

man of “sound character and moral courage.” He is a man of honor and integrity, dedicated to our Nation and committed to the men and women who serve in uniform, and I think it is clear he deserves prompt confirmation. Even more, the Pentagon and our Nation’s security deserve a Senate-confirmed Secretary of Defense to be in place and on the job.

I urge my colleagues to join me in supporting his confirmation as soon as it can reach the floor.

TREATIES

Mr. McCONNELL. Mr. President, the Senate is in the midst of considering bilateral tax treaties with Spain, Switzerland, Japan, and Luxembourg. If yesterday’s overwhelming votes on the first protocol are any indication, all four will be ratified with huge bipartisan margins by the end of the day, and American businesses and workers in all 50 States will be thrilled to finally be back on fair footing.

The details of these nuanced agreements are complicated, but the core principles are quite simple. Foreign trade and international investment are key cornerstones of the U.S. economy. Major parts of proud American businesses and hundreds of thousands of hard-working Americans’ jobs are oriented around trade with these four nations. So their governments and our government sit down and negotiate which country will tax which kind of activities. The result is more clarity, more certainty, and a lot less unfair double taxation that has cost American businesses millions and millions of dollars.

Let me say clearly that the years of delays in getting these noncontroversial treaties ratified have cost American businesses that employ American workers millions and millions of dollars. Inaction on this subject has needlessly—needlessly—put our firms that employ all of our constituents at a complete disadvantage and delayed capital investments that could have helped American workers.

Let me bring this home with some numbers. I have mentioned one Kentucky manufacturer that produces more than one-third of all stainless steel that America makes. They employ 1,500 people. I happen to know this firm is contemplating a capital investment of more than \$30 million that would benefit Kentucky workers and provide a shot in the arm for the local economy. But there has been a wrinkle because this one employer had to pay a \$15 million tax bill back in April because we hadn’t ratified the agreement with Spain. And—listen to this—if the delay had continued, an additional \$35 million tax liability would have been next—had we delayed. If the Senate had not finally acted on this, this single American manufacturer would have owed \$50 million in unnecessary or redundant taxes, had we not acted.

For nearly 6 years, this manufacturer has been laboring on an unfair playing

field that discouraged them from making investments that could have expanded operations and created more jobs in Kentucky and elsewhere in America.

Mr. President, I ask unanimous consent that the news story containing their CEO’s statement on yesterday’s ratification of the Spain treaty be printed in the RECORD.

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

[From Business Wire, July 16, 2019]

STATEMENT OF NORTH AMERICAN STAINLESS CEO CRIS FUENTES REGARDING THE PASSAGE OF THE PROTOCOL AMENDING THE TAX CONVENTION WITH SPAIN 94-2

GHENT, KY.—Today, the United States Senate passed a tax protocol with Spain that had been languishing for over five years, causing unfair double taxation for American companies with foreign investors. This has cost companies like North American Stainless tens of millions of dollars over the years; alleviation of the double taxation could now allow for greater investment in plants and workers.

NAS Chief Executive Officer Cristobal Fuentes released the following statement heralding news of the Spanish protocol’s passage:

“This is a great day for North American Stainless and so many U.S. companies with foreign investors that had been subject to unfair double taxation for many years. We are located in Kentucky, and if it had not been for Senate Majority Leader Mitch McConnell and his tireless efforts I firmly believe this day would never have come. Senator McConnell stood up for his constituents and helped many working people at our Ghent, Kentucky plant by moving this protocol through the Senate. He listened to us and put Kentucky first. Workers in all 50 states stand to benefit from Senator McConnell’s efforts, and companies nationally have him to thank for improving the American business climate.

“In addition to Senator McConnell, we are grateful to Senate Foreign Relations Committee Chairman Jim Risch and the bipartisan group of Senators on his committee that moved this protocol forward. We are also thankful that President Donald Trump and U.S. Treasury Secretary Steve Mnuchin and their staff members understood the vital importance of this protocol and strongly engaged to work with the Senate to achieve this victory. It is now vital that President Trump’s Administration move quickly to finalize and implement this protocol with the Spanish Government so that affected companies can have fiscal certainty before year’s end as it relates to tax payments. We are confident that President Trump will move quickly because this protocol falls squarely within his America First agenda.

“At a time when Chinese stainless steel producers are engaged in unfair trade practices and market uncertainty exists, this treaty victory gives a leg up to the American workers who produce quality stainless slabs in Ghent, Kentucky. Senator McConnell, President Trump, Secretary Mnuchin and everyone who supported the protocol stood up for workers all over America today, including the ones right here in Kentucky. This treaty will preserve and unlock large investments in our facility, and we look forward to talking more about that in the near future.”

Mr. McCONNELL. Multiply this kind of story by all of the other numerous, significant Kentucky companies whom these agreements affect; then multiply

by 50 States because U.S. businesses from coast to coast interact with these four nations; then consider how many hundreds of thousands of workers all of these companies employ. That is the scale of what we are talking about—the highest consequences.

I know job creators across the country are thrilled that the Senate is finally moving forward this week, and I am certainly proud to have helped resolve this matter. But, curiously, it seems that not all of our colleagues are thrilled. Don’t get me wrong; the vote totals on the floor have spoken volumes. The cloture vote on the Spain agreement was 94 to 1—just one Senator in opposition—and the treaty was ratified yesterday 94 to 2.

Yet I was curious to hear one colleague of ours come to the floor yesterday and passionately argue against what I have done as majority leader to support these agreements. As the Member himself stated, he has made obstructing these tax treaties a yearlong personal project. The United States and Spain agreed on this protocol back in 2013. Spain ratified it in 2014. That is when it also arrived here in the Senate.

For nearly 6 years, he has worked to stall ratification. I know, because on multiple occasions I sought unanimous consent to secure Senate ratification of this protocol. During that time, he has tried and failed to persuade Treasury Departments of two different administrations to insist on certain changes that would have required reopening the international negotiations. He tried and failed to persuade his colleagues on the Foreign Relations Committee that his ideas were so necessary that we should risk scuttling the treaties—scuttling all of the treaties—over them. He tried and failed to persuade the whole Senate.

At every step, executive branch officials and Senate colleagues have tried to engage his concerns in good faith. But for 6 years in the case of the Spain treaty, 8 years with respect to Switzerland, and 9 years with respect to Luxembourg, he was unable to persuade anybody—over 9 years. In all of that time, no one was persuaded, partly because the changes he demanded don’t solve a real problem, partly because they would have forced reopening the treaties for even more negotiations, and partly because everybody else was actually listening to the job creators who have been pleading with us for years to get this millstone off their necks. There were 9 years—9 years of rejecting reasonable counteroffers and accommodations, 9 years of working to hold up these treaties and trying to sell the Obama administration, the Trump administration, and his Senate colleagues on an off-the-wall story that failed to persuade anyone.

Look, I am a patient man, but my patience is not inexhaustible. After unanimous consent was denied on multiple occasions, I determined, after consulting with the Treasury Secretary and the Chairman of the Foreign Relations Committee, that I would prepare

to file cloture on these tax protocols. Yet even after this whole journey, our colleague still was not blocked or shut out of the process. He had his opportunity.

A few weeks ago, he had the opportunity to offer amendments to the protocols in committee. They failed on a vote of 17 to 5. Last night, we put two more of his amendments up for votes on the floor; they went nowhere.

Nine years is long enough. In fact, it is far too long—too long for our U.S. businesses to have been either paying needless double taxes or deferring huge amounts of money in dividend payments that could otherwise have been invested right here at home.

Year after year, money that could have been immediately used to hire Americans or make new investments had to either be frozen up or handed over in duplicate taxes—all in large part because one of our colleagues could not accept that one single Senator who hasn't persuaded his fellow Members is not entitled to singlehandedly rewrite international treaties. No wonder all kinds of American employers came out of the woodwork yesterday and urged the Senate to reject his misguided amendments and waste no more time in ratifying these treaties. I don't know why the Senator believes he was close to a breakthrough after his years of effort. Hope springs eternal, I suppose.

Even if he had convinced the administration or his colleagues, the U.S. Government would have had to reopen the treaties for negotiation all over again with the other party, which would almost certainly have brought about changes that they wanted. No wonder President Trump's Treasury Department expressed opposition to these amendments. Treasury told Senators yesterday that going back and inserting these changes could force a years-long renegotiation of the treaties themselves, jeopardize their ratification, and have a significant adverse impact on America's standing among the international community.

I am not quite sure what all these years of heel-dragging will have accomplished—except impose unnecessary taxes on Kentucky employers and deferring investments in the United States. I can't see anything to show for this crusade except hurting American businesses for the better part of a decade, all to no effect. But I am glad we can turn the page this week and get these treaties on the books.

I haven't been able to identify a constituency for which he has advocated, but I know my actual constituents in Carroll County—real people in Kentucky—are sure glad the Senate has taken this important action.

It is the right thing to do for the country. It is the right thing to do for Kentucky workers and all the employers nationwide who have been waiting and waiting for this unfair competitive disadvantage to be removed. I am glad that is exactly what we are doing this week.

MEASURE PLACED ON THE CALENDAR—H.R. 1327

Mr. McCONNELL. Mr. President, I understand there is a bill at the desk due a second reading.

The PRESIDING OFFICER. The clerk will read the title of the bill for the second time.

The senior assistant legislative clerk read as follows:

A bill (H.R. 1327) to extend authorization for the September 11th Victim Compensation Fund of 2001 through fiscal year 2092, and for other purposes.

Mr. McCONNELL. In order to place the bill on the calendar under the provision of rule XIV, I would object to further proceedings.

The PRESIDING OFFICER. Objection having been heard, the bill will be placed on the calendar.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

EXECUTIVE SESSION

PROTOCOL AMENDING TAX CONVENTION WITH SWISS CONFEDERATION

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to executive session to resume consideration of the following treaty, which the clerk state.

The senior assistant legislative clerk read as follows:

Treaty Document No. 112-1, Protocol Amending Tax Convention with Swiss Confederation.

Pending:

McConnell amendment No. 912, of a perfecting nature.

McConnell amendment No. 913 (to amendment No. 912), to change the enactment date.

The PRESIDING OFFICER. The majority whip.

UNITED STATES-MEXICO-CANADA AGREEMENT

Mr. THUNE. Mr. President, after years of economic stagnation during the Obama administration, we are experiencing an economic revival. Thanks to Republican economic policies, the economy has taken off during the Trump administration. Unemployment is near its lowest level in half a century. June marked the 16th month that unemployment has been at or below 4 percent. For 15 straight months—15 straight months—we have had more job openings than Americans looking for work. Right now, there are roughly 1.6 million more job openings than Americans looking for work. That is the largest margin ever recorded. June also marked the 11th straight

month that wage growth has been at or above 3 percent. Before 2018, wage growth had not hit 3 percent in nearly a decade.

Importantly, the benefits of this economic growth are being spread far and wide. Ordinary Americans are seeing bigger paychecks, more jobs, and more opportunities. Over the past 3 years, pay hikes for the lowest income workers have grown the fastest. Huge numbers of new blue-collar jobs have been created. Unemployment rates for minorities have decreased substantially. The unemployment rates for Asian Americans, African Americans, and Hispanic Americans are all at or near record lows.

While our economy as a whole is thriving, there is one segment of our economy that is not fully enjoying the economic growth we have been experiencing. While our Nation's farmers and ranchers have seen benefits from tax reform, years of commodity and livestock prices that are below the cost of production, protracted trade disputes, and natural disasters mean our agricultural economy is trailing behind the economy as a whole.

I am privileged to represent South Dakota farmers and ranchers in the U.S. Senate, and addressing the needs of these hard-working Americans is one of my top priorities.

Recently, I was very pleased to be able to help persuade the Department of Agriculture to move the haying and grazing date to September 1 for this year for cover crops on prevent plant acres. This will allow farmers and ranchers in northern States like South Dakota to sow cover crops without worrying that they won't be able to harvest or graze them before winter weather sets in.

Cover crops help farmers by improving soil health, which improves future yields, and they can save farmers significant money by serving as an important source of feed. That second benefit is particularly important for farmers right now. Due to last year's severe and lengthy winter, feed supplies disappeared, leaving no reserves. Cornstalks—a source of grazing and bedding—will be in short supply this year, and so will the supply of alfalfa due to winterkill. Cover crops will be crucial to alleviating this feed shortage.

If necessary, I will be encouraging the Department of Agriculture to release Conservation Reserve Program acres for emergency haying and grazing this year to further address the feed shortage.

The best source of information about what farmers and ranchers need is the farmers and ranchers themselves. Right now, producers are telling me that what they need more than anything else is market access for their products around the globe. Farmers and ranchers depend on trade. Our Nation's farmers and ranchers don't just sell their products here at home; they sell them around the world. In my home State of South Dakota, we export