

A Spanish leader in 1675 bragged about Spain's trade deficit, asserting "all the world's manufacturing serves her and she serves nobody." However, when its gold and silver ran out, Spain found that its industrial development had withered; it had only debts to show for its orgy of manufactured imports and consumption. That Spanish empire collapsed, and those countries who had expanded their manufacturing capabilities by selling to Spain were the new world powers.

Thus it also was with the later demise of the Dutch empire and subsequently the great British Empire, "upon which the sun never set."

Beguiled by the siren songs of banking, insurance, shipping and services, they ultimately surrendered their world pre-eminence as nations. The Spanish, Dutch and British had all neglected their nations' manufacturing bases.

Could this happen to the U.S.A.? Or more to the point, is it happening?

I believe the process is already under way, and if we continue sacrificing our manufacturing base on the altar of free and unfettered trade, we will go the way of others.

I believe it is happening because our leaders in Washington remain unconcerned about our near three trillion dollars of accumulated debt flowing from the dramatic growth of our adverse balance of trade. In the span of the last dozen years, we have gone from being the world's largest creditor nation to being its largest debtor nation. And no end and no limits are in sight. . . .

Lester Thurow, of MIT fame, in his book "The Future of Capitalism" (1996) said: "If there is one rule of international economics, it is that no country can run a large trade deficit forever. Trade deficits need to be financed, and it is simply impossible to borrow enough to keep up with the compound interest. Yet all the world trade, especially that on the Pacific Rim, depends upon most of this world being able to run trade surpluses with the United States that will allow them to pay for their trade deficits with Japan. When the lending to America stops, and it will stop, what happens to current world trade flows?"

BANKRUPTING RACE TO THE BOTTOM

I believe that in a world where the American standard of living, as well as power, is being daily challenged, our political leaders in Washington must defend the economic base upon which Americans depend for their security and their livelihoods.

Our leaders cannot expect to keep the public trust if they abdicate their responsibilities to the electorate by making decisions to placate bankers and Wall Street-pressured corporate managers who exhibit diminishing national concerns.

Everyone forgets that when Adam Smith called his seminal work on economics "The Wealth of Nations," he was arguing against the notion that trade was the source of national wealth when, to the contrary, he was arguing that domestic manufacturing was the true source of national wealth.

In his hierarchy of economic activity, agriculture came first because of the need to feed the people; a strong domestic manufacturing base was second as the core of national growth; trade was rated third in importance, and was to be used only to acquire resources or luxuries not available at home.

Smith understood that those nations who focus on trade to the neglect of domestic manufacturing industry may be enriching themselves but may also be doing the country great harm.

"The beginning of wisdom on trade, and indeed all economic policy, is to understand that the purposes of a national economy are to enrich all its people, to strengthen its families, its communities and thereby stabilize society. The economy should serve us, not the other way around."

My friend the late Sir James Goldsmith understood this imperative. He also understood that the U.S. economy—and the world economy itself—cannot be returned to a sustainable course unless we redress the recent massive global imbalances between consumption and growing overproduction. He recognized that only one basic approach to globalization could accomplish this goal.

He proposed that the United States make clear to its trading partners, and its own multinational companies, that if their products are to be sold in the United States, they must be made substantially in the United States.

As Sir James argued: "America should use its matchless market power to ensure that foreign and American corporations become good corporate citizens of the United States. They should bring us their capital and their technologies and invest in the U.S.A. This would require them to hire workers in the U.S., pay American wages, pay U.S. taxes, preserve the environment, ensure human rights, and compete on the level playing field that does exist among the 50 states. . . ."

They should be reminded that since the American market is by far the most important in the world, entry is not a right, but a privilege. In other words, there should be a price and a reward for doing business in the United States—making meaningful, long-term contributions to America's continued security and prosperity, and preserving the global environment.

Only then can we make sure we are engaging our people in a race to the top, in living standards; economic stability; quality of life; and personal security—not in a bankrupting race to the bottom. . . .

ORDER OF BUSINESS

The PRESIDING OFFICER (Ms. CANTWELL). The Senator from Nevada.

Mr. REID. Madam President, just for purposes of making an announcement, there have been a number of Senators who have contacted Senator DASCHLE and myself asking about next week's schedule. We will have a Tuesday morning vote. So everyone should understand that.

The PRESIDING OFFICER. The Senator from Illinois.

THE AVIATION SECURITY BILL

Mr. DURBIN. First, Madam President, I ask unanimous consent to be added as a cosponsor of S. 1447, the Aviation Security Act.

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

AFTER SEPTEMBER 11

Mr. DURBIN. Madam President, since September 11 there has been such a flood of emotions in America over the events of that day. I think all of us have been transformed by the experi-

ence and transformed by some of our fellow Americans and what they have said and what they have done.

Some of the things that have been written are extraordinary. In just one moment, I am going to submit for the RECORD one that I think is exceptional, a piece from the BusinessWeek magazine of October 1, 2001, by a writer named Bruce Nussbaum entitled, "Real Masters Of The Universe." I will not read the entire article, but I will submit it for the RECORD. I would like to quote a few sentences from it. He said some things with which I agree and I think help to put our experience into some perspective:

A subtle shift in the American zeitgeist took place on Sept. 11. It's hard to define, and it may not last. But on the day of the World Trade Center cataclysm, the country changed. Big, beefy working-class guys became heroes once again, replacing the tele-genic financial analysts and techno-billionaires who once had held the Nation in thrall. Uniforms and public service became "in." Real sacrifice and real courage were on graphic display.

Maybe it was the class reversals that were so revealing. Men and women making 40 grand a year working for the city responding—risking their own lives—to save investment bankers and traders making 10 times that amount. And dying by the hundreds for their effort. The image of self-sacrifice by civil servants in uniform was simply breathtaking.

For Americans conditioned in the '90s to think of oneself first, to be rich above all else, to accumulate all the good material things, to take safety and security for granted, this was a new reality. So was the contrast of genuine bravery to the faux values of reality TV shows such as Survivor.

He concludes:

Tragedy has the power to transform us. But rarely is the transformation permanent. People and societies revert back to the norm. But what is the "norm" for America? Where are this nation's true values? Have we stripped too much away in recent years in order to make us lean and mean for the race to riches? It is hard to look at the images of the World Trade Center rescue again and again. At least once, however, we should look at what the rescuers are teaching us, about what matters—and who.

Madam President, I ask unanimous consent this article be printed in the RECORD.

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

[From Business Week, Oct. 1, 2001]

REAL MASTERS OF THE UNIVERSE

(By Bruce Nussbaum)

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