international cooperation on intellectual property issues.

Mr. CHAFEE. Mr. President, today the Senate takes up legislation to implement important free trade agreements with Chile and Singapore. Through the tireless efforts of President Bush's forward-looking Trade Representative Robert Zoellick, the U.S. has signed trade pacts that will strengthen relations with two of our best friends worldwide: Chile and Singapore. Congress ought to do our part so the people of all three nations can realize the benefits of these agreements. I commend President Bush and Ambassador Zoellick their hard work in negotiating these agreements, and for upholding the principle that economic engagement worldwide works for the betterment of all the world's people.

Like most of our friends and neighbors throughout the world, the United States faces serious economic challenges, particularly as we strive to work our way out of a period of recession and growing budget deficits. One means, and certainly not the only one, of strengthening our own economy while lifting others around the world, is to lower trade barriers and open markets. The promotion of free trade has characterized economic relations among the nations of the world during recent years. Our competitors in Europe, Asia and Latin America have sealed deals on about one hundred and thirty preferential trade compacts, some within our own hemisphere.

Yet the U.S. is party to only three of these agreements—NAFTA and respective free trade agreements with Israel and Jordan. I was astounded to learn that the European Union now exports more to South America than the United States. Congress would do the American people an injustice if we allowed the U.S. to continue to be left behind as the force of free trade go on benefiting others around the world.

Free trade, rather than imposing U.S. values and robbing peoples of their culture, creates new economic opportunities and helps raise the standard of living for millions of people. Our experience with NAFTA, for example, shows how profoundly this agreement has boosted exports and created jobs. Indeed, U.S. merchandise exports to Mexico were up almost 170 percent in NAFTA's first eight years, well above the overall U.S. increase. For Mexico, the news is also positive, as the NAFTA-related export boom was responsible for more than half the 3.5 million jobs created there since 1995.

Free trade is also a successful poverty reduction tool. Consider this: since 1987, 140 million people in the trade-dependent economies of East Asia have been removed from he ranks of abject poverty. On the other hand, economically isolated South Asia and much of Africa experienced an increase in poverty during the 1990s.

But the economic potential of regional and bilateral free trade agreements tell only part of the story. It is my view that strengthening economic bonds between the U.S. and developing nations will concurrently strengthen and encourage the forces of political reform as well.

The experience of Mexico is illustrative. Most observers give at least some credit to NAFTA for encouraging Mexico's political maturity, which saw the peaceful replacement of a political party that had a 70-year lock on that nation's presidency. Future free trade initiatives in Asia, Latin America and the Middle East could encourage the kind of dramatic political gains that, in recent decades, have transformed many of the world's nations from authoritarian regimes into functioning democracies.

Trade in goods and services between Chile and the U.S. is growing and today amounts to more than $8 billion. Under this FTA with Chile, more than 85 percent of bilateral trade in consumer and industrial products becomes tariff-free immediately, with most remaining tariffs eliminated within four years. Enactment of this agreement will improve an already strong U.S. relationship with a nation that has overcome a legacy of political division. Chile's military coup and resulting dictatorship in the 1970s and 1980s has today been replaced by a functioning, outward-looking democracy. And it is not surprising that Chile's commitment to free trade has taken place concurrently with its political reconciliation and growth.

The Singapore free trade agreement is the first U.S. FTA with an Asian nation and could spur future similar initiatives in that important region of the world. It will strengthen an already strong economic relationship with America's 12th largest trading partner by guaranteeing zero tariffs immediately on all U.S. goods entering Singapore. The $40 billion in two-way trade in goods and services between the U.S. and Singapore will surely increase through this FTA.

And both of these agreements do far more than simply encourage additional free trade. Like our free trade agreement with Jordan, these agreements with Chile and Singapore include strong provisions related to labor and the environment. Under them, all three countries agree to: One, support International Labor Organization (ILO) core labor standards and internationally recognized worker's rights and, two, effectively enforce their own labor laws in the trade-related matters. Penalties for violations are $15 million annually, with failure to pay leading potentially to suspension of benefits.

These agreements also do not forget the need to ensure protection of the environment. Under them, parties are to ensure that their domestic environmental laws provide for high levels of environmental protection and are effectively enforced. Parties must also strive to continue to improve their environmental laws. Finally, the agreements make clear that it is inappropriate to weaken or reduce domestic environmental protections in order to encourage trade or investment. These environmental provisions are not just words: they are obligations enforced through each agreement's dispute settlement procedures.

Approval of these two FTAs today is an important early step in implementing a bold free-trade agenda. Other such agreements with a great many other nations are either being negotiated or are under consideration. I am hopeful that today's strong vote in Congress will encourage increased U.S. economic engagement and bring about additional market-opening, job-creating free trade agreements. I urge all of my colleagues to support this much needed legislation.

UNITED STATES-SINGAPORE FREE TRADE AGREEMENT IMPLEMENTATION ACT

The PRESIDING OFFICER. Under the previous order, the clerk will report H.R. 2739.

The legislative clerk read as follows:

A bill (H.R. 2739) to implement the United States-Singapore Free Trade Agreement.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. FRIST. Mr. President, I ask unanimous consent that the next votes in the sequence be limited to 10-minute votes; further, that it be in order to ask for the yeas and nays on passage of the next two bills with one show of hands.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. FRIST. I now ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second?

The yeas and nays are ordered on both measures.

Under the previous order, all time is yielded back. The clerk will read the bill for the third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KERRY) and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

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

The result was announced—yeas 66, nays 32, as follows:

[Rollcall Vote No. 318 Leg.]

YEAS—66

Alexander	Bennett	Bunning
Allard	Bingaman	Burns
Allen	Bond	Campbell
Baucus	Breaux	Cantwell
Bayh	Brownback	Carper

Chafee	Gregg	Nelson (NE)
Clinton	Hagel	Nickles
Cochran	Hatch	Pryor
Coleman	Hutchison	Roberts
Collins	Inhofe	Rockefeller
Conrad	Kyl	Santorum
Cornyn	Landrieu	Schumer
Daschle	Leahy	Sessions
DeWine	Levin	Smith
Domenici	Lincoln	Snowe
Durbin	Lott	Stabenow
Ensign	Lugar	Stevens
Enzi	McCain	Sununu
Fitzgerald	McConnell	Talent
Frist	Murkowski	Thomas
Graham (FL)	Murray	Voinovich
Grassley	Nelson (FL)	Warner

NAYS—32

Akaka	Dorgan	Kohl
Biden	Edwards	Lautenberg
Boxer	Feingold	Mikulski
Byrd	Feinstein	Miller
Chambliss	Graham (SC)	Reed
Corzine	Harkin	Reid
Craig	Hollings	Sarbanes
Crapo	Inouye	Shelby
Dayton	Jeffords	Specter
Dodd	Johnson	Wyden
Dole	Kennedy	

NOT VOTING—2

Kerry	Lieberman

The bill (H.R. 2739) was passed.

UNITED STATES-SINGAPORE FREE TRADE AGREEMENT IMPLEMENTATION ACT AND THE UNITED STATES-CHILE FREE TRADE AGREEMENT IMPLEMENTATION ACT

Mr. BREAUX. Mr. President, I strongly support the Singapore and Chile Free Trade Agreements and believe they will promote domestic growth in manufacturing and exports. I look forward to seeing these agreements enacted into law. However, I am concerned about the current U.S. negotiating objective of restricting, limiting or otherwise eliminating drawback and duty deferral rights for U.S. manufacturers and exporters in free trade agreements, FTA. The administration's current policy places U.S. companies at a significant competitive disadvantage in the global market.

Free trade agreements should include no language that eliminates or otherwise restricts the application of duty drawback and duty deferral programs to U.S. manufacturers and exporters. The language in the United States-Singapore and United States-Israel FTAs, for example, have no such restrictive language and we should model future agreements after these FTAs. This issue is of significant importance to many U.S. manufacturers and exporters, including those in my home state of Louisiana.

Duty drawback and duty deferral programs reduce production and operating costs by allowing our manufacturers and exporters to recover duties that were paid on imported materials when the same or similar materials are exported either whole or as a component part of a finished product. Duty drawback positively affects nearly $16 billion of U.S. exports each year. Additionally, nearly 300,000 U.S. jobs are directly related to exported goods that benefit from drawback, and these high quality jobs could be adversely affected by eliminating or restricting drawback. In my own home state of Louisiana, drawback and duty deferral programs provide substantial benefits to local industries, allowing them to compete on a level playing field in the global market.

Drawback makes a significant difference to U.S. companies at the margin when exporting to our FTA partners where they compete against foreign producers that either have substantially lower costs of production or enjoy low or zero import duty rates. This export promotion program is one of the last WTO-sanctioned programs' which provides a substantial advantage to U.S. companies participating in the export market. The application of these programs to U.S. manufactures and exporters should not be restricted in future free trade agreements that we negotiate with our trading partners.

We need to work hard to complete free trade agreements that provide as many competitive advantages as we can to U.S. manufacturers competing in the global market, encourage growth in U.S. exports, and create U.S. jobs.

Mr. KOHL. Mr. President, I rise today to explain my opposition to the Chile and Singapore Free Trade Agreements. As a former businessman, I understand that trade has always been an important part of our economy. American workers are so productive that access to foreign markets is key to their prosperity. Last year alone the State of Wisconsin exported $10.6 billion worth of goods around the world. Unfortunately, because the Administration chose to abuse the fast track process and include unrelated immigration issues in these agreements, I was not able to support these agreements.

My opposition to these agreements is not based on the tariff reductions and market access measures included in the bills. Agreements between the U.S. and these countries make good economic sense. Canada and Europe already have free trade agreements with Chile and it has hurt our access to that market. While U.S. products face a 10 percent tariff, the same products from other countries do not. In Wisconsin we sell large mining equipment and bulldozers to Chile, but since 2000 our sales of mining equipment has tailed off. There may be many reasons for this reduction in commerce, but the fact that we face a 10 percent tariff, while our competitors from Europe do not, is not helping. This agreement will go far toward giving U.S. companies a fair and even playing field.

That said, our trade policy with other countries has been far from an unqualified success. Since 2000 Wisconsin has lost 70,000 manufacturing jobs. Almost one out of every eight jobs in the state in manufacturing has disappeared. Some of this job loss is a result of the recession. Some of these jobs have been moved to Mexico, and some of these have been unable to compete with low wages in China. Most damaging, however, may be the currency manipulation of the Chinese Government. Some experts believe the Chinese may be artificially keeping their currency undervalued by as much as 50 percent. This means products from China are 50 percent cheaper than they would normally be. This is on top of low wages and almost no environmental regulations, which also work to depress prices.

Trade can only work when countries obey the rules and follow the law. I supported bringing China into the WTO because that would make it harder for them to cheat on their agreements. However, this administration has proven unwilling to press this currency issue with the Chinese. They have allowed the problem to fester unchecked, and our manufacturing base is paying the price.

The agreements before us now, however, are not with countries that have a history of avoiding their commitments, or that do not enforce their labor laws, or with countries that are ruled by dictatorships. Singapore and Chile are responsible democracies with solid labor laws and labor unions. In the case of Singapore, the wage rates are comparable, although not the same, as the United States. Chile and Singapore have little in common with China, and should not be painted with the same broad brush. These countries also represent a significantly smaller portion of our foreign trade. Singapore represents 1.7 percent, and Chile represents 0.3 percent of total U.S. Trade, exports and imports combined and opening our market to them will have much less impact on our economy than our opening to China.

Many have criticized these agreements because the labor provisions attached to the agreement are not strong enough. A recent United States-Jordan Free Trade Agreement had much stronger labor provisions than the agreements before us now. That agreement had real accountability and real consequences if Jordan failed to keep up its side of the bargain. The administration argues that Chile and Singapore have responsible laws that are adequately enforced, and so do not need the highly prescriptive language that was included in the Jordan agreement. I agree with their arguments.

Let me be clear about the following. While these labor provisions may be adequate for Chile and Singapore, countries with good records, they should not be used as a model for future multilateral agreements in the region. The Free Trade Area of the Americas, and the Central American Free Trade Agreement will need substantially stricter labor and environmental provisions than these to get my vote. Large multilateral agreements with countries that are only fledgling democracies and have poor records of protecting workers cannot be treated in the same manner as Chile and Singapore.