State of Washington. I think that is something we can do and should do.

Madam President, how much time do I have remaining?

The PRESIDING OFFICER. Six minutes.

Mr. DURBIN. I thank the Chair.

Madam President, I would like to close on this note: There is a lot of discussion here, starting with the President's inaugural, about the whole concept of an ownership society. I think this is going to be the driving philosophy and the driving political force behind the Republican agenda. The concept is alluring because the concept says: Wouldn't you want to control your own future? Wouldn't you like to own your future as opposed to depending on the Government? You cannot be certain that Congress and the Government will come through for you. So wouldn't you rather own your own future?

Boy, that has a lot of appeal, particularly to young people who feel invincible, that just given a chance: Let me take the money, let me invest for my future, let me make these decisions. That is not a bad quality. It is an independence that we encourage in individuals, and it is certainly one that I support. But we should not overlook the obvious.

At the heart of the ownership society is the basic belief that we should just remember that when it comes to America, we are all in this alone. I do not think that is true. I think history tells us that standing alone there are some things we can do but other things we cannot do.

If you want to be successful in America, you need good health. Can you control your own fate when it comes to health care? Only if the system treats you fairly. If you happen to be somebody with a preexisting condition and no insurance company will offer you coverage, you are not likely to be treated fairly. If you happen to be one who comes from a family with some history of mental illness, you will find rank discrimination by hospitalization insurance companies right now.

The point I am making is this: We have decided that to make certain people have a chance in America to succeed when it comes to health care, there will be rules of the game, there will be laws in States, and laws in the Federal Government and agencies to enforce them. Ownership? Yes. To have ownership of your future, you need good health care. To have good health care, you need to have a government standing behind you and protecting your right to fair treatment when it comes to health care.

How about education? Do you want to go it alone with the ownership society? Well, you may need a Pell grant to get through school. I borrowed money from the National Defense Education Act to get through college and law school. Students find, over and over again, were it not for Government programs, they might not be able to go to school. You want to own your future? Then you need to have leadership at the Federal, State, and local level to give you the chance to borrow the money.

What about your pension that you spend a lifetime paying into, believing you own that? That is not Government. I own that. And then the company disappears or walks away from its obligation to you. What fighting chance do you have? None, unless there is a law that protects you and an agency that will enforce that law.

So when you hear this alluring prospect of an ownership society, understand we value individual freedom on both sides of the aisle, but we also understand that in many instances the strength of our Nation is when we stand together—for fairness when it comes to health care, for opportunity when it comes to education, to have protection when it comes to your pension and your future.

We need a balance. Walking away from Government, as an evil entity, is ignoring the fact that Government, in many instances, is just the American family at large. As my wife and I care for our children, we care for others in this country and those who are shortchanged by this system and who are not protected. Even if it does not affect me directly and personally, it affects this country, and it affects my future.

So I hope we can find some balance. I hope, when it is all said and done, we do not get so caught up in this alluring notion of the ownership society that we forget, as we are learning with our military, we have learned in our history, there are times when we need to stand together as a nation for fairness and for justice. We say here is security, opportunity, and making certain people have responsibility in their actions.

Madam President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Alaska is recognized.

Mr. STEVENS. Madam President, our time is almost up.

I am delighted to have heard the comments of the Senator from Illinois. I remember so well when we faced the problem of dealing with Federal employees back in the 1980s. We determined that a thrift plan was necessary. We encouraged members of the Federal employee workforce to set aside a portion of their income. For every $2 they set aside, the Federal Government agreed to match it with $1.

I think this thrift plan has proved to be a decisive factor in maintaining the employment of key employees because it gave them a chance to reach out and be part of the general economy, to invest in the issues that were covered by the thrift plan management group. I do believe it has been a successful venture.

I hope the exploration we make of the President's suggestion leads to a similar type of circumstance, to a similar development of the opportunity for everyone covered by Social Security to similarly participate in funds that are part of the general stock market, part of the general investments of the United States. So many investors now in our country participate in that way.

ORDER OF BUSINESS

Mr. STEVENS. Madam President, if there is no further business to come on this side—and I do not think there is—I yield back the remainder of our time and ask for the regular order.

The PRESIDING OFFICER. Is there objection?

Mr. DURBIN. Madam President, I yield back the remaining time on our side.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

EXECUTIVE SESSION

NOMINATION OF CARLOS M. GUTIERREZ TO BE SECRETARY OF COMMERCE

The PRESIDING OFFICER. Under the previous order, the hour of 3 o'clock having arrived, the Senate will proceed to executive session for consideration of Executive Calendar No. 1, which the clerk will report.

The legislative clerk read the nomination of Carlos M. Gutierrez, of Michigan, to be Secretary of Commerce.

The PRESIDING OFFICER. Under the previous order, there will be 2 hours of debate on the nomination, with 1 hour of debate under the control of the Senator from Alaska, and 1 hour of debate under the control of the Senator from North Dakota.

The Senator from Alaska.

Mr. STEVENS. Madam President, it is my intention to make a statement presenting the nominee's qualifications and the consideration the Commerce Committee gave to this nomination, to be followed by time that I will yield to the Senator from Hawaii, Mr. INOUYE. I hope that will be acceptable to Senator DORGAN. His time would start following Senator INOUYE's time, who I understand is on the way to the Chamber.

This was the first nomination that came before the Commerce Committee after I became chairman. President Bush nominated Mr. Carlos Gutierrez to be Secretary of Commerce on November 29, 2004. Mr. Gutierrez is the chairman and chief executive officer of the Kellogg Company, a major food products company based in Battle Creek, MI. The incredible story of how he got there, rising through the ranks, is a testament to the American spirit.

Shortly after Fidel Castro assumed power in Cuba during the Communist revolution, Carlos Gutierrez and his

family fled their native country. They arrived almost penniless in Florida and, after several years, eventually settled in Mexico City. There at the age of 20, Carlos Gutierrez took a job selling cereal out of the back of a van to small grocery stores.

With a lot of hard work, 10 years later, he was general manager of Kellogg's Mexico division. Fifteen years after that, he was running the whole company. It is a great American success story by any measure.

Mr. Gutierrez's nomination comes before the Senate at a time of significant change in the American economy. The shock of September 11, 2001, a series of corporate scandals, and the spending pressure of the war on terror, including the Iraq conflict, have taken their toll.

However, the President's economic stimulus program, centered around tax relief, is helping our economy turn the corner. The economy has created more than 2.4 million new jobs since August of 2003—15 straight months of job gains. The unemployment rate is at 5.4 percent, down from 6.3 percent last June, and is below the average of the 1970s, 1980s, and 1990s. After-tax income has risen more than 10 percent since the end of 2000, and household wealth is now at an all-time high. Even the stock market has shown strong gains in recent months.

Secretaries of Commerce spend much of their time promoting American business at home and abroad. If confirmed, Mr. Gutierrez will have an impressive record of growth at his disposal.

There is much more to the Department of Commerce than representing America's economic interests. Most of the Department's budget is devoted to the National Oceanic and Atmospheric Administration. NOAA's role in predicting tsunamis was not well known outside of the Pacific coastal States before last month's devastating tsunami in Asia. The administration recently announced a strong proposal to improve detection and response to tsunami events along the U.S. coast. NOAA will be the lead in this critical endeavor.

Mr. Gutierrez has probably already learned more about fisheries than he ever expected. If confirmed, he will learn much more. The recent report of the U.S. Commission on Ocean Policy reaffirms the important role that domestic fisheries play in our society. Fisheries create jobs in rural communities and provide valuable protein in the world's food supply. The report of that commission highlighted the need to manage all fisheries in a sustainable, regional manner. And that is exactly what has taken place in the State that the occupant of the Chair and I have the honor to represent. Our State, with half the coastline of the United States, has led in developing new policies to protect and preserve the reproductive capability of the fisheries off our shore.

I commend the President for his Executive order creating a Committee on Ocean Policy within the White House. Those of us on the Commerce Committee look forward to working with the President and Mr. Gutierrez to ensure that our Nation's fisheries are managed sustainably, responsibly, and regionally.

On January 5, Senator INOUYE and I held a hearing in the Commerce Committee on this nomination. Mr. Gutierrez answered a variety of questions at the hearing and has since responded to many more written questions. The next day, the committee voted unanimously to report this nomination to the full Senate. I am here today to recommend the Senate's quick confirmation of this nomination.

I thank Mr. Gutierrez for his willingness to serve our Nation and the Department of Commerce, and I join in congratulating the President on this fine nomination.

Mr. Gutierrez has my strong support, and I do urge the Senate to vote to confirm this nomination as quickly as possible.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. INOUYE. Madam President, I ask unanimous consent to speak for 4 minutes.

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

Mr. INOUYE. Madam President, I rise in support of the confirmation of Mr. Carlos Gutierrez to serve as our Nation's Secretary of Commerce. As Secretary of the Department of Commerce, Mr. Gutierrez will take over the helm of a very diverse department, for example, responsible for counting fish as well as people, predicting the weather, developing and promoting standards, technology, and promoting fair trade. This is a very difficult and complex appointment, but I believe Mr. GUTIERREZ's impressive background and experience will serve him well in this position.

He was born in Cuba. Mr. Gutierrez left Havana in 1960, shortly after Fidel Castro took power. Although he has no college degree, through hard work and perseverance, he rose from delivering corn flakes to small stores in Mexico City to the moment when he took over Kellogg's cereal and convenience food empire.

While at Kellogg, he revitalized the company and put it on a new path of success. Mr. Gutierrez will face a variety of demanding challenges during his tenure. But few are greater than addressing the administration's current record on trade. Just this month, our trade deficit hit an astounding and recordbreaking $60.3 billion, and I am certain that all of us will agree that this is entirely unacceptable. I would like to see the new Secretary lead the Department in an innovative and comprehensive effort to reverse the current trend. I can assure Mr. Gutierrez that this committee will be a committed partner in such an effort.

I urge my colleagues to support the confirmation of Mr. Carlos Gutierrez to serve as Secretary of Commerce.

I yield the floor.

Mr. STEVENS. Madam President, I yield such time to the Senator from Montana as he may desire to use.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. I thank the chairman of the Commerce Committee. I rise in strong support of Carlos Gutierrez as the next Secretary of Commerce. I applaud the President for this choice for many reasons. Not only is he a classic American success story, as we have heard from Senators Inouye and Stevens, but he is an example for all the opportunities that are afforded to Americans.

I am especially happy to see the President chose someone from a manufacturing background. He also has a background on the ground, so to speak. It is something to manufacture a product; it is also something to sell the product because we live in an economic system where nothing happens until a sale is made. Mr. Gutierrez understands both ends of that equation.

For a long time, and since I have been here, this is the first Secretary of Commerce who has an agribusiness background. Everything the Kellogg Company does starts in the ground. I am especially happy about that. I would hope we could work together. I have always said there is nothing wrong on the farm except we just don't get as much of the consumer dollar as we used to. We are going to work on that kind of situation.

The Commerce Committee oversees some of the most important and controversial issues that challenge this country and my State of Montana. With his commitment—I have yet to meet the man, but we have had an extended telephone call—to work with Congress on these issues, his quick response to the questions I sent to him, and the things he is going to be doing at Commerce, will put him in a position to assist many sectors of our economy. I would like to take a few moments and highlight some of them and where these issues will be discussed prominently in the upcoming session.

Let's start with one that affects my State, the timber industry and softwood lumber. Small mill operators in Montana rely on effective enforcement of U.S. trade laws, particularly against unfair trade acts, such as we have seen coming out of Canada. It is important that the Commerce Department ensures full enforcement of the trade laws in the softwood lumber sector, including selection of accurate subsidy measurement benchmarks. The 911 implementation was critical legislation. The enhanced 911 bill that

passed the 108th Congress is now law. The law authorizes $1.25 billion in grants to build out lifesaving emergency location capabilities across the country. I can remember passing the 911 bill some years ago. I said then it is probably the best step that we have taken in public safety in a long time. These grants will be administered by a joint program office run by the Department of Commerce and the Department of Transportation. Basically, what it is, on your cell phone, you dial 911 to get emergency. Many years ago, that call did not know where to go. It could have gone anywhere. Today, it goes to the nearest first responder or communications center, no matter where you are in the country. They can also locate you.

ICANN reform. I am concerned about the organization that manages the Internet critical domain system. ICANN is falling victim to a little bit of a mission creep, turning into a mini-international organization. ICANN should retain its focus on technical coordination, which makes me all the more concerned that the Department of Commerce plans to abandon all oversight of ICANN next year. I urge the Secretary to review that issue closely and get back to Congress.

Our Nation's spectrum policy remains outdated, and I look forward to working with the Secretary in reforming that to keep pace with the communications revolution. Broadband expensing; the Hollings manufacturing extension partnership program; it is important that these programs move forward, with a good deal of interest coming from his Department.

Again, I want to reiterate my support for Mr. Gutierrez's nomination. I look forward to working with him on many of the challenges that my State and this country face under a vast umbrella called the Department of Commerce. That is what makes our committee probably one of the most exciting committees of any that operates in the Senate. I heartily support his nomination. He should be confirmed.

Mr. President, again, I applaud the President for his choice. Mr. Gutierrez certainly has a classic American success story and can be looked at as an example of how great our country really is and the opportunities it presents.

I am especially happy to see the President has chosen someone with a manufacturing background. I believe Mr. Gutierrez's tenure at the Kellogg Company will bring an important insight to the Department in an area that certainly needs attention.

The Department of Commerce oversees some of the most important and controversial issues that challenge my State of Montana. I appreciate Mr. Gutierrez's commitment to working with Congress on these issues, and his quick response to my questions following his hearing in the Senate Commerce Committee.

Mr. Gutierrez will soon be in the position to assist many important sectors of our economy. I would like to take a few moments to discuss some of the challenges, priorities and issues faced in my State and many others.

As you know, the U.S. timber industry jobs and operations, including small mill operators in Montana, rely on effective enforcement of U.S. trade laws, particularly against unfair Canadian lumber imports. In evaluating the extent of Canadian timber subsidies, for example, it is imperative that the Commerce Department ascertain the true market value of Canadian timber in comparison to timber pricing data that reflects full value. It is important the Department ensures full enforcement of the trade laws in the softwood lumber sector, including selection of accurate subsidy-measurement benchmarks. Mr. Gutierrez has indicated his support of full enforcement of trade laws in the softwood lumber sector and I applaud that support.

Mr. President, during my time as the Chairman of the Communications Subcommittee, I made it a priority to move forward and implement the deployment of universal broadband. Along with my colleague Senator JAY ROCKEFELLER we have pushed for legislation that would allow for broadband expensing. As you may know, broadband expensing would allow companies to accelerate depreciation of capital-intensive broadband equipment. I am hopeful the Department will provide assistance in passing this legislation as part of the President's vast broadband vision.

I also would urge the Secretary to devote his personal attention to an important issue regarding the future of the Internet. I am referring to the security of the Domain Name System, which is what ensures that each website address in the Internet resolves to a unique website reliably and securely. It is vital for the future of e-commerce, and those parts of the economy that increasingly depend on it, that this process work flawlessly. During the Clinton administration, a private non-profit company known as the Internet Corporation for Assigned Names and Numbers, or ICANN, was established to oversee the real technical challenges associated with managing the Domain Name System during a time of explosive growth and political challenges.

However, I am concerned, and I know some of my colleagues are as well, that ICANN may fall victim to ''mission creep'' in this case, the tendency for it to turn into a mini-international organization, and all the political baggage that comes with that. If so, ICANN's actions could potentially go well beyond the narrow technical mandate that was envisioned for it at its creation. ICANN currently is subject to an agreement with the Commerce Department, and I am concerned that not enough high-level attention in the Department gets paid to this issue especially since, as I understand it, the Department of Commerce plans to abandon any and all oversight role over ICANN some time next year. I hope the Secretary will review this issue carefully and with all due attention to the national interest and to the interests of Internet stakeholders everywhere.

The U.S. Government has played a crucial and positive role in the creation of the Internet and in Internet governance, and I do not think that such a decision as this should be taken without thorough review and understanding of its implications. I hope that Secretary Gutierrez will take the initiative to understand this vital issue and consult with Congress closely on it in the coming years.

Finally, I would like to voice my support for the Hollings Manufacturing Extension Partnership which is administered at the Department of Commerce. Montana is a rural State but we have needs and opportunities that the Hollings Manufacturing Extension Partnership has addressed. In recent years, I have grown concerned for the programs advancement, but I am hopeful Mr. Gutierrez, with his manufacturing background, will see the important role the program plays in small States. It is important the Department ensures small manufacturers have access to technical and information resources to allow them to remain competitive.

Again, I would like to reiterate my support of Mr. Gutierrez' nomination and I look forward to working with him on many of the challenges my State and the country are faced with under the vast umbrella of the Department of Commerce.

I yield the floor and thank the chairman of the Commerce Committee for giving me this time.

Mr. STEVENS. Mr. President, we have no further speakers on this side. I reserve the remainder of our time.

The PRESIDING OFFICER (Mr. VITTER). The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, it is my intention to support the nomination of Mr. Gutierrez to be the Secretary of Commerce, an important position in this administration and for our country's economic well-being. However, before I do, I want to call the attention of the Senate to some important issues.

I come to the floor to speak at some length about a very serious problem: the burgeoning U.S. trade deficit. This is a deficit that fundamentally weakens this country, a trade deficit that last month alone was $60 billion, a trade deficit that will be something over $600 billion for the year 2004, when we finally get the year-end numbers. Despite this growing crisis in international trade, the Congress, the President, and virtually all of the official Government, seems to be willing to snore through all of this and pretend it does not exist.

I think it is fitting that we discuss this at some length at a time when we are putting a new Commerce Secretary in place.

Before I do that, let me talk for a moment about Social Security. In recent days there has been a great deal of discussion on that issue. The President indicated that this would be one of the first items we will be confronted with. He proposes to create private accounts in the Social Security system, because he says there is a crisis in Social Security. Well, there is not a crisis in Social Security. Let me make it clear. There is no crisis in Social Security. If we have the same economic growth rates in the next 75 years that we had in the past 75 years, Social Security will be just fine.

The only way there is a crisis in Social Security—or you can at least create the impression that there is a crisis—is if you attempt to project growth rates that are dramatically lower than that which we have experienced. If you are going to project lower economic growth rates—1.8 percent, for example—over the coming years, then you cannot predict that somehow investing money in the stock market through private accounts is going to solve any kind of problem.

It is interesting to me that the ethic and value system in America has been that if you are going to provide for your future, you save for retirement. The President is suggesting that we should borrow $1 trillion to $3 trillion and dump it in the stock market and hope things will be all right. Even as we do that, the amendment leaked from the White House says we will cut Social Security benefits by changing the adjustment on wages and prices. The construct is this: Claim there is a crisis where there is not, and borrow $1 trillion to $3 trillion and put it into the stock market at the same time you cut Social Security benefits.

In my judgment, that is a bad policy, one we ought to resist. It is important for people to understand the Social Security system is not an investment program; it has never been that. It was created in the 1930s and signed into law by Franklin Delano Roosevelt to help the elderly escape the plague of a poverty-ridden old age. When he signed that bill, 50 percent of America's senior citizens were living in poverty. Now it is less than 10 percent. But it is not now and has never been an investment program. It is a core insurance retirement program. It is the foundation of retirement security. It is always there, not subject to risk. It is core retirement insurance. In fact, if you look at your paycheck, it says the money that comes out of your paycheck for this program is FICA. The ''i'' in the FICA is for insurance.

The President wants to confuse us by talking about investments. We have a Social Security program that is a core retirement insurance program. It has worked well for over 70 years. It lifted the hopes and lives of so many tens of millions of senior citizens out of poverty.

We have also, under the rubric of retirement incentives, created 401(k) programs and IRA programs and pension incentives, all of which represent investment accounts. I support those. But that is different than the core insurance program called Social Security. In my judgment, we ought to aspire in this Congress to be working toward Social Security-plus, not Social Security-minus. Those who say the way to build retirement security is to injure the foundation, or begin to take away the foundation that is Social Security insurance, do no favor to senior citizens. The way for us to enhance and embrace and strengthen retirement security is to build on the first, second, and third floors, not destroy the foundation.

Once again, there is no crisis in Social Security. Let me be the first to say that we are living longer, healthier lives, and so the problems that might occur 20, 40, 60 years from now in Social Security are born of success. We are living longer, healthier lives. And if you are a pessimist and believe we will have only 1.8 percent economic growth rates, which is what the basis is for suggesting there is a huge problem in Social Security—if you are a pessimist, then you can suggest there need to be adjustments in Social Security. But that cannot be a pretext for taking apart the Social Security system. That is what some wish to do. They never liked it, don't like it now, and want to take it apart. How? They want to create private investment accounts inside the Social Security system, which is a big wet kiss to Wall Street to move money that is borrowed to Wall Street and hope that somehow the social program will be solvent.

We have already had substantial experience in the last several years with economic projections by the people telling us this will work. They inherited the largest budget surplus in the history of this country and we now have the largest budget deficit in history. They didn't see it coming. They said, by the way, let's count these 10 years of surplus before they exist and give them back in tax cuts. Some of us said maybe we ought to be more conservative. These surpluses don't yet exist. The President said never mind, Katy bar the door, give all these moneys back even though they have not been realized; give them back in tax cuts.

The fact is we turned the largest budget surplus into the largest budget deficit in history. The same people who predicted success for economic failure are the people telling us we ought to take apart the Social Security program under the guise of there being a crisis.

Let me make one additional point that I think is very important. Those who tell us that we will have only 1.8 percent economic growth for the next 75 years, and therefore we have a financing problem with Social Security, also say that private accounts in Social Security invested in the stock market will yield 7 percent. Therefore, it will fix the problem. Double-entry bookkeeping doesn't mean you can pretend. You cannot say on the one hand we are going to have slow economic growth, and therefore a crisis in Social Security, and on the other hand, during periods of slow economic growth we will have 7 percent annual return on private accounts. It doesn't work that way. Third-grade math will tell you that is fundamentally wrong.

My hope is we will have a thoughtful, interesting debate about retirement security and about Social Security. I hope at the end of that debate, we will all agree that we should do nothing to undermine Social Security. If we believe that there is nothing more important than our children and taking care of them, and nothing more important than taking care of our parents when they are elderly, we ought to protect the social safety net that promotes those values.

Social Security has lifted so many in this country out of poverty. It has worked for 70 years and it will work for the next 70 years and well beyond. I for one am not interested in taking apart that which works and which makes this a better place to live. After all, those who gave us what we now have in this country, who went before us and helped build this country, built our communities, factories, and our schools, and helped increase the standard of living, expanded opportunities for our country—those are the people from whom we have inherited this great life.

If we have decided somehow that we don't have the wherewithal to continue to make this Social Security system work for them, to keep it a promise they can count on, then there is something wrong with the value system of this Congress. I don't believe that to be the case. I think at the end of the day we will all agree Social Security is a value that is important, one we will strengthen and keep.

Enhancing retirement security is important as well and, at the end of the day, we ought to have what is called Social Security-plus. We can do Social Security, keep it strong in the long term, and build further incentives for IRAs, 401(k)s, and pension programs. That ought to be our mission statement.

Let me turn back now to the issue of international trade. We have before us the nominee for the U.S. Department of Commerce. That is one of the agencies in our country that deals with trade issues.

Mr. Gutierrez, President Bush's selection to head the Department, is someone whom I will support today. But I don't want this moment to pass without all of us having to confront something that is very uncomfortable for this country, and that is we have a trade policy that is weakening America and that is in fact a ''crisis.'' I described where the crisis doesn't exist, in Social Security; but there is a bona fide crisis in international trade.

Last month, we heard a report that we had a $60 billion trade deficit—just

last month alone, $60 billion. We are told that we should expect, when all of last year's numbers are in, that our trade deficit will top $600 billion. Add to that the budget deficit of over $400 billion, and we have a combined indebtedness of over $1 trillion in this past year alone—$1 trillion. Talk about being irresponsible with our kids' future. This is it. Yet, do you hear anybody talking about the urgency of this? Not a word. Not a whisper. It is like shouting into a strong wind to talk about trade.

Well, let's talk about some of the issues related to this soaring trade deficit. I am going to go through a series of examples.

The January 10 edition of Time Magazine had an interesting article in it. It says:

> Chinese pirate companies have long been accused of illegally copying easy stuff like shoe polish and digital movies. Now General Motors says a Chinese firm knocked off an entire vehicle—and Americans could soon start buying its cars.

So let's talk about that a bit. It is reported that a Chinese firm, called Chery, has stolen production line blueprints for a GM compact car called the Chevrolet Spark. It is a car that General Motors spent hundreds of billions of dollars to develop and the copy car is called QQ. It looks like an identical twin to the Spark. The Chinese company is now offering it for sale in China for $3,600, a third less than the General Motors car.

Chery, the automobile company in China, has now announced plans to sell five different models, including a sport utility vehicle, in the U.S. It teamed up, apparently, with Malcolm Bricklin, who brought the Subaru to America in the 1960s. Their plan is to import up to a quarter of a million Cherys a year starting in 2007. The Chinese want to send us a quarter million Chinese cars in a year.

Well, what to make of that? Let me describe a trade agreement that our country made with China a while back. We had a bilateral trade agreement with China. This is a country that had a large surplus with us. Our negotiators negotiated a deal with China. Inexplicably, they agreed to this. They negotiated a deal where the Chinese can impose a 25 percent tariff on any United States cars we ship to China.

But on any Chinese cars sent to the United States, we impose only a 2.5-percent tariff. So our negotiators said to a country with which we have a giant trade deficit: We will agree with you that you can impose a tariff on bilateral automobile trade that is 10 times higher than that we will agree to impose: 2.5 percent on Chinese cars coming into our country, 25 percent on U.S. cars that we try to sell in China.

You ask yourself: Who on Earth would have done that? I don't have the foggiest idea. Our trade negotiators did it. They apparently wear blue suits, they have tiny little glasses, they are supposed to think, probably have advanced degrees. And yet they close a door somewhere in a private room, someplace in secret, and reach a deal that says to the Chinese: on bilateral automobile trade, you go ahead and impose a tariff 10 times the tariff we will impose on automobiles between China and the United States.

Guess what. We sell very few cars in China. We cannot get them in, and the Chinese, having apparently stolen the designs on a new compact car from General Motors, are set to send us a quarter of a million cars.

Should we perhaps find out who negotiates this sort of incompetence so we make sure they never again negotiate on behalf of our country because this is not some theory?

This is about jobs. When you do this, it means you are reducing America's job base and enhancing the job base in other countries.

On a related note, in a recent year, we saw 690,000 Korean automobiles come to the United States to be sold in the United States. Guess how many American cars we sold in Korea? We sold 3,800. So Korea sent us 690,000, and we sold them 3,800.

There was a time during this period when Korean consumers seemed to want to buy a pickup truck called the Dodge Dakota. Several dozen orders for Dodge Dakota trucks were coming into Dodge dealers in Korea. Guess what. The Korean government decided to announce that the Dodge Dakota wasn't safe, because it was capable of having a topper installed in the back, and that wasn't customary in Korea. So they did a big splashy announcement, and before you knew it, all the orders were cancelled. Korean consumers got the message.

So in Korea they want to sell their cars in the American marketplace, but they do not want our cars sold in Korea. Will we say to the Koreans or the Chinese, for that matter, that either your market is open to our products, or you are going to have to see your products in Zambia or Nigeria? I don't think so because our country does not have the nerve, strength, will, or backbone to stand up for America's economic interests, for American workers, American businesses, and American jobs.

I want just one Member of Congress, in the House or Senate, to justify this to me—just one. Or to justify the circumstances of mutual automobile trade with China by which we agreed with China that we will allow them to impose a tariff that is 10 times ours on bilateral automobile trade. Just one person I would like to stand up and say: Yes, that makes sense. We know it doesn't make sense. We know it undercuts American workers. It moves American jobs overseas, and yet no one seems to care very much about it.

Here is another item in the news. There is a new report that talks about the export of jobs from this country to India. AMR Research estimates that the Indian information technology labor force will be larger than 3 million by 2010, and half the workers will be performing jobs for U.S. companies.

Let's talk for a moment about that: these information technology jobs that are being outsourced to India are good jobs. But there are some who think that this outsourcing is a good thing. In fact, the President's economic report to Congress said that, for example, having Indian radiologists reading x rays of U.S. patients would be a good thing.

What will happen to the 1.5 million Americans who will lose their jobs in information technology services to the country of India?

Well, one thing they will not be doing is producing merchandise for export to India. In 2003, we had a trade deficit with India. That same year the average duty, the average tariff on goods that we were to sell to India was 30 percent. According to the U.S. trade ambassador's office, India's economy is one of the most closed in the world and, thus, India's tariffs remain among the highest in the world.

Now the trade ambassador's office says the Indian economy has the most potential for U.S. exports. I expect that is true, because India has 1 billion people. One out of six consumers on the planet lives in India. It is the second most populous nation in the world. Yet where does it list on the U.S. export markets? Second, 5th, 10th, 15th, 20th? No, 24th.

In fact, we export nearly twice as much to Peru as we export to India. And yet we see all of these reports now about American jobs being sent to India. Apparently, the only thing we can send to India are jobs, not goods. India has a 105-percent tariff on cars and motorcycles—in fact, we cannot get motorcycles into India—40 percent on oranges, over 100 percent on raisins, 30 percent on soybeans, 100 percent on durum wheat.

You know, you can't have balanced trade these days, even if you want it.

A family in Illinois this year decided to do something different for Christmas. They decided they were going to ban China from under their Christmas tree. The mother decided that she was going to buy U.S.-made Christmas gifts. Peggy and Dave Smedley were going to buy American for Christmas.

Of course, that meant no iPods, no digital cameras, no tabletop football games. And in the end, it was nearly impossible for them to find the Christmas gifts they wanted for their children. They found a Monopoly board game that appeared to be made in the U.S. but they discovered the dice actually came from China. Their son wanted American-made boots, and Peggy Smedley looked in 30 stores for boots that were made in America before giving up. The Smedley kids were concerned they might not get any presents at all for Christmas because of their mom and dad deciding they wanted to buy American.

The 13-year-old Smedley son said he did not know what to expect because ''I

have never bought American before,'' which I suppose is an innocent comment from a 13-year-old kid about the world in which we live.

Levis used to be all American. They are gone. In fact, I am told that the Levis Company does not make any Levis anymore. The Levis Company makes no Levis. All the Levis are made under contract by contractors.

The Christian Science Monitor reported the other day something else that I thought was kind of interesting. One would have thought when they walked around with a pair of cowboy boots that they were walking in an all-American pair of shoes, but last month I noticed in the Christian Science Monitor even the cowboy boots now sport ''made in China.'' Tony Lamas, top of the line cowboy boots, inside the label it may read ''made in China.'' Thirty-five to 40 percent of these cowboy boots have now been outsourced.

I have spoken often of Fig Newton cookies. It used to be that Fig Newton was the all-American cookie. Well, next time somebody says, let us have some Mexican food, just say, give me a Fig Newton, from Monterey, Mexico. By the way, Kraft Foods moved the production of Fig Newton cookies to Monterey, Mexico. So eat a Fig Newton and you are eating Mexican food.

Fruit of the Loom used to be all-American underwear but not any longer. They are gone. Levis are gone. Huffy Bicycles are gone. Schwinn Bicycles are gone. Little Red Wagon Radio Flier is gone. They were all American, all made by Americans, all represented jobs for American families, and they are all gone.

Why is all of this happening? Well, what has happened is multinational corporations have discovered there are somewhere around a billion people available on this globe who work for a very small amount of money. There is someone in Indonesia today who is making a pair of shoes. There is 24 cents direct labor in that pair of shoes that will be sold in Pittsburgh, Fargo, or Los Angeles for $80 a pair, and that woman named Shadisha is going to be paid 24 to 30 cents an hour.

There is someone in China today who is making Huffy bicycles. That man or woman took the job of someone in Ohio who was making $11 an hour, plus benefits. They got fired. They lost their jobs because the Huffy bicycles were moved to China and now workers in China are paid 33 cents an hour. They work 7 days a week, 12 to 14 hours a day making Huffy bicycles.

The Little Red Wagon Radio Flier Wagon that has been made in American for over a century is gone. It is because corporations have discovered there are a billion people who will work for very little money. In some cases, they employ 12-year-olds. They work 12 hours a day. They pay them 12 cents an hour. If my colleagues do not believe it, I can show them.

The question is, What does all that mean to our country? What does it mean to the world's strongest economy? What does it mean when one hollows out the manufacturing base of a country such as the United States? What does it mean when we say to American workers that there is a new day and a new competition, when we say to the American workers, yes, for a century they fought for rights, some lost their lives in the streets of this country fighting for the right to organize; they fought for the right to work in a safe workplace; the American people fought for the right to understand that corporations and factories would not pump effluents and poisons into the air and water; we fought for child labor laws so 12-year-olds would not be sent down into the mines or into the factories? What does it mean when we are told it is a new day and none of those things matter because those who produce can produce elsewhere where no restrictions like that apply?

A kid can be hired and he can be worked 7 days a week and paid pennies. And it is said to the American worker, you must compete with that, and if you cannot compete, we are going to outsource, and if you do not like outsourcing, tough luck.

I am just wondering how all of this adds up. This country has been a wonderful country because going all the way back to when Henry Ford made the Model T he understood that production needs customers. Even as he produced, he was hiring workers and saying: I want to give workers a decent income with which they can purchase that which we are producing. He understood he was employing his own customers.

Now we have a different set of circumstances in our country. Now we have products made by child labor, in countries that pollute their environment, and we are asked to compete with that. After 9/11, when there was a surge of demand for American flags, do you know where they came from? From overseas. The import of American flags jumped to 113 million American flags in a year. And I bet you that many of those flags were made in conditions that would gravely offend the principles that the flag represents.

I will put up a chart that shows the growth of the trade deficits over recent years, because it describes what this is all about. Year after year, we see these trade deficits growing and growing. It is as if it does not matter. Nobody here cares. Nobody here has lost their job because of these numbers. There is not one politician in America who has lost their job to outsourcing. There is not one journalist who has lost their job to outsourcing of which I am aware. So it is as if it does not exist. It is just the other people who lose their jobs. It is people who take a shower after work because they sweat all day at work working long and hard on the factory floor and they are told somehow they cannot make it.

I have talked about Huffy bicycles. I received a letter from the Huffy folks that they were upset about the fact. They were a little huffy, as the saying would go, about my discussion.

In Ohio, workers used to make Huffy bicycles. In fact, Huffy bicycles had a little decal of the American flag.

I do not know any of those folks but my guess is that they loved their jobs. They made a great bicycle. They had 20 percent of the bicycle market in America. People could buy them at Sears, Wal-Mart, Kmart. I am sure that one day when they had to go home and tell their spouse, honey, I have lost my job, that it was a painful day. They had to tell their spouse and their families: I lost this job not because I was a bad worker—I worked for 20 years for this company; I did a good job; I produced a good product—but I lost my job because my company discovered they could hire somebody for 33 cents an hour to build that bicycle.

Incidentally, that bicycle took the American flag off the front decal and replaced it with a decal of the globe once they moved production to China.

What does all of that mean? What does it mean for our country? We are running giant trade deficits with virtually everyone in the world: China, huge trade deficits. This map shows the world, and it shows in red the countries with which we run trade deficits. It is unbelievable. Here is the United States. Of course we can't run a deficit with ourselves. We are running a surplus with Australia down here. We will probably fix that soon, as soon as the new trade agreement with Australia kicks in, because in almost every case, every trade agreement we have done turned out badly for this country because we don't have the backbone to stand up for the interests of our producers.

Australia, Egypt, Belarus—hey, look, we have a bright spot over here in Belarus—these are among the very few countries with whom we have a deficit. With almost the entire world we are running very large trade deficits; virtually the entire world.

How long will that last? Mexico is a good example. We had a trade surplus with Mexico—a small one, but a trade surplus. Then we did what was called the North American Free Trade Agreement, and this chart shows what happened. Right here is the trade surplus. Then we did a North American Free Trade Agreement. We had a bunch of these economists, who cannot tell their home address and can't remember their phone numbers, give us all kind of highfalutin' predictions about what is going to happen. They said this is going to be good for America; the only thing that will come into this country from Mexico with this trade agreement is the product of low-skilled, low-wage jobs. Guess what. The three largest imports into America are automobiles, automobile parts, and electronics, all the product of high-skilled jobs, exactly the opposite of what these so-called economic experts told us.

In the meantime, what happened with our trade with Mexico? We have a

giant trade deficit, serious and growing.

Canada is another example. With respect to Canada, which was part of NAFTA as well, the trade deficit was a modest trade deficit when we started. Now it has grown into a very substantial trade deficit.

The trade deficit with China is a dramatic trade deficit and it is growing much worse. I just described part of the problem with China. You can see what is happening here to this country.

You can make a case, if you are an economist, that the budget deficit is money we owe to ourselves. You can make that case. You can't make that case with the trade deficit. The trade deficit is a deficit we owe to others in other parts of the world and will be paid inevitably with a lower standing of living in this country. It will. You cannot make any other case. That is why I come to the floor to say this is very serious and very troublesome.

I have not mentioned the Japanese. The Japanese are also a good example because every year, for well over a decade, we have had a large and abiding trade deficit with Japan. Japan, as you know, has managed trade. The result of managed trade with Japan is that the Japanese continue to keep certain of our products out, yet they want to ship all of their products to the United States.

I recall we did a beef agreement with Japan. About 15 years ago this country did a beef agreement with Japan. At the end of the beef agreement you would have thought we won the Olympics. Our trade negotiators were ecstatic, big celebration, jubilation, front page of the Washington Post, good for us. Guess what. Fifteen years after a beef agreement with Japan, a country with which we have a very large trade deficit—we still have a 50-percent tariff on beef going into Japan.

That would by any definition be a failure, but not with our country, because we have such low expectations of ourselves and such low expectations of our trade negotiators being willing to stand up for the economic interests of this country.

The list is almost endless. Wheat to China. I have spoken at great length about wheat to China, the promises of the Chinese to allow 8.5 million metric tons of wheat into China and, once again, promises that were not kept.

The list is virtually endless.

We have all these trade negotiators who go out and negotiate agreements. As I said, they wear blue suits and small glasses. My preference would be to put a uniform on them that says ''USA'' on the front, because I think they forget for whom they work half the time. But nonetheless they negotiate these agreements.

Even though in my judgment these agreements have been incompetently negotiated, they are supposed to enforce the agreements. But let me tell you what is happening in the Department.

We had roughly a $130 billion deficit with China previously. It is probably $160 to $170 billion just in the last year. Yet we have only 19 people in the Department whose job it is to enforce trade agreements with China.

We have a $66 billion trade deficit with Japan. There are only 10 people in the Commerce Department working on opening up trade markets in Japan.

We have a $13 billion trade deficit with Korea. There are 2¾ people—I don't know who the three-quarters of a person is—working to open up the Korean market.

Our deficit with the European Union is $77 billion. There are only 15 people working to open up the European markets. It is unbelievable.

As I have said, we fought for a century about the basic conditions of production and the basic rights of workers. We now accept into this country the products of working people who are told they will be fired if they try to start a labor union—just fired.

We accept products into this country that are produced by kids. We had a hearing in the Congress some while ago that was heartbreaking. It described children who, in a country far away from here, were making carpets and rugs. They were locked in buildings making these carpets and rugs. It described the conditions in which the employer took gunpowder and put it on the fingertips of these children and lit the gunpowder to produce scarring, so these young children, using needles to sew these carpets, when they stuck their fingers would not be injured. The scarring would allow these children to be more productive.

Is there an admission price to the American marketplace? Have we decided the 1 billion-plus people around the world under virtually any conditions of production are acceptable for multinational corporations to seek out and to employ to produce products that will be shipped into our marketplace? Is that what we want? Do we believe that is in the long-term economic interests of this country? Do we understand that it will injure this country's long-term economy? It will mean that we will hollow out not only the manufacturing sector but also the middle class in this country, because the jobs they used to expect, the manufacturing jobs that would pay well, with benefits, are not there. They have been outsourced for a quarter an hour or 50 cents an hour.

Those who talk about these issues are often called protectionists; xenophobic isolationist stooges who just don't get it.

The fact is, I am interested in protecting the economic interests of this country. No, I am not interested in protecting Americans from fair competition. I think competition represents something that is important to our producers as well because it makes them better producers. But fair competition is critical. I don't believe producers or workers in this country can or should be linked to competition with those in other parts of the world who can produce in circumstances where they pollute the air and water, hire children, pay pennies, and work in unsafe plants. That is why on trade agreements we have fought on the floor of the Senate to add provisions dealing with environment and labor, and we have been rebuffed at every circumstance and at every turn. We are seeing the results of that now—day after day after day.

I want to talk just for a moment about something else that Mr. Gutierrez will inherit at the Commerce Department. I know it is not quite the important issue that China, the European Union, Mexico, Canada, and Korea are with respect to trade, but I want to talk for a moment about Cuba.

Cuba is 90 miles off our shores. It is a Communist country. The fact is, we do business with Communist countries. We sell and buy from China, a Communist country. We do the same with Vietnam. We do that because our country's official policy is engagement through trade and travel. That is the way to move these countries in the right direction. We believe that very strongly. Republicans and Democrats claim that to be the case.

It seems to be different, however, with Cuba. Although we do business with Communist China and Communist Vietnam, Cuba seems somehow to be different.

Then Senator John Ashcroft and I offered an amendment on the floor of the Senate which became law. It became law after 40 years of an embargo in which we couldn't sell a thing to Cuba. Senator Ashcroft and I said it is immoral to use food and medicine as a weapon; that we ought to be able to sell food into the Cuban marketplace. So we got it passed. The provision was that the Cubans had to buy food with cash. But, nonetheless, we got it passed.

The Cubans have purchased nearly $1 billion worth of agricultural products from American farmers. But some in this administration have never liked that, and they are doing everything they can to derail and try to stop the sale of agricultural products into Cuba. We have had farm fairs and agricultural fairs in Cuba. The Farm Bureau, the Farmers Union, and American farmers and ranchers have gone to Cuba. Cuba has bought nearly $1 billion worth of agricultural products from this country.

Let me tell you what has happened. At an organization called OFAC, the Office of Foreign Assets Control, they have been doing everything conceivable to stop people from traveling to Cuba—yes, even to travel to sell agricultural products—and to stop the sale of agricultural products into Cuba.

I want to give an example of the absurdity of this. This is a young woman, Joni Scott, who is looking at a Bible. She is a wonderful young woman, a Christian woman, who went to Cuba to

distribute free Bibles. Guess what happened to this young American woman who went to Cuba to distribute free Bibles? Our Treasury Department tracked her down and tried to slap her with a $10,000 fine. What was her transgression? Trying to distribute free Bibles in Cuba.

Or, I could show you a picture of Joan Sloat who joined a Canadian bicycle tour. What was her transgression? This 76-year-old grandmother rode a bicycle for 10 days in Cuba. They wanted to attach her Social Security through our own Treasury Department. The Office of Foreign Assets Control tracked her down and levied a big fine. What they are doing is unbelievable.

The Office of Foreign Assets Control in Treasury is supposed to be tracking the funding for terrorists. But let me describe the way they are using their assets. Twenty-one people down at the Office of Foreign Assets Control are tracking American citizens who are suspected of taking a vacation in Cuba. They are under suspicion of taking a vacation in Cuba—21 people. They have four people tracking Osama bin Laden's financial network. It is unbelievably dumb—the allocation of resources in this manner.

Why do I raise this? Because in the last 2 months or so the administration has decided they want to shut down the agricultural sales that do exist and can exist legally by reinterpreting when payment must be made and trying to create a circumstance that will wave off those who want to sell into Cuba.

Mr. Gutierrez and I had a discussion about that when he came to see me. He is probably going to have to follow the administration line. It is that our farmers ought to be penalized and ought to be prevented from selling into the Cuban marketplace. The European farmers can sell there. The Canadian farmers can sell there. We have a natural advantage to sell into that marketplace because it is closest to us. But this administration wants American farmers and ranchers to pay the cost of their foreign policy.

One day about 2 years ago, as a result of the legislation which I got passed, 22 train car loads of dried peas left North Dakota, the first shipment in 42 years into the Cuban marketplace. I am proud of that.

I think the administration ought to be ashamed at what they are doing. They are saying that trade and travel is the road to enlightenment and the road to democratic reform in China and in Vietnam, but it is not in Cuba.

It has nothing to do with common sense. It has to do with politics. The administration knows it, and they are doing everything they can to have American farmers and ranchers—for that matter, people such as Joni Scott or Joan Sloat—paying the price of that burden. It makes no sense at all.

My hope is that as we proceed, some small modicum of commonsense might infiltrate the basic trade policies that are debated both in this Congress and also in the administration.

It is not the case, for instance, that outsourcing of American jobs strengthens this country. The President's chief economic adviser said outsourcing is good. I guess it's good as long as he doesn't lose his job. The fact is, neither he nor people like him ever lose their jobs in these kinds of constructs. They never lose their jobs.

This is about working families, the kind of people who helped build this country of ours, the kind of people who value work. They are the ones who lose their jobs. They are the victims of unfair trade.

My hope is just once—perhaps just once—there would be some kind of fire alarm with a $60 billion-a-month trade deficit. But I hear nothing. There is this vast silence. I hear nothing about that being a crisis. All we hear is Social Security is in crisis, which, of course, is not the case.

My hope is that perhaps we can find a way in the coming months, we can wake up to the fact that there is a crisis in trade, and perhaps have the President call an emergency meeting of policymakers and decide what we do about this. But there is this vast silence about it. Nobody wants to talk about it. Again, I suspect it is because nobody here is losing their jobs. But this country will not long remain a world economic power if it doesn't put its fundamentals in order.

There is a wonderful book called ''The Lexis and the Olive Tree'' written by Tom Friedman. In it, he makes the point that just because there is a run on a bank, it is not about whether the bank is solvent or has a problem, it is about whether people perceive it to be solvent. He makes the point that market traders always perceive strengths and weakness. And when they move against your country and against your currency, beware.

This country cannot long exist with a $1 trillion annual shortfall. In both budget deficits and trade deficits, the fundamentals are out of line—completely out of order—and everyone here should know it. Yet we are waltzing around here acting as if nothing is happening. That doesn't serve this country's interest. We know better. The American people know better. Our trade policies are in serious trouble and deserve our full attention.

On behalf of American workers, on behalf of American businesses, and on behalf of the future of this great country, we owe it to our kids, we owe it to our future to address this important issue.

Ms. CANTWELL. Mr. President, I wanted to let my colleagues know briefly of the reasons why I support the nomination of Carlos M. Gutierrez to be Secretary of Commerce. The Senate will vote on this nomination later today. I had the opportunity to sit down and speak with Mr. Gutierrez at length. While he has limited experience with matters handled and regulated by the Commerce Department that are important to Washington, such as fisheries, aerospace, and telecommunication, I was impressed by his general business acumen and management skills. I also found him willing to be personally engaged and to engage others on issues outside of his area of expertise. I appreciate his willingness to serve, and I look forward to working with him in the future.

Mrs. FEINSTEIN. Mr. President, I want to share my views on the nomination of Carlos Gutierrez to become United States Secretary of Commerce.

Mr. Gutierrez's rise in the ranks at Kellogg Company—from selling cereal out of a truck in Mexico City 30 years ago, to serving as the company's CEO—is truly a remarkable achievement. Such business expertise will be pivotal for Mr. Gutierrez as Secretary of Commerce. In part, for this reason, I am confident that Mr. Gutierrez is a qualified candidate for this office.

Nonetheless, I believe that it is important to take note of the breadth of agencies and issues that the Secretary of Commerce oversees.

Advancing technology, trade, and business development are just a few of the important responsibilities that the Secretary of Commerce must assume. Particularly, in my home State of California, the Secretary has enormous influence.

The Secretary is responsible for the National Oceanic and Atmospheric Administration, NOAA, which is critical to our ability to make use of oceanic and atmospheric research. For instance, NOAA operates the National Tsunami Mitigation Program, which NOAA created in 1997 and maintains in the Pacific Ocean today.

The Secretary of Commerce also oversees the International Trade Administration—ITA. In agriculture, manufacturing and numerous other sectors, trade plays a vital role in the daily lives of Californians. According to the ITA's latest data, 55,421 companies exported goods from California in 2002. Of these companies, the overwhelming majority were small or midsized enterprises with fewer than 500 employees.

I believe that strengthening our relationships with trading partners is fundamental to the continued growth of California businesses. With the Secretary's leadership, fair and balanced trade policies will help California's markets increase our export capacity even further.

I applaud the nominee's openness in his previous statements on the need for reforming specific trade policies that need improving. I hope that Mr. Gutierrez will be a force for leveling the playing field for trade in the future.

Although his role representing Kellogg Company was decidedly narrower than that of Commerce Secretary, I expect that Mr. Gutierrez will weigh every position and consequence when considering trade policy. The people of California and the United States depend on it.

Much of the Commerce Secretary's time must be spent encouraging business development. Too many jobs go overseas and I believe that a robust policy to vigorously promote job growth should be a top priority for the Secretary.

Since 2001, over 2.7 million manufacturing jobs have been lost. We have also sustained net job losses in the private sector since 2001 and household median income continues to lag. We can and must do better.

Through agencies like the Economic Development Agency—EDA, the Commerce Secretary can be a real catalyst for economic growth. By funding public works projects and innovative enterprises the EDA brings opportunity to the communities that need it most.

I hope that as Commerce Secretary, Mr. Gutierrez will aggressively protect American jobs and encourage job creation, making full use of resources like the EDA.

The responsibilities of the Secretary of Commerce are complex and far-reaching, and this will certainly be a challenging position for Mr. Gutierrez.

There is a great deal of work to be done, and I look forward to a productive working relationship with Mr. Gutierrez.

Mr. CONRAD. Mr. President, today I want to share a few thoughts on the nomination of Carlos Gutierrez to be Secretary of Commerce.

The Commerce Department has responsibility for a broad range of important issues. Managing this diverse portfolio would be difficult in the best of circumstances. But there are a number of special challenges that make the job facing Mr. Gutierrez even tougher.

Let me start with trade. A couple of days ago, the Commerce Department reported that our trade deficit for November exceeded $60 billion. Twelve years ago, our trade deficit for the entire year was just $40 billion. Now, it is on track to exceed $600 billion. This course is unsustainable. If we do not start taking steps now to address this imbalance, we could face a collapse in the value of the dollar that would spark inflation, roil our markets, and dampen our economic prospects for years to come.

I hope Mr. Gutierrez will take this issue very seriously. We need to make it clear to our trading partners that it is no longer acceptable for them to devalue their currencies to gain a competitive advantage over American producers. We need to strictly enforce our laws against unfair trade practices. We need to insist that our trading partners comply with the trade agreements they have signed with this country. And we need to forcefully advocate for global trade rules that will unequivocally benefit U.S. businesses, farmers, and workers.

I want to touch on one issue in particular. During Mr. Gutierrez's tenure as CEO, Kellogg lobbied to increase sugar imports into this country. Sugar is a vital industry in my part of the country. The sugar industry pumps $2 billion a year into the economy of the Red River Valley in North Dakota and Minnesota. So it concerns me greatly when anyone suggests we should dismantle our successful sugar program to take in more foreign sugar. I had the opportunity to visit with Mr. Gutierrez a few days ago, and he has assured me he understands that as Secretary of Commerce he would be representing all U.S. businesses, including the U.S. sugar industry, and not just the interests of sugar consuming companies.

We also face big challenges on a host of domestic issues within the jurisdiction of the Commerce Department. For example, over the next 2 years, the Congress will be revisiting the 1996 Telecommunications Act. In the 8 short years since that act was passed, we have had a revolution in communications technology that will require us to rethink many of the rules we adopted then. As we do so, it is critically important that rural areas not be left behind. I have always been a strong supporter of the Universal Service Fund and the assistance it provides to North Dakota. I remain dedicated to making sure rural areas have access to innovative and affordable telecommunications technology, and look forward to working with Mr. Gutierrez on initiatives to close the technological gap between urban and rural areas.

Carlos Gutierrez brings an impressive business background to this set of challenges. Born in Cuba, raised in Florida, Mr. Gutierrez started his career working for Kellogg in Mexico. From that start, he was steadily promoted until he became chairman and chief executive officer. As CEO, he has been credited with turning Kellogg around. It is my hope that he will have the same success in turning around our trade policy and bring the same energy to tackling the domestic challenges under his purview.

Mr. LEVIN. Mr. President, I heartily support the nomination of Mr. Gutierrez to be Secretary of Commerce. In nominating Kellogg's CEO Carlos Gutierrez to be the next Secretary of Commerce, President Bush selected a Michigander who has a wealth of business experience both in the U.S. and abroad which gives him a unique understanding of our country's role and challenges in the global marketplace. He also has a proven track record of wise budget management.

Mr. Gutierrez represents the quintessential American dream, emigrating to this country with his parents at the age of 7 from Cuba and working his way up the ranks of the Kellogg Company, starting with selling Kellogg cereal from a van, stocking the shelves of his customers, to becoming the highly respected President and CEO of a top American Fortune 500 Company. His story is as American as Corn Flakes and baseball. He is a passionate fan of both.

Mr. Gutierrez's home is in Battle Creek, MI, a medium-sized, midwestern city in America's heartland. Mr. Gutierrez has a firm grounding in many of the values and strengths that make this country great. He also has a firm grasp of some of the challenges facing American manufacturers.

The U.S. has battled for decades to open foreign markets to U.S. goods. Carlos Gutierrez knows the ropes of those markets and can provide this Nation with that invaluable experience. I have confidence that he will recommend firm action both to pry open foreign markets now closed or partially closed to American goods as well as to reinvigorate America's manufacturing base.

The leadership that Mr. Gutierrez used to turn around Kellogg's financial standing is desperately needed in this country, which has seen high unemployment, record trade deficits, and an unprecedented loss of manufacturing jobs. Mr. Gutierrez will need every bit of his experience to meet the challenges of this new job.

We are facing a manufacturing jobs crisis in our country. The U.S. lost a record number of manufacturing jobs during President Bush's first term, 149,000 of which were in Michigan. Michigan's unemployment rate stands at 7 percent, the third worst State in the Nation.

Unfortunately, this crisis has been worsened by the administration's failure to fund many of the programs that could strengthen the manufacturing sector. The Commerce Department's Manufacturing Extension Partnership program, for example, which helps small and medium-sized manufacturing companies remain competitive and has led to $8.7 billion in sales and helped create over 100,000 manufacturing jobs in the past four years, faced an 88 percent cut in the President's 2004 fiscal year budget request and a 63 percent cut in the 2005 fiscal year request.

The President also proposed eliminating the Commerce Department's Advanced Technology Program, which encourages public-private cooperation and focuses on improving the competitiveness of American companies in the global marketplace. Manufacturing jobs pay high wages, provide health benefits and offer retirement security. We cannot afford to lose these good jobs or let them leave our country. I am hopeful that as Secretary of Commerce, Carlos Gutierrez will prove to be a strong advocate for these programs.

In addition to rebuilding our base of manufacturing jobs, we need to devise a trade policy that focuses on opening foreign markets rather than employing policies that encourage jobs to move overseas or tolerating foreign barriers to our goods and expanding trade deficits.

During his time at Kellogg, Mr. Gutierrez managed several of the company's international divisions, including serving as the general manager of Kellogg of Mexico, the president and CEO of Kellogg Canada, Inc., and the

president of Kellogg Asia-Pacific. These experiences provide him with the expertise needed to address our soaring trade deficit and create a climate where U.S. products have the same access to foreign markets as we give in this county to foreign products.

The U.S. trade deficit has soared to record levels in the past 4 years. We have a failed trade policy as a nation because we have not insisted that our trading partners grant us true reciprocity and we have not forcefully implemented our trade laws.

The U.S. needs to fight much harder to open foreign markets to U.S. goods. In 2003, we had a $124 billion trade deficit with China, and it is expected to exceed $150 billion in 2004; we have a large and persistent automotive deficit with Japan; and we have tolerated currency manipulation by several of our trading partners who have rigged their currency values, making their exports artificially cheap and thus giving their companies a huge trade advantage and devastating U.S. workers, farmers and businesses.

We can reduce this trade deficit by insisting on a level playing field with our trading partners; by closing tax loopholes that provide incentives to businesses to move jobs overseas; and by supporting efforts to ensure that China complies with commitments it has made to the World Trade Organization.

We also need to adequately fund the Trade Adjustment Assistance program, which provides relief for small and medium-sized manufacturing and agricultural companies that experience loss of jobs and sales because of foreign imports. These are all areas that would come under Mr. Gutierrez's jurisdiction as Secretary of Commerce.

The nomination of Mr. Gutierrez is part of an overhaul of President Bush's economic team. I am hopeful that this reorganization also represents a new direction for the country, and that we are able to rebuild our manufacturing sector and reverse our trade deficit. Mr. Gutierrez's background at Kellogg has given him the experience to take the important steps that are necessary to begin to do that.

Mr. LEAHY. Mr. President, I am pleased today to express my support for the nomination of Carlos Gutierrez to be the next Secretary of Commerce. Mr. Gutierrez's personal history is remarkable. Born in Havana, Cuba, Mr. Gutierrez came to the United States at the age of six. He learned to speak English from a hotel bellhop and at the age of 20, he began working for the Kellogg Company as a truck driver in Mexico City. A little less than 25 years later, Mr. Gutierrez was in charge of the entire company as the chief executive officer and chairman of the board. As CEO, he quickly turned the battered and declining Kellogg into a strong, stable and increasingly profitable company.

While the next Secretary of Commerce will face serious challenges in coming years from a surging trade deficit to a depleted domestic manufacturing base to a weakened dollar—I am confident that Mr. Gutierrez is more than capable to do his agency's part in taking on these challenges. I believe that Mr. Gutierrez will bring the same type of leadership and determination to the Department of Commerce that he has shown throughout his career in the private sector.

I commend the President for making this nomination. Although Mr. Gutierrez and I may not agree on all economic issues, there is every indication that he will serve our country effectively and fairly as the Secretary of Commerce. I am proud to support his nomination.

Mr. DOMENICI. Mr. President, I rise today in strong support of the nomination of Carlos Gutierrez to be Secretary of Commerce. Mr. Gutierrez has set a great example for all Americans and has proved himself a true leader and visionary in the world of business. It is for this reason I fully support his nomination and I have no doubt he will be a truly superb Secretary of Commerce.

Carlos Gutierrez's story is truly inspiring and sets a wonderful example for all Americans. Born in Cuba, Carlos, along with his family fled to the United States in 1960 to escape the dictatorship of Fidel Castro. Eventually, the Gutierrez family chose to live in Mexico and settled in Mexico City.

At the age of 20, Carlos Gutierrez's journey through the world of business began when he took a job driving a truck for the Kellogg cereal company in Mexico City. Within 10 years, Mr. Gutierrez proved himself an invaluable asset to the company and was promoted to general manager of Kellogg's entire operation in Mexico. Only 15 years later, Mr. Gutierrez achieved the unthinkable and began running the operations for the entire company. This is truly a prime example of the American dream and definitively demonstrates Carlos Gutierrez's considerable talent for business.

I am also pleased by this nomination because of the diversity it adds to President Bush's Cabinet. This President has demonstrated a commitment to selecting Americans from all walks of life and ethnic backgrounds to serve him, and I believe that the selection of Carlos Gutierrez is a clear sign of the contributions that Hispanic Americans are making to our Nation.

I believe as Secretary of Commerce, Carlos Gutierrez will continue to display the values and leadership which have been prevalent throughout his career. I have no doubt that as Secretary of Commerce Mr. Gutierrez will be able to meet any challenge facing this country in the future.

Mr. HATCH. Mr. President, I rise to express my support for Mr. Carlos Gutierrez as our new Secretary of Commerce.

Considering the global nature of the marketplace, Carlos Gutierrez is an outstanding choice for Secretary of Commerce. Without a doubt, Mr. Gutierrez possesses the necessary skills to assume this important position. His skillful leadership has brought strong growth and success to one of the world's most notable companies. Because of his many years with the Kellogg Company, Mr. Gutierrez understands how to create jobs and foster greater opportunity for all Americans. I believe that Mr. Gutierrez will do an excellent job in creating conditions for economic growth and opportunity by promoting innovation, entrepreneurship, competitiveness, and stewardship.

Consumer demand, rising sales, and increased profits are creating confidence in the growing economy. For example, in my home State, the Utah Department of Workforce Services confirms that Utah added 32,200 new jobs in 12 months ending on October 31, 2004, and the Salt Lake City-Ogden metro area topped the list of U.S. cities in the growth rate of women-owned businesses. According to the Department of Labor, Utah ranks third in terms of the largest one-year percentage gains in non-farm employment. And, just recently, Forbes magazine named Headwaters, Inc., a Utah-based alternative energy technology company, as second of the top 200 best small companies in the United States. These are just a few of many indicators proving that President Bush's policies are succeeding in creating jobs and expanding the economy.

I look forward to working with Mr. Gutierrez, as he is undoubtedly qualified and prepared to take the helm of the Commerce Department. Of course, Mr. Gutierrez has many challenges ahead of him, but I am confident that he will serve our country with dedication and distinction.

Mr. FRIST. Fortune magazine describes him as possessing ''disarming charisma, steely resolve, and an utter lack of pretension.'' The President of the United States hails him as a ''great American success story.''

It is my pleasure to support the nomination of Carlos Gutierrez, chairman and CEO of the Kellogg Company, to become America's next Secretary of Commerce.

Mr. Gutierrez is a true testament to the American Dream. From humble beginnings as a Cuban refugee, he has become one of the most respected and admired businessmen in America.

Mr. Gutierrez and his family fled Cuba when he was just 6 years old. His father ran a successful pineapple company in Havana. Then one day, there was a knock at the door. Fidel Castro's regime had named the elder Gutierrez an enemy of the state. Mr. Gutierrez's father was briefly imprisoned. The business was confiscated. Mr. Gutierrez recalls that, ''We were on a plane right after that.''

The family landed in Miami Beach in 1960. It was there that 6 year old Carlos learned English from hotel bellhops.

The family eventually settled in Mexico City, and at the age of 20, Mr.

Gutierrez took a job driving a Kellogg van selling frosted flakes to small grocery stores.

Ten years later, he became general manager of Kellogg's Mexico operations. Within 3 years, he turned the Mexico plant from the company's least productive to most productive.

After stints in Asia and Canada, Mr. Gutierrez returned to the United States in 1990, and in 1999 became Chairman and CEO of the Kellogg Company.

In 5 short years, Mr. Gutierrez has steered the cereal maker into the number one spot in the U.S. cereal market. Under his leadership Kellogg has become a food industry powerhouse with industry leading sales growth.

Those who have studied his business techniques say that Mr. Gutierrez is successful because he is able to focus in on the key issues and convey his vision to everyone—from the assembly line worker to members of the board. He believes that every American should have the opportunity to succeed.

He also believes that America is, and should be, the best place in the world to do business.

Former Governor John Engler of Michigan, who has worked with Mr. Gutierrez, rightly points out that Mr. Gutierrez would be ''the most international leader that Commerce has ever had.''

Mr. Gutierrez says that one of his proudest accomplishments was helping his son and his wife become American citizens. From one American citizen to another, I can assure him the pride is mutual.

From his remarkable biography, to his meteoric success, Mr. Gutierrez is an inspiration to all. He took the American dream and ran with it—and, I should note, without ever having finished college.

I am confident that his accumulated wisdom, knowledge and skills will make Mr. Gutierrez an effective Commerce Secretary and eloquent advocate of our economic policies and ideals.

I urge my colleagues to support the nomination of this extraordinary American.

I yield the floor and 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. STEVENS. 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. STEVENS. How much time is remaining?

The PRESIDING OFFICER. The Senator from Alaska has 45 minutes remaining.

Mr. STEVENS. Has the minority no time remaining?

The PRESIDING OFFICER. Three and a half minutes remaining for the minority side.

Mr. STEVENS. Is it possible to get permission to yield back the balance of the minority's time?

The PRESIDING OFFICER. The Senator may ask consent to do so.

Mr. STEVENS. I ask unanimous consent all time be yielded back.

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

Mr. STEVENS. I ask the Chair to put the issue before the Senate.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Carlos M. Gutierrez to be Secretary of Commerce.

The nomination was confirmed.

Mr. STEVENS. I ask that the President be immediately notified of the confirmation of this nominee.

LEGISLATIVE SESSION

MORNING BUSINESS

Mr. STEVENS. I ask unanimous consent there now be a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

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

Mr. STEVENS. 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. ALLARD. 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. ALLARD. Mr. President, I would like to exercise my right under morning business to make a comment on the Marriage Protection Amendment.

Does my colleague from Montana have a question?

Mr. BAUCUS. No. If the Senator will yield, I ask him how much time he might use?

Mr. ALLARD. Less than 10 minutes.

Mr. BAUCUS. I thank the Senator.

The PRESIDING OFFICER. The Senator from Colorado.

(The remarks of Mr. ALLARD pertaining to the submission of S.J. Res. 1 are printed in today's RECORD under ''Submitted Resolutions.'')

The PRESIDING OFFICER. Who seeks recognition?

The Senator from Montana is recognized.

CONGRATULATING SENATOR VITTER

Mr. BAUCUS. Mr. President, first, I congratulate the present occupant of the chair on his election to serve the State of Louisiana in the Senate. I look forward to working with him, as all my colleagues do, and wish him luck while he is in the Senate. I know the people of Louisiana will be well served.

TRIBUTE TO ZAK ANDERSEN

Mr. BAUCUS. Mr. President, I also rise—in fact, it is the primary reason I am here—to recognize and thank a remarkable individual, a member of my team who has served our State of Montana in the Senate for more than 9 years, Zak Andersen.

Zak is leaving the post as my chief of staff to go to work for a government affairs firm that represents folks in Montana and the Northwest, The Gallatin Group.

Zak is a huge fan of that American icon Bruce Springsteen, who once said: ''The door's open but the ride ain't free.'' The same could be said of Zak's last 9 years.

A graduate of the University of Montana, Zak first started working for me during my 1996 reelection campaign as a door-to-door canvasser. As a sign of things to come, he was quickly bumped up to field coordinator.

After the people of Montana, in 1996, decided to return us to represent them in the Senate, Zak came to work here in my Washington office, where he quickly moved from legislative correspondent, to assistant to the chief of staff, to legislative assistant, to legislative director, and finally chief of staff.

Zak also played a pivotal role in my 2002 reelection campaign, where again the people of Montana decided to return us, at that time with more than 60 percent of the vote.

Zak, of course, is a Montanan. He has an uncanny ability to read, follow, and know Montanans' real values—our hopes, our wishes, our fears, and our desires. And he uses that almost constantly to help our State.

Zak worked his way from field staff to chief of staff in 9 years' time. He likes to joke that he ''went from garbage band to broadband'' in less than a decade. That he did. In the process, he racked up a list of achievements too long to do justice here, but I will name just a few. Recognizing the need for action on improving our State's economic well-being, Zak spearheaded my economic development efforts and helped me organize the first ever Montana economic development summit in 2000. That meeting drew more than 1,000 people to Great Falls. That might not sound like a lot of folks back here, but in Montana it is. After that, he helped organize two more economic summits, both of which were huge successes and helped the people in our State get more good high-paying jobs.

Zak also helped me bring new businesses to Montana, companies like National Electric Warranty. He helped Montana businesses grow and expand, businesses like Zoot Enterprises and Summit Design. He should know that his efforts are not lost on the people who found good-paying jobs because of his work. Zak led the appropriations efforts in our office, during which time we got important Montana economic development projects funded, projects such as the Mariah II wind tunnel in Butte; the Fort Peck Interpretive Center, MonTec in Missoula and Tech Ranch in Bozeman.