the votes of an organization which includes Iraq, Libya, and Cuba is an outrage.

So while I take the floor today in light of the current acts designed against Israel, I do so in the context of the actions of the United Nations on a continuing basis with regard to many countries, including our own.

The United States has had a seat on the Human Rights Commission continuously since 1947. We have been a clear leader on the Commission, enforcing investigations of human rights abuses around the world. Indeed, U.N. High Commissioner Mary Robinson has said that the United States has made a "historic contribution" to the Commission. Indeed, I see no need to justify the actions of the United States with regard to human rights. Indeed, it is not because we don't defend human rights that we were removed from the Commission; it is because we do defend human rights that we were removed from the Commission. Had we not taken actions against Cuba, had we not spoken up against atrocities in North Korea and China, had we been silent about actions in Africa and Latin America, there is no doubt the United States would have remained on the Commission. We are victims because of what we have done right, not because of what we have done wrong.

I have no doubt that our standing up against anti-Semitism and in defense of Israel will now strengthen the case against the United States as an advocate of human rights. So be it. Let the nations of the world balance the actions of the United Nations and their own regimes against the historic role of the United States, considering our historic difficulties, and let history be the judge. Which institution, the U.S. Government or the United Nations itself, has been the more consistent and dependable defender of the weak and the vulnerable, with a principled stand for human rights? I will accept that judgment of history, and there is no need to wait for the result; it is clear. The U.S. Government has had no peer in defending the rights of peoples around the globe.

I take the floor as a partisan Democrat involved throughout my career in the fight for human rights and an active involvement in foreign policy to salute this administration. Secretary Powell did not go to Durban. He made the right decision. When the administration withdrew from the Durban conference, President Bush made the right decision. Decisive observers on both sides of the border have long acknowledged that the Commerce Department and the Department of Commerce once again decided that Canadian provinces giving away timber at a fraction of its value was a subsidy to Canadian lumber production.

Specifically, the Commerce Department issued a preliminary finding that these subsidies amounted to 19.3 percent of the value of Canadian lumber. Further, the Commerce Department took the unusual step of declaring critical circumstances, which back dates the duties by 90 days. It did this because it determined Canadian producers were flooding the U.S. market—in an attempt to take advantage of the expiration of the previous U.S.-Canada agreement on this topic.

The Commerce Department is due to issue another preliminary finding under another U.S. fair trade law, anti-dumping law, in the middle of October. I agree with most observers that this will likely result in a substantial increase in the Commerce Department's duties. But I do not rise today to discuss the intricacies of U.S. trade laws.

Nor, Mr. President, do I plan to discuss the details of Canadian lumber programs.

I have never understood how giving away timber at a fraction of its market value and allowing government-set prices instead of market prices could be anything but a market distortion. But that is a debate that we have had for 20 years and I myself have discussed on the Senate floor at least a dozen times. I see little point in repeating facts and figures to an audience that is already well aware of the issues.

I yield the floor.
In addition to providing a fair and thorough evaluation of proposals for change, this group could be a watchdog against backsliding. And it could provide a forum to discuss cross-border cooperation on sustainable forestry practices, joint positions for international negotiations on trade and forestry issues, and joint approaches to problems, such as protection of endangered species.

I believe such non-binding oversight could ensure real progress toward a final and lasting solution to this difficult trade problem.

I have read in the Canadian press some statements that Canadian officials—or perhaps the U.S. lawyers that represent them—that Canada would pursue its case until after the issue is fully litigated before the World Trade Organization and perhaps the NAFTA.

But the central fallacy of this position is that the U.S. would negotiate after it has turned back challenges. And there is no reason to believe that Canada would succeed in such litigations. Despite the rhetoric of some, Canada’s record in past complaints is mixed, and U.S. law and practice has been refined to avoid past problems. If challenged, I believe the U.S. actions on softwood lumber will survive international scrutiny.

Obviously, Canadian officials will choose whatever strategy they see fit, but such a litigate-at-all-costs strategy would result in the duty being in place for most of a year—at minimum.

The bottom line is this: Out-of-court settlements are struck when the other party is certain of the outcome of litigation; no one settles after they have won the final appeal.

If the U.S. duties survive Canadian challenges, I would then oppose any effort to settle the dispute along the lines I have laid out. If the U.S. is forced to litigate and succeeds, there will be no domestic support for a settlement, no export duty, and no compromise. A compromise is possible now, and not later.

Again, I congratulate the Commerce Department—and particularly the hard work of Secretary Don Evans, Undersecretary Grant Aldonas, and Assistant Secretary Faryar Shirzad—for decisive action in this case.

Lumber mills and their workers in Montana and across the country have suffered because of Canadian lumber subsidies. I plan to work with the Commerce Department to ensure that the suffering is over so that efficient, environmentally sound U.S. mills can compete on a level playing field—one way or another.
However, to fulfill its commitments, the new government must phase out the subsidies that give rise from developing into an innovative, diverse and sustainable industry. The elimination of subsidies is necessary to create a competitive timber industry, because existing subsidies encourage economic inefficiency and the depletion of resources. Existing subsidies inhibit change, innovation and investment. The failure to ensure that the rules for calculating stumpage are equitably implemented and enforced provides a potential subsidy of about $300 million over a two and a half year period. Comparing BC's stumpage to competitively driven stumpage rates in similar timber regions in the US demonstrates total subsidies to the BC forest industry resulting from undervaluing of public timber at $2.8 billion for one year.

Bailouts and Handouts: Direct payment of cash to forest companies is the most readily understandable of forest industry subsidies. Although sometimes public investment may be justifiable to meet broader societal objectives, the bailout of the near-bankrupt Skeena Celulose mill is a textbook example of a perverse subsidy. Bailouts are endemic in BC. The report documents ongoing efforts of the Job Protection Committee consultant to find ways to reduce company costs through the use of public monies and through regulatory waivers.

Waiver of Environmental Protection. When government allows industry to operate without full compliance with environmental legislation, industry is able to transfer the cost of bad environmental practices onto the public, resulting in a substantial subsidy. In BC, neither provincial nor federal environmental rules related to forestry are being fully implemented or enforced, allowing companies to financially benefit from lack of regulatory compliance. It is estimated that this amounts to a subsidy of $850 million annually.

Non-recognition and Infringement of Aboriginal Title. First Nations traditional territories include virtually all of BC's commercially valuable forests. Although Aboriginal Title is constitutionally protected right, logging activities—that would amount to infringement of Aboriginal Title—routinely occur in BC without consent of or meaningful consultation with affected First Nations. Compensation will ultimately be required for both the extraction of First Nations' resources and the loss of habitats on traditional territories damaged by logging. This burden will fall on taxpayers, not the companies who have profited, resulting in a subsidy. In 1999 this subsidy is estimated at between $223 million and $1.163 billion.

Tenure, BC logging companies operate predominantly on public land and under government licences. The Government of BC, consistent with the development of global markets, consistently undervalues the stumpage rate, tenures have acquired a market value related to the ongoing stumpage subsidy. Further, the Liberal government has allowed corporate interests to shut down mills in violation of obligations in tenure agreement yet retain secure supplies of timber, thus providing further corporate benefits.

While the BC Liberal Party has made the general promise to eliminate business subsidies, it has also other more specific promises that directly bear on the subsidies outlined above. These promises include:

- Create a market-based stumpage system that reflects global market realities and local harvesting costs;
- Cut the forestry regulatory burden by one third within three years;
- Introduce a legislative framework for legally respecting Aboriginal Rights and Title and work to expedite interim measures agreement with Aboriginal peoples;
- Develop a working forest land base on public land and fully protect private property rights and resource tenure rights.

Depending on how these promises are implemented, they could help reduce subsidies, but they could also dramatically increase the subsidies to the BC forest industry.

The Liberals also made other specific election promises that speak to other potential subsidies to the forest industry, including:

- A level 1% of all logging revenues, not including super stumpages to global marketing of BC's forest practices and products; and
- Increase the Allowable Annual Cut over time through initiatives to promote enhanced silviculture.

A high level of vigilance will therefore be required to ensure that subsidies to the BC forest industry do not persist or even increase under the Liberal watch.

The elimination of subsidies in any sector can cause economic pain and human displacement. As one researcher commented,

Obstacles to removing subsidies tend to be highly political. Opposition of vested interests to Government of the workforce can be very powerful. Once payments are in place then a type of addiction follows, and there may be uncertainty and fear over the consequences of subsidy removal.

This report therefore recommends that subsidies to the BC logging industry be phased out gradually and carefully.

Taken as a whole, the federal and provincial government subsidies to the BC forest industry are considerable and counter-productive. The amount of subsidies coming from the provincial government alone (including those proposed by the Liberals) is between $3.5 billion and $6 billion each year. These subsidies represent a significant cost to the taxpayers of British Columbia, while encouraging over-exploitation of forest and hindering the development of a modern, competitive forest industry. British Columbians deserve better.

U.S.-JORDAN FREE TRADE AGREEMENT

Mr. BAUCUS. Mr. President, I rise in support of S. 643, which implements the agreement between the United States and Jordan. The agreement is a mutual elimination of tariffs within 10 years. Modeled after the U.S.-Israel FTA, it also limits other non-tariff trade barriers and establishes a mechanism for the settlement of disputes. The agreement is also unique. Most notably, it specifies that the U.S. will take steps that extend mutual recognition of safety standards to other product categories.

I recognize that these particular provisions have sparked some debate. However, I see them as historic progress on a vexing issue. Not only have they established a reasonable standard that we should expect from any of our trading partners, they also have catalyzed this Congress and this administration into a real dialogue toward defining a new international trade consensus. The Jordan agreement aside, I find it completely reasonable that we should expect our trading partners to maintain their labor and environmental standards. That's simply good business. To weaken such standards solely to gain a trade advantage would undermine a country's credibility—not to mention destabilize the very trade relationship the FTA was intended to benefit.

The U.S.-Jordan FTA has been negotiated and signed. The Bush Administration supports it and has no intention or renegotiating a new agreement. The Jordanian Parliament ratified the Agreement last May. Our colleagues in the House have already approved the implementing legislation for the agreement. Jordan's King Abdullah II visits the U.S. next week to urge passage of the agreement.

I hope his visit will encourage potential detractors to recognize the importance for swift action and agree not to stand in the way of immediate consideration of this vital legislation.

Simply put, this is a good trade agreement. The time is right for the Senate to take up and pass it without amendment.

MONTANA WILDFIRES

Mr. BAUCUS. Mr. President, the loss of 267 homes and $6.3 billion in personal property is a tremendous tragedy that lends us perspective. With the loss of four fighters in less than one week in my home