have come to the same conclusion as to how we are going to vote on this issue, we have come from different points of view to arrive at I believe a similar conclusion.

Mr. DORGAN. Might I inquire of the Senator from Idaho, my intention was to yield 10 minutes to the Senator from Idaho off our time. Is that the Senator's intention as well?

Mr. CRAIG. I would ask that be done, if that is necessary. Ten minutes is clearly adequate. I need no longer than that.

Mr. DORGAN. I yield 10 minutes to the Senator from Idaho.

Mr. CRAIG. Since Congress gave the President fast-track trade negotiating authority in August of 2002, we have had to face the reality that comes with it. I supported giving the President that authority because clearly the executive branch is the branch that negotiates trade agreements.

But while giving him that authority, I said that I would look at each trade agreement and study it thoroughly to determine whether I believed it was in the best interests of our country to approve it, and, as important, in the best interests of my State of Idaho. Three agreements have been reached and Congress has dealt with all three of them. I have voted for two of those three.

The administration has been actively pursuing a vigorous bilateral and free-trade agenda around the world, and I believe it is in the best interests of our country, both economically and socially, to trade where we can, when we can, as long as it is fair and balanced and it recognizes all of the tradeoffs involved.

Trade with foreign nations is a valuable component to promoting economic opportunities at home. This is not a one-sided economic playing field. If we were to produce only that which America consumed, then, working America, half of you go home. It is clearly in our best interests to trade and we know that.

At the same time, we should not be trading off one segment of our economy against another. Trade agreements ought to be there to promote general economic growth in our country. Certainly it ought to be able to promote economic growth around the world. But in the end, when that trade agreement is struck and implemented, we ought to be able to say it serves all of America well.

Congress is now debating, as we speak, the Central American Free Trade Agreement, otherwise known as CAFTA. I became involved with our trade negotiators as the President and our then-Trade Representative, Bob Zoellick, began negotiating with CAFTA nations. As an agricultural

State, Idaho has a large stake in these agreements, and agriculture right now is currently learning how to restructure itself in our global markets to remain highly competitive, to supply not only food and fiber to America but to consumers around the world.

As many know, a major agricultural crop in my State is sugar. Idaho is the second largest producer of sugar beets, behind Minnesota, in the United States. Idaho's sugar industry employs somewhere in the neighborhood of 7,000 to 8,000 people and generates nearly \$800 million in economic activities in my State. The sugar industry of Idaho and in most other sugar-producing States has had to restructure itself in the last several years because of the unprofitability of it. Farmers have pooled their money, they have created cooperative processing plants to market their sugar, and so inherently have developed large personal investments in all levels of the production of sugar.

It is well known that the world sugar market is one of the most distorted agricultural markets in the world and that most world sugar supplies are simply dumped on the markets at prices well below the cost of production. As the Senator from North Dakota was showing a few moments ago, some of that production is done at the lowest of costs and at a tremendous cost to human capital. U.S. producers already face an oversupply situation, with significant quantities in storage at the expense of the producer. Prices have slowly declined. Yet production costs in the United States have skyrocketed.

Although the United States is the fourth largest importer of sugar in the world—no, we have not shut the world out, we are a very large importer of sugar—CAFTA seeks to significantly compound an already ugly situation and set a “precedent of no return” for further negotiations already underway with major sugar-exporting countries such as Thailand and Panama. In other words, this is not the last bilateral agreement this Senate will see before it that deals with the issue of sugar.

CAFTA nations already enjoy duty-free quota access for sugar with the United States. I am not prepared to trade away an industry so vital to my State to the overall well-being of some other country's sugar industry.

Other Idaho agricultural groups understand that those farmers who are sugar producers also are potato producers and bean producers and grain producers. We are not just talking about impacting one commodity. We are talking about impacting a lot of commodities. If Idaho were to lose the acreage that it now commits to sugar, it would have to grow something else. It would put pressure on other commodities.

We have sought and have obtained a relatively well balanced economy in agriculture. In my opinion, CAFTA will distort that. Our U.S. negotiators are willing to open our markets to increased sugar imports while other com-

petitors maintain unfair economic advantages in domestic subsidies and minimal market access commitments.

Myself, along with my colleagues from sugar-producing States, took our concern with CAFTA to the administration. With the help of my good friend and chairman of the Senate Agriculture Committee, Senator CHAMBLISS, we met late into the night with our trade ambassador, Rob Portman, and with the Secretary of Agriculture, Secretary Johanns. I must say in all fairness to them they not only listened but finally, after well over a year and a half of me saying “don't go there” and then when they did, saying “come work with us,” they finally fully began to engage.

They brought forth a proposal that, in my opinion, was not all bad. At the same time, it modified the 2002 farm bill, in large part, and it committed U.S. money to a program to save, if you will, or maintain, if you will, that we had told our Senators on the floor was going to have no net cost to the American taxpayer.

As a result, while I thought it was a significantly improved proposal, the sugar industry of this country looked at it and looked at what they felt was a very weakened position because of CAFTA and because of NAFTA and because of what was happening in Mexico now and because of a position they would be placed in the 2007 farm bill negotiations, and they simply had to say no.

Trade agreements ought not to be trading one industry off against another. These trade agreements ought not to have to come to Idaho and any other State and say: We have weakened the capacity of your State, or the agricultural industry of your State in this instance, to be competitive and to produce and to sustain ourself and your livelihood.

It is for all of these reasons that I will be voting against CAFTA. However, I applaud this administration for their diligent and willing work with us on this issue. In the final hours, they tried. The problem is, they didn't try a year ago, or 2 years ago, when this issue was being negotiated. More than once I sat down with Ambassador Zoellick and said: Don't touch sugar. It has a very static market today. It is in a highly competitive market. And it will be most difficult for that industry to sustain itself, let alone sustain itself in a diminishing market environment.

They didn't listen. We have CAFTA. Anybody can waive two little packets of sugar around and say that is all it is about.

But what about the Colombian agreement? What about the Thailand agreement? What about the Panamanian agreement? What about the South African agreement? All are sugar-producing nations. All are ready to sit down and negotiate and ask for a piece of the U.S. sugar market. That is why the producers in Idaho and around the Nation, when provided this last moment agreement, simply had to say no.

They are placed, by this agreement, in a most difficult situation. As a result, in my support of them, I will oppose.

Again, trade agreements ought not be about trading one segment of our economy off against another, trading winners and losers, and therefore creating an environment that pits one head to head with another. That is unfair. Our Government ought not be doing that.

While there are many benefits to be gained by CAFTA, there are winners and losers. I believe the sugar producers of this Nation become losers. I have to vote no.

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

Mr. GRASSLEY. Mr. President, I rise to make a unanimous consent request on the order of speakers to be recognized: Senator KERRY for 20 minutes, and that is from the time of Senator BAUCUS; Senator INHOFE, for 15 minutes from my time; Senator BINGAMAN, 8 minutes from the time of Senator BAUCUS; and Senator BROWNBACK for 10 minutes from my time.

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

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, it is interesting, listening to the Senator from Idaho, who, as he said, came to this decision from a different place than the Senator from North Dakota, and listening to the Senator from North Dakota; both of them have raised issues they tried to get the administration to respond to. I am very sympathetic with the sense they have that the administration just didn't respond to them and really was unwilling to try to accommodate what I think are very reasonable concepts.

In May of 2003 I sent a letter to Ambassador Zoellick, asking the administration to delay tabling CAFTA's labor chapter until Congress had an opportunity to consult. I wrote again in October 2003, raising similar concerns.

All we got was a very sort of abrupt and short letter that basically never engaged in the kind of discussion that could have benefited all of us so we would not have the kind of divide we have in the Senate and in the country today.

During the debate of TPA in 2002, I offered an amendment to allow communities to be able to preserve their health and safety laws which were being challenged under NAFTA. Even now, with a lawsuit pending against the State of California for attempting to protect their drinking water—imagine that. The State of California wants to protect its drinking water and the interests of its citizens. But nevertheless they included the very same provisions that have led to that kind of challenge in CAFTA.

In the summer of 2003, I suggested to the administration, in the context of the Chile and Singapore agreements, that the labor standards achieved in those agreements would not be ade-

quate for CAFTA. The reason for that is in Chile, in Singapore, and in Australia—all three agreements which I supported last year—you have capacity for enforcement. You have specificity with respect to the laws on the books that can be enforced. And you have a record of that enforcement. All three of those ingredients—capacity, specificity of law, and record of enforcement—are absent in too many of the countries that are involved in this agreement.

We tried to get the Trade Representative to understand that there is an evenhanded way to open a fair agreement to trade but to address those kinds of concerns. Regrettably the labor standards in the Chile and Singapore agreements may be good for those countries, but they should not be applied to CAFTA because of the lack of those three critical ingredients.

Even in this last month, as CAFTA was considered in the Senate Finance Committee, I offered an amendment that specifically laid out what the administration could do to fix this agreement. That amendment lost on a tie vote—10 to 10 was the division in the Finance Committee, in no small part a division that was that close because the administration opposed it.

So I regret enormously that we are where we are with respect to this agreement at this point in time. I have been in the Senate now for 21 years, and I was one of those who was on the cutting edge and leading the effort in our party to try to make it clear that we ought to trade and that it is important to the United States. I still believe that. I voted for NAFTA, the Uruguay Round, China PNTR, and the many bilateral agreements negotiated by both the Clinton and Bush administrations.

Last year, while I was not here to vote, I supported the Chile, Singapore, and Australia agreements precisely for the reason that they had a strong ability and a strong record of enforcement, that they had very specific laws, and that they had the capacity to be able to enforce those laws.

There are some colleagues who have always opposed each and every one of these trade agreements; and there are some who have been for everything no matter what the balance is. For a number of years now I have been trying to suggest not as a matter of ideology, not as a matter of party label, because I don't think this should have a party label, but as a matter of common sense, I have been trying to suggest that the consensus we have built globally for trade, a consensus built around the notion that, yes, there are some winners and losers, but you do your best to mitigate the impact on losers, that you have sufficient trade adjustment assistance, that you do enough education and training, that you do enough with health care and COBRA payments so people can cover themselves with health care during a transition, that you ease the pain, so to speak.

At the same time, as you attempt to maximize the rising of all boats in the tide that we proverbially think about, the rising tide lifts all boats, the fact is, in many countries, it is not lifting all boats. The standard of living does not move at the rate it ought to. The standards for health, safety, labor organizations, or environment do not change in the way they ought to. All of these are quality-of-life issues and value issues, fundamental value issues that ought to be part of our agreements.

This is not just basic economics. Particularly when you look at the chart showing the deficits in trade that are growing, it is hard to make a new economic argument about it. The fact is there are larger issues at stake in a trade agreement.

For rigid ideological reasons, over the years, we have had tension in the Senate and a fight over whether you embrace some of these other considerations in a trade agreement. Part of the reason we have had such intense reactions to trade meetings around the world, with riots in Seattle and with other demonstrations around the globe, is because of the raging pace of globalization and the discomfort it brings to a whole bunch of people who feel powerless to be able to do something about it. If we, the people who have the power to do something about it, do not choose to do so, we leave people out in the cold and hurting even more.

The fact is, the consensus—which has been global, that has helped us to be able to build the trade structure—is fraying. It is fraying not just in the United States but it is fraying in other countries as well. The administration had a unique opportunity in this agreement to try to address some of those concerns. We all understand that opening markets sets in motion economic transition that everyone here knows creates winners and losers at the same time.

While you may want to mask some of that impact, the personal impact to people's lives with an unemotional language of economics in the Senate, the fact is if you go to Ohio, Wisconsin, Minnesota, Idaho, North Dakota, or other parts of the country, it is having a profound impact on communities. It is having a profound impact on the fabric of life in America and on our ability to be able to have a long-term strategy for success.

We all know the numbers. Since 2001 we have shed nearly 3 million manufacturing jobs. We have endured 42 consecutive months of economic decline in the manufacturing sector. Fifteen years ago, 20 years ago, 30 percent of America's economic pace was services and 70 percent was manufacturing. Today, it is 30 percent manufacturing and 70 percent services. Many of those services are not the kind of high value-added paying jobs Americans have come to expect.

We have long understood if we want a broad consensus for free trade in America, we have to make these trade agreements work for all Americans, not just for the winners, but for the people who temporarily are in the losing position.

In the 1990s we began to respond to that. First we looked at the trade agreements themselves and we decided we must protect American workers from unfair competition. American workers should compete on the basis of pay and skill and effort. But it is unfair, fundamentally unfair, to ask Americans to compete against child labor or against habitually depressed wages or habitually unfair working conditions.

In the Jordan agreement of 2001, President Clinton had come to understand that in the later part of the 1990s. His administration moved specifically to include these other values within the four corners of a trade agreement. We gave basic labor protections the same standing we give in the protections we provide to corporate America. In other words, we made a new bargain with the American worker in order to hold on to the consensus. The bargain was very simple: We will protect your economic interests, your job from unconscionable competition such as child labor, just as we protect a corporation's economic interests, which are its product, from dishonest competition such as copyright theft. It seemed like a very fair bargain, a very fair form of protection.

In CAFTA, we go backwards from that standard. We go backwards from that standard for no explicable reason. Once again, our corporations get the protections they need with an elaborate system of rules, complaints, appeals, compensation, and strict enforcement. But all our workers get is some flowery language with no teeth behind it.

We are going to hear that CAFTA has the strongest labor provision of any trade agreement. That is what some folks have been trying to say. Look at this agreement, read the language, and you realize that is once again spin. It comes down to this: There is only one labor provision in CAFTA that is enforceable. It is a nation's commitment to "enforce its own laws." Now, that sounds good, or it sounds like something, but in reality this provision does nothing to protect workers because, No. 1, there is no stipulation whatever as to what those laws are; No. 2, some of those laws are completely inadequate; No. 3, there is no enforcement capacity in some of those countries to enforce even the inadequate laws, if you can understand what they are. There could have been a stipulation as to what they are. There could have been an understanding in the four corners of this agreement as to what standard we would try to reach.

Moreover, if the provision does lead to an attempt at enforcement, guess what. The maximum so-called penalty is \$15 million. There is a cap. There is

no cap on the corporate penalty. But there is a maximum cap. Guess what. It is a so-called penalty because the fine is then returned to the offending country, ostensibly, to be used to fix the problem, but without any real enforcement mechanism to do so.

Senator BINGAMAN will say to the Senate that he has secured an agreement from Trade Administrator Portman that they will put \$40 million a year into the enforcement efforts. Again, if you do not have adequate laws and you do not have adequate specificity and you are enforcing in a structure that has a cap on the payment and the payment goes to the country that offended, you are not enforcing the standards of workers.

There is another labor provision in CAFTA. It asks a nation to strive to eliminate "the worst forms of child labor." We do not even define what the gradations of the forms of child labor are. Just the worst forms of child labor. There shouldn't be any form of child labor. But we are only going to seek to strive to get rid of the worst forms, sweatshop conditions and other problems.

But if a nation fails to do that, we can only consult. In other words, we can talk about ending child labor in a CAFTA country, but we cannot take any action to end child labor in a CAFTA country. That is wrong. That is contrary to the values of our country and to the fundamental values of American workers. Words alone are not going to do anything for kids who are suffering in work sweatshops. They will not do anything for the American workers who lose their jobs as a consequence of being undercut by that level of competition.

I ask my colleagues to answer a simple question: Why is there a double standard that we are going back to when we passed an agreement that set a higher standard, and there is no showing as to why that standard hasn't worked, shouldn't work, and shouldn't be part of this agreement? Why do Americans not have the same standing as a corporation? Why don't they have the same standing to end child labor or sweatshop conditions that corporations have to go out and protect copyright or patent theft? Why the double standard that punishes American workers?

I share with many of my colleagues a longstanding commitment to the development of the well-being of Central America, but I am concerned that CAFTA is insufficient to provide for steady and balanced economic growth in the region. The administration claims supporting CAFTA is a security issue. I agree, it is a security issue. It is about the economic security of some of the more vulnerable economies in our hemisphere. We have to ensure that a trade agreement with Central American countries grows their economies, protects their workers, helps them preserve their sensitive ecosystems, and, most importantly, encourages balanced and widespread eco-

nomic growth and opportunity for all of the people in the region.

The most troubling aspect of CAFTA is that its shortcomings, particularly the administration's indifference to our own workers, are part of a larger problem. I will speak about that for a minute. What CAFTA underscores is the need for a national policy to make sure America is competitive, the leader in the global economy of today and of tomorrow. The reality is, there is no comprehensive strategy to meet the needs of a fast-changing playing field.

What am I talking about? Certainly when we negotiate trade deals with nations that have an insufficient or lackluster labor record, you have to give citizens the same standing to be able to end child labor that corporations have to end copyright and patent theft. It seems to me it is a pro-trade, free-trade policy that builds consensus and which considers all Americans. But it was refused in this agreement.

After you have the agreement in place, we need to defend America's interests. This is true of all of our agreements. The administration has to stop giving in to competitors. The Clinton administration brought an average of 11 trade cases to the World Trade Organization per year. This administration has brought a total of 12 cases in the first 4½ years.

The administration also needs—and many colleagues have spoken about this—to take action against China's currency manipulation. We keep hearing about it. People talk about it. And they talk about it. And they talk about it some more. The Senate has actually voted and gone on record that the administration needs to do something other than talk. But nothing has happened.

In the administration's recent dealings with China, according to our trade representative, counterfeiting and piracy in China are at epidemic levels. That piracy costs U.S. companies \$20 to \$25 billion annually. We are told the problem is getting worse, not better. According to press reports in May, the United States presented the Chinese with a list of modest proposals to curtail intellectual property violations. Modest proposals. We gave them a list. The Chinese rejected the proposal outright.

What did the administration do? They did not respond by pressing the Chinese. They did not respond by taking any particular action. Guess what they did. They told United States companies to go file lawsuits in Chinese courts to defend their rights. It is insulting and it is ridiculous. It is not just putting the agreements in place, it is also enforcing them that the American worker is asking for.

In addition to that, we have all heard about the Chinese firm recently seeking to purchase Unocal, an American energy company. What many people do not know is that Chinese company borrowed money from the Chinese Government in order to make the bid. It

should not come as a surprise since it is 80 percent Government owned. That has upset a lot of people and generated a lot of press. But it ought to concern us even more that we are doing the same thing in the United States in the following way. Since the start of the Bush administration, the Federal Government has borrowed billions of dollars to fund our national debt and cover questionable and, some think, even reckless tax choices in fiscal policy. Billions of dollars have been borrowed from—guess where—none other than the Chinese Government.

Mr. President, I yield myself an additional 5 minutes off their time.

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

Mr. KERRY. Mr. President, we ought to be concerned about the missed opportunities that are related to trade adjustment assistance. The Senate has supported trade adjustment assistance. If people lose their jobs, they have the right to expect that we are going to try to help transition. We have done that because we have understood the movement to open markets means this economic transition.

Guess what. Once again, the administration has ignored the will of the entire Finance Committee on this issue, which voted to include TAA for service workers in the CAFTA agreement. In the Commerce Committee, Senator EN-SIGN held an excellent hearing on America's competitiveness. Our witness was the administration's point person on manufacturing, Al Frink. He told us he believes there is a shortage of skilled workers in America. And that shortage of skilled workers is hurting our economy.

What the Under Secretary did not say, or maybe he did not know, is that the Bush administration has resisted congressional efforts to fund worker re-training and vocational education, which would, in fact, address the skilled worker shortage.

The administration's indifference to competitiveness goes deeper. We have a tax policy that rewards American and multinational companies for housing operations abroad instead of housing them here in the United States. It is hard to imagine a more backward tax policy. We should end it. But for this administration, it is not only not a priority, it is not even an afterthought.

We also do not adequately fund the basic science and research that will produce the revolutionary technologies and products of tomorrow. Not surprisingly, fewer and fewer American students are choosing to study science and engineering. The Bush administration has proposed cutting Federal research and development spending for the first time in 10 years. The story is much the same in our public schools. Bill Gates has called our high schools obsolete because they fail to prepare our kids to compete. Alan Greenspan said much the same thing before the Finance Committee last week. Yet every year the administration refuses to fully

fund No Child Left Behind, seeming perfectly content to see those kids not study science and engineering, or perhaps not study at all. And all of this time, the administration negotiates trade deals that remain indifferent to American workers and fail to defend our legitimate interests at home, all the while refusing to adequately invest in science, research, training, and ignoring the problems that drain our businesses, such as health care.

The competition is hard at work at every single one of these. China and India will probably turn out 300,000 engineers each over the next year—way ahead of the United States. While our shortsighted policies stunt our competitive advantage, China, India, and all of Asia and Europe have developed long-term investment plans, long-term infrastructure investment plans, long-term trade, and long-term educational plans, all aimed at one thing: eliminating America's economic dominance. They have national programs aimed at educating workers, reducing capital costs, and attracting businesses. And we are falling dangerously behind.

I was visited just the other day by the new president of MIT. Every Senator here, I know, respects that institution. She was deeply concerned. She expressed this enormous concern about what is happening to the competitive advantage of our great science and technology institutes across the country and our commitment to science as a whole as a Government.

In the Commerce Committee, we heard how Japan and the European Union are implementing large-scale, long-range R&D projects aimed at developing leading-edge commercial technologies. For example, from 1995 through 2001, the emerging economies of China, South Korea, and Taiwan increased their investments in research and development by approximately 140 percent.

It is urgent we consider real measures to advance America's competitiveness and forge a new global consensus on trade in our country. That global consensus begins with a set of rules that makes sense to the American worker, rules that work for the American worker, even as we open new markets, which we must do.

We can do better than this trade agreement. We need to.

Mr. President, the bottom line is that CAFTA is not a good deal for America. It is a good deal for some companies. It is a good deal for some investors and shareholders. It is a good deal even for some of the countries that are a party to it. But it is not a good deal for the American worker. So I hope colleagues will help America stay at the top, while making trade fair for Americans. And I hope colleagues will join in saying no to this agreement in its current shape.

Thank you, Mr. President.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I think under the UC I have been allocated around 15 minutes. I ask unanimous consent to be granted such time as I shall consume.

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

Mr. INHOFE. Thank you, Mr. President. I think I will be able to do it within that time, anyway.

Let me make a couple comments. I think almost none of these items have been covered before. It is approaching this whole CAFTA idea from a different perspective.

Let me first of all say that when this first came up, I just heard "CAFTA," and I said: I am against it. I led the opposition against NAFTA 11 years ago. I thought this was more of the same, and so I was opposed to it. Then someone showed me how my Oklahoma farmers might be affected.

I am not sure you can see this chart, but it shows the various grains, cattle, meat products, dairy products, vegetables, and so forth. The blue bars are the tariffs that are charged to our farmers, and the others are what are charged to imports coming in. I have found that in every case, when this is fully implemented—if it is—my Oklahoma farmers will benefit, and benefit materially.

So I actually went and talked to some of the farmer groups that were leaning against the agreement for a number of reasons—a number of reasons that have been posed on this floor—only to find out they have changed their minds and they are very much supportive.

That is not really why I am here today. I think that is something very specific we can look at. We know it is true. I would like to look at this in a little different way. I was distressed a little bit because some of my very good friends in the conservative communities were opposing CAFTA. I have gone to any lengths to try to determine specifically what their opposition was.

There are five organizations that are conservative organizations—they are great organizations. I agree with them almost 100 percent of the time. Their argument was: We are against this as we are against all treaties because anything that is this kind of a multinational thing will infringe upon our Nation's sovereignty.

Well, I have to tell my good friends in these five conservative organizations, there is no one who is stronger in this position than I am. I am the guy who stopped the Law of the Sea Treaty. Quite frankly, I think it was going to pass. It actually had passed out of the Senate Foreign Relations Committee with a unanimous vote. I found out what was in it. I found out we were ceding our jurisdiction—our sovereignty, if you will—over some very important parts of the water-covered part of the planet. I felt it was wrong. And we have not—I am not saying it is all dead in the water right now, to use a phrase, but I think it is. Certainly it

has been stalled. I led the opposition. I was opposed to it. I was not for it.

The Kyoto treaty, you all know how I feel about that. We debated climate change on the Senate floor 2 weeks ago. I spent 2 whole days talking about that. I think we know that under that treaty, according to the Wharton Econometrics Survey from the Wharton School of Economics, if we had to comply with the Kyoto treaty, it would have cost our average family of four \$2,700 a year. It would have doubled the price of energy and gasoline and all that. We know that is true. I led the opposition to that and was very proud to do that.

Eleven years ago, we had NAFTA. I was in the other body, in the House of Representatives, 11 years ago. I was elected in a special election to come over to this body. So the year they had NAFTA, I was able to lead the opposition to the ratification of NAFTA in both the House and the Senate. I was the only one who could do that. So I came over here to the Senate.

I say to my good friend from North Dakota, who posed some excellent arguments against NAFTA just a few minutes ago, this CAFTA is not NAFTA. On the NAFTA part, I agree. I remember standing on the floor of both the House and the Senate saying: If we pass NAFTA, that is going to allow a Mexican trucker to pick up a load in Brownsville, TX, take it to Tulsa, OK, and not have to comply with any of our health standards, our environmental standards, our wage and hour standards. Sure enough, these things turned out to be true. I do not think it was a success. I think it was a failure.

So getting back to the ones who are for this agreement and against it, I would have to say to the very small number of conservative organizations that are opposing this, the vast majority of the organizations in the conservative column are supporting it.

Listen to this. Those organizations that are supporting CAFTA include Americans for Tax Reform, Center for Security Policy, National Tax Payers Union, The Heritage Foundation, David Keene of the American Conservative Union, Citizens Against Government Waste, Competitive Enterprise Institute, Oklahoma Council of Public Affairs, The Club for Growth, the National Tax-Limitation Committee—that is Lew Uhler and his group—Citizens for a Sound Economy, Empower America, and the James Madison Institute. That is just to name a few. They are the 40 most prominent—except for 5—organizations that are supporting it.

I am very sensitive to this. Maybe I should not be that sensitive, but I am because, according to the American Conservative Union, in their rating, I am not No. 2 or No. 3 or No. 4 but the No. 1 most conservative Member of the Senate. Now, I am qualifying myself for this because I keep hearing that conservatives are somehow opposed to this agreement, as they were NAFTA. Of course, I agreed with them back at the NAFTA time.

Now, what kind of liberal groups are opposing CAFTA? We have already talked about the conservative groups that are supporting CAFTA. Those who are opposing it are Earthjustice, National Environmental Trust, Friends of the Earth, EnviroCitizen, Freedom Socialist Party—there is another great group—the Berkeley Fellowship of Unitarian Universalists’ Social Justice Committee, Nonviolence International, Progressive Democrats of America, Safe Earth Alliance, Public Citizen, Social Welfare Action Alliance, Community Alliance for Global Justice, Gray Panthers of Austin, San Francisco Neighbor-to-Neighbor, New York State Green Party, and the Holland Peacemakers. I could go on and on. And we will insert more of them in the RECORD.

But by and large, what I am trying to get across is that virtually every far-left, extremist, liberal group in America is opposing CAFTA. And somebody has to say it. I was sent an e-mail from my State of Oklahoma saying that they understood I was still undecided. The responses are about 9 to 1 in opposition to CAFTA, and, therefore, you cannot dare go ahead and support CAFTA.

Let me just say, on many occasions, when the people at home do not have available to them the information that we do because that is what we are paid to do for a living and we find out the information is wrong, I do not mind doing that. I can explain this to the people in my home State of Oklahoma. They do not want to identify themselves with that group, that liberal group I just read off. And when they find out about it, they will be very supportive.

But I only bring that up to say that if anyone is out there with the thought that this is a conservative versus liberal issue, it is, but it is on the other side. The liberals are opposed to it. The conservatives are supporting it.

But I have another concern that is far greater, that far outweighs even the benefits it might give to my farmers in my State of Oklahoma, even the benefits that would be achieved by passing this to the very conservative groups in America; that is, I happen to be old enough to remember what happened in the 1980s. I remember Ronald Reagan, a great President. I remember at that time we had Communist regimes in Grenada, El Salvador, Nicaragua, and Costa Rica, and that they were infiltrating—at that time, it was still the Soviet Union—they were trying to take over America by doing it through Cuba, and then all these organizations, all of these countries where they had taken over the government.

By failing to pass this treaty, we could undo all of those successful democratizations of the Reagan and the first Bush administrations. I remember the Contras, the freedom fighters, who were down in Nicaragua at that time, and the fight that was almost impossible; they were fighting for

their freedom. I remember those five countries that are part of this treaty: the Dominican Republic, El Salvador, Honduras, Nicaragua, and Costa Rica. They have all committed troops in support to the Iraqi coalition forces and have demonstrated their support for the global war on terrorism. They are fighting side by side with our troops over in Iraq and Afghanistan. These are the people we want to reward. These are not people we want to somehow punish, as though they have done something wrong. They are fighting for freedom.

CAFTA approval for these countries and their economies should aid security there and counter the influence by Cuban and Venezuelan Governments under Castro, Chavez, Ortega, and others opposed to the United States influence in the region.

I mentioned Chavez, Ortega, and Castro. They are among the anti-U.S. forces in the region, and they are all against CAFTA. These Communists, these enemies of the United States, Chavez, Ortega, and Castro, are all in opposition to CAFTA. If you want to be on their side, you would vote against CAFTA. They fear its passage would show support for and facilitate the efforts of the pro-American countries and parties in the region. Also, Daniel Ortega, former Nicaraguan president and Sandinista leader, is making attempts to elevate his obsolete ideology based on Marxist-Leninist theory. Further, upon his capture, Ortega expressed solidarity with Saddam Hussein against what he called the Yankee occupiers of Iraq. In other words, here is a guy who has been ousted as President of Nicaragua, one we defeated back in the 1980s, one who was trying to spread communism against freedom and democracy in Latin America. He was on the side of Saddam Hussein and called us the Yankee occupiers of Iraq.

A couple weeks ago I had a pretty bitter competition with one of my friends here in the Senate from Arizona, Senator MCCAIN. I disagreed with him on an issue, and we spent 2 days debating that issue and fighting with each other. I have to say that I wholeheartedly agree. I happened to hear some of his remarks a few minutes ago. I share his concern about the state of democracy in Central America. Failing economies will create an environment in which regimes such as those of Fidel Castro and Hugo Chavez may once again poison the future of these nations. The historical threat of communism in Central America, the influence of Castro in countries such as Nicaragua, and the Sandinistas in power also affected neighboring countries such as Honduras and El Salvador. CAFTA can protect these emerging democracies.

For example, Nicaragua, the second poorest country in the Western Hemisphere, second only to Haiti, has a President Enrique Bolanos. He is a pro-American President. He is facing a tough 2006 election, and the candidate

he is facing is none other than Daniel Ortega. Bolanos knows that CAFTA is the keystone to his plans to boost economic growth and blunt the political attacks of the Sandinistas. Who would have ever thought in the last 10 years that they would reemerge, but they have. So now we have Daniel Ortega back there trying to do some things. To quote Senator McCAIN:

If there's anything that we need today, it is strong, viable economies in Central America so that they can progress, so that they can be strong and they can again be allies of the United States of America, not in a military fashion but in their advocacy for free and open societies, democracies, and places where people can raise their families in a situation of security and peace.

That is what Ronald Reagan did back in the 1980s.

I heard the junior Senator from Massachusetts speaking in opposition to the agreement. I don't know whether it is because of his past relationship with what was going on down in Nicaragua some 12 or 14 years ago, but I would like to quote from an April 26, 1985 edition of the Washington Post. Keep in mind, this was back when we had Daniel Ortega down there being promoted by Castro and by the Soviet Union to try to spread communism in Central America.

The lengths to which some Democrats were willing to go in pursuit of nonintervention were extraordinary. Sens. Tom Harkin and John Kerry returned home from an 11th-hour trip to Managua [Nicaragua] clutching a piece of paper signed by President Daniel Ortega which they announced was a "new, bold and innovative approach" and "a wonderful opening." At their arrival home, only the umbrella was missing.

We have a difference of opinion. We don't agree. We didn't agree back in the middle 1980s about Daniel Ortega and what the Communists were trying to do in Central America and we don't agree today.

For those who weren't around at that time, it was a very emotional time. The contras were the freedom fighters. They were supposed to win. I used to go down there. There was a hospital tent that was right across the border in Honduras. That is where they would take the freedom fighters from Nicaragua. They would take them over there to treat them. This tent was about the size of this Senate Chamber. It had beds all around the periphery. In the middle, not even screened, was the operating table. The only operations they performed there were amputations because of all the mines that were there. And so these freedom fighters would come in there and be mended and go back and fight for their freedom across the border in Nicaragua. There must have been 40 beds all the way around, people who had had these amputations.

At that time I did a pretty good job of speaking Spanish. I thought, you kids—the average age was 16 years old because the older ones had already been killed—you kids are fighting for your freedom, you are fighting against this force, the Communists, supplied by Castro and the Soviet Union. It is impossible. Why are you doing this? And

I went around and talked to each one of them. I remember coming up to a little girl who was 15 years old. Her name was Elena Gonzales. I asked her that question. And she looked up to me. It was her third trip back to that hospital tent, and they had amputated her right leg a few hours before. The blood was coming from the bandages. She looked up at me with teary brown eyes and she said:

Es porqué han tomado nuestros campos . . . han tomado todo de lo que tenemos. Pero de veras, ustedes en los Estados Unidos entienden. Porque ustedes tuvieron luchar para su libertad lo mismo que estamos luchando ahora.

(English translation of the above statement is as follows:)

Yes, it is almost impossible, but we are fighting. We are fighting because they have taken our farms and ranches. Why would you in the United States question why we are doing this? You had to fight against the same odds for your freedoms as we are fighting now.

That little girl didn't know whether the Revolutionary War was 200 years ago or 20 years ago. But she knew we were that beacon of freedom and that the beacon was about to go out in their country. They were willing to fight. And they died and they won. So now we have the rest of the story.

This is an opportunity for us to do something that is good down there. Yes, I think it is good for my Oklahoma farmers. And yes, the conservatives support it, and the extreme liberals oppose the CAFTA treaty. But I think the strongest argument is that this is an opportunity for us to keep the Ortega and Chavez and Castro forces from undoing all the progress that was made throughout the 1980s and the early 1990s.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I yield myself 8 minutes off the time on this side.

I want to speak briefly about the CAFTA agreement. I start from the proposition that increased trade with the international community can advantage us, and it also can advantage those with whom we trade. Most of the trade of these countries that are covered by this CAFTA-DR agreement, most of their trade, over 70 percent of their trade, is, in fact, with the United States. It is very much in our interest that that circumstance remain the case. It can benefit us, and it can benefit these countries to see that trade increase. And it is very much in our interest, not only to strengthen our own country's economy but to see the economies of this region strengthened.

This trade agreement comes at a time when our trade imbalance with the world is enormous. It is the largest in the history of our country. It is the largest in the history of any country in the world. Unfortunately, it is continuing to grow. As far as I can tell, our own Government has no strategy

to deal with that problem. We have no strategy to promote investment in the United States. We have no strategy to promote the building of productive capacity or to keep this country competitive in the global economy.

I hope very much that the Finance Committee, which I am privileged to serve on, can play a role in developing such a strategy over the next few months. When we had the markup of this legislation yesterday, I discussed that with Senator GRASSLEY and Senator BAUCUS. It is my hope they will be able to schedule some hearings to begin understanding this issue better and helping us to craft a set of proposals to help deal with the very real problem we have in global trade.

That being said, when I look at the provisions of this DR-CAFTA agreement, I do not see them contributing significantly to that trade imbalance. These are countries that have exported over 85 percent of what they send to the United States duty free. They have done that since the implementation of the Caribbean Basin Trade Partnership Act in 2000, and before that they were shipping most of their product into the United States duty free under the Caribbean Basin Initiative. The main effect of this agreement we are now debating will be to phase out and eliminate tariffs that they currently impose upon our products that we are exporting to them.

I don't see the basis for the claim, which I have heard on the Senate floor and from others around the country that this agreement will result in the further export of jobs from the United States to Central America. The reality is that U.S. companies have many options about where to build their next plant, where to manufacture the products that they sell. Central America has been one of those options for a very long time. There is nothing I know of pending here in the Congress that would change that circumstance. In my view, this agreement would not change that circumstance as well.

I would hope and expect that if this agreement is implemented, as I expect it will be, we will see the encouragement of more investment in productive capacity in Central America, but at the same time, as our exports to that region increase, we will see more investment in productive capacity here in the United States.

There are clearly some problems with this agreement. Many of those have been pointed out. I don't suggest I have answers for all of those, by any means. Two of the problems that have particularly concerned me are, No. 1, the serious lack of attention to the enforcement of worker rights in these countries and, secondly, the inadequate provision of assistance with regard to the negative impacts that U.S. exports of agricultural product into that region may cause.

Let me talk first about enforcement of worker rights. I have urged the administration to commit resources to this as a priority. It is not reasonable to require U.S. producers and workers to compete with foreign producers who do not afford their workers certain basic rights. To begin addressing this issue, Ambassador Portman, our trade representative, has assured me the administration will propose and will support funding for worker rights enforcement to the extent of \$40 million per year for fiscal years 2006 through 2009. Second, on monitoring of compliance with the various requirements on worker rights, there is a need for an independent and transparent monitoring of the treatment of workers in these countries. I have urged the administration to fund the International Labor Organization, or ILO, headquartered in Geneva, to conduct ongoing monitoring on worker rights in Central America. This would include reports that they would publish every 6 months beginning when the agreement goes into effect and continuing to the end of the 2009 fiscal year.

The administration has agreed to commit \$3 million per year to accomplish that task. That \$3 million would come out of the \$40 million per year in funding that they are otherwise committing for enforcement of worker and environmental rights.

I believe both of these commitments—to worker rights enforcement and the commitment to ILO monitoring—should be a part of all trade agreements that we have with developing countries. In addition, of course, I hope that the actual commitment to workers' rights standards in the language of the treaties, in any future treaties we sign, will be stronger than we find in this agreement. I believe it is also incumbent upon us to urge the next administration, after President Bush leaves office, to continue with these same commitments in the future.

The other issue I mentioned is agricultural assistance—adjustment assistance for those working in the agricultural sector. I have also urged the administration to commit resources to allow subsistence-level farmers to make a transition without undue dislocation problems. This should help reduce the problem of dislocation of workers in these countries and the additional illegal immigration to the United States that likely would result if that dislocation occurs.

Again, the administration is committed to provide increased support to address this issue. The level of funding is not what I would like it to be, but if these countries do receive funding under the Millennium Challenge Cor-

poration grants, those funding levels should increase substantially.

Mr. President, each of these commitments that I have referred to are set out in a letter that Ambassador Portman has provided to me.

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

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

(See Exhibit 1)

Mr. BINGAMAN. Mr. President, with these additional commitments, I have concluded that I can support the implementation of this trade agreement. I will do so when the roll is called later today.

I yield the floor.

EXHIBIT 1

EXECUTIVE OFFICE OF THE PRESIDENT, THE UNITED STATES TRADE REPRESENTATIVE,

Washington, DC, June 28, 2005.

Hon. JEFF BINGAMAN,
U.S. Senate,
Washington, DC.

DEAR JEFF, as the Congress considers the Central America-Dominican Republic Free Trade Agreement (CAFTA-DR), you have raised concerns about ongoing efforts to improve enforcement of labor laws and to monitor progress in this regard in the CAFTA-DR signatory countries. As you know, Congress appropriated \$20 million in FY05 specifically for projects to improve labor and environmental law enforcement in these countries.

The recent House Appropriations Committee mark-up of the FY06 Foreign Operations appropriations bill increases this commitment for the next fiscal year, with \$40 million earmarked for labor and environmental enforcement capacity-building in the CAFTA-DR signatory countries. The Administration is willing to support this level of funding in the FY06 Senate appropriations bill.

Furthermore, because we are willing to make a longer-term commitment to improve labor and environmental law enforcement in the CAFTA-DR countries, the Administration is willing to propose and support this same level of labor/environment capacity-building assistance for the next three fiscal years, FY07 through FY09.

More specifically, you have suggested the assistance of the International Labor Organization (ILO) in monitoring and verifying progress in the Central American and Dominican governments' efforts to improve labor law enforcement and working conditions.

We are willing to implement your idea. Your proposal, as I understand it, is that the ILO would make a transparent public report of its findings every six months. The Administration has now consulted with the ILO and determined that this function would require additional funding to the ILO of approximately \$3 million annually. The Administration is willing to devote approximately \$3 million of the \$20 million in FY05 labor enforcement assistance monies to support and fund this ILO monitoring initiative. To en-

sure that this monitoring continues, the Administration is willing to continue a funding commitment to ILO monitoring for the next three fiscal years, FY07 through FY09.

The Administration also shares your goal of ensuring that we pair expanded trade opportunities with economic development assistance designed to ease the transition to free trade, especially for rural farmers in our CAFTA-DR partners. On June 13, 2005, the U.S. Millennium Challenge Corporation (MCC) signed a \$215 million compact with Honduras targeted specifically at rural development and infrastructure, and on the same day the MCC announced a \$175 million compact with Nicaragua that will be signed shortly.

As Secretary Rice and I have already communicated to you, we are willing to give high priority to negotiating compacts with El Salvador, Guatemala, and the Dominican Republic when those countries become eligible for MCC assistance under higher per capita income caps next year. I anticipate that such compacts would provide substantial U.S. economic assistance for rural development in these countries.

In addition, the Administration has worked with the Inter-American Development Bank (IDB) to provide new assistance, including \$10 million in new grants announced by the IDB earlier this month for rural development and institution building. I hope you will join me and officials from the IDB, World Bank, and other institutions next month for an international donors conference to discuss other ways we can direct development assistance toward meeting the needs of rural populations.

To address your specific concern about the period before MCC compacts might be negotiated with El Salvador, Guatemala, and the Dominican Republic, the Administration is willing to support additional spending for rural development assistance of \$10 million per year for each of those countries starting in FY07 for a total of five years, or until the signing of an MCC compact with such country, whichever comes first. This amounts to a \$150 million commitment in transitional rural assistance for these countries over five years.

These monies will provide transition assistance to rural farmers in these three countries for a defined period, while preserving a very strong incentive for candidate countries to meet the statutory criteria to receive what would likely be much higher levels of economic assistance under an MCC compact. Since the implementation of CAFTA-DR requires steps which reinforce the statutory criteria for funding under the MCC law, I believe that implementation of the agreement will assist these three countries to move quickly toward qualifying for a successful MCC compact with the United States.

Furthermore, because many of the agreement's requirements for agriculture liberalization in the CAFTA-DR countries for sensitive commodities—such as dairy, poultry, and rice—will not fully occur until ten, fifteen, or even twenty years after CAFTA's implementation date, I am confident that this transitional mechanism provides ample time for adjustment in the rural economies of these nations.

Sincerely,

ROB PORTMAN.

NOTICE

Incomplete record of Senate proceedings.

Today's Senate proceedings will be continued in the next issue of the Record.