

the WTO, such as national treatment, nondiscrimination, and due process. This is not a perfect organization by any stretch, but to pull out now would mean reverting to a dark time 60 years ago when international trade was governed by political whim and a dangerous absence of rules and fair practices.

I urge a no vote on H.J. Res. 90.

Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I ask unanimous consent to allow a nonmember of the Committee on Ways and Means to control the balance of the time yielded to me until I am able to return to the Chamber.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LEVIN. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN), a distinguished member of the Committee on Ways and Means.

Mr. CARDIN. Mr. Speaker, first let me thank the gentleman from Michigan (Mr. LEVIN) for yielding me this time.

Mr. Speaker, it would be irresponsible for us to support this resolution and to withdraw from international trade community, and I certainly oppose this resolution. But let me point out, I think we can do a better job in this body in monitoring our participation in the World Trade Organization.

Let me just point out a couple points if I might. First, we could improve our antisurge provisions in our own trade laws, our antidumping and countervailing duty provisions in our section 201 relief.

Last year, we had a surge of steel, cheap steel, subsidized steel into the United States which costs us many jobs around our country. We could have done a better job. In fact, we did a better job with the recently negotiated agreement with China. We have a better provision in our current law. The gentleman from Michigan (Mr. LEVIN) was instrumental in incorporating that into statute in the legislation that we approved the permanent NTR. So we could do a better job with all of our trading partners in protecting our industries from illegally imported subsidized products.

Secondly, we could do a better job on the review process. A 5-year review without much preparation and advance is not the way we should be reviewing our participation with the WTO.

Today, Mr. Speaker, I filed legislation, and I would like my colleagues to review it and hopefully join me in supporting, that incorporates the suggestion of Senator Dole and supported by the USTR that would set up a commission composed of five Federal appellate judges to review the WTO dispute settlement reports and to make a report to Congress. This Commission would, if they found that the WTO exceeded its authority, affected our rights under

the Uruguay Rounds, acted arbitrarily or decided a case outside of the applicable standards, if that happened, and it has happened that the WTO has made, in the view of legal experts, decisions that do not hold with the precedent and the laws and the obligations under the WTO and Uruguay Rounds, they would make that report to Congress.

Any one of us could file a joint resolution requesting the President to negotiate dispute resolutions within the WTO that address these concerns. If there were three such adverse rulings in a 5-year period, any one of us could file a joint resolution of disapproval of participation in the WTO.

Mr. Speaker, I think that is a more effective way to deal with the review than voting on this every 5 years, when it would be irresponsible to vote in favor of it. If we did that, I think we are showing the WTO that we are watching their decision making very carefully and expect that their decisions will be in compliance with the international standards and the obligations that every Nation with the WTO has agreed to. It would be a more effective review process for us to decide whether we want to continue in the WTO.

I urge my colleagues to support that approach and to reject this resolution.

Today the House will consider H.J. Res. 90, a resolution to withdraw Congressional approval of the Agreement establishing the World Trade Organization (WTO). I voted against this measure in the Ways and Means Committee, and I urge you to join me in voting against this resolution today on the floor. The United States' role as the clear leader in advancing the cause of free and fair trade demands our continued participation in the WTO.

At the same time, there are serious problems in the operations and deliberations of the WTO that we should seek to address. Toward that end, I ask today that you join as a cosponsor on legislation I have prepared which would create a WTO Dispute Settlement Review Commission.

The need for this legislation is clear. Over the past several years, we have witnessed too many instances in which unfounded interpretations of international trade law have led to WTO decisions that adversely impacted U.S. workers and industries. Specific cases involving lead bars, Korean DRAM's, and Japanese film all raised serious issues regarding the processes and conclusions of WTO actions. We need to provide a process by which these decisions can be reviewed by an impartial, nonpartisan panel that has the responsibility to inform the Congress and the American people of its findings.

In 1994 the United States Trade Representative (USTR) wrote to then-Senator Bob Dole to endorse the establishment of a WTO Dispute Settlement Review Commission. The bill I am introducing would revive a proposal made by Senator Dole to create a mechanism to provide that WTO decisions are carefully reviewed to assure the fair and sensible application of the rules of international trade.

The Commission would consist of five federal appellate judges, and would review all final and adopted WTO dispute settlement re-

ports. The Commission would review adverse WTO findings, using the following set of four criteria to determine whether the WTO panel: (1) demonstrably exceeded its authority or its terms of reference; (2) added to the obligations, or diminished the rights, of the United States under the Uruguay Round; (3) acted arbitrarily or capriciously, engaged in misconduct, or demonstrably departed from established panel or appellate procedure in the applicable Uruguay Round Agreement; and (4) deviated from the applicable standard of review, including in antidumping cases, set forth in the 1994 GATT agreement.

The Commission would issue its determination within 120 days after the report is adopted. Upon the issuance of any affirmative determination by the Commission, any Member of each House would be able to introduce a joint resolution calling on the President to negotiate new dispute settlement rules that would address and correct the problem identified by the Commission. The resolution would be privileged and considered under expedited committee and floor procedures.

If there are three affirmative determinations in any five-year period, any Member of each House would be able to introduce a joint resolution to disapprove U.S. participation in the Uruguay Round agreements, again using expedited procedures.

While we may disagree on the appropriate remedy for responding to an adverse WTO panel decision, we all agree WTO panel decisions must treat American economic interests fairly. The Review Commission would raise the visibility of important WTO decisions that have a profound effect on the economy of the United States. I hope that the Commission would also reinvigorate the Congressional oversight role regarding trade policy, and encourage Members of Congress to seriously reflect on WTO decisions and their impact on the United States.

Mr. PAUL. Mr. Speaker, I yield myself such time as I may consume.

(Mr. PAUL asked and was given permission to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, today we have the opportunity to vote to get out of the WTO. We joined the WTO in 1994 in a lame-duck session hurried up because it was fearful that the new Members would not capitulate and go along with joining the WTO. The WTO was voted by the House and the Senate as an agreement, and yet it is clearly a treaty. It involves 135 countries. It is a treaty. It has been illegally implemented, and we are now obligated to follow the rules of the WTO.

This is the size of the agreement that we signed and voted on in 1994. Now, if that is not an entangling alliance, I do not know what could be. It is virtually impossible to go through this and understand exactly what we have agreed to. But this is it, and this is what we are voting on today. If my colleagues vote against the resolution, they are rubber stamping this. That is what they are doing.

Some argue that, yes, indeed the WTO is not quite perfect. But we need it. We need the WTO to manage this trade. But at the same time, they have no options. We cannot change the

WTO. This is our only opportunity to vote and dissent on what is happening.

The people of this country are being galvanized in opposition to this. They never opposed GATT. GATT did not have the same authority as WTO. But now the WTO is being found to be very offensive to a lot of people around this country.

It is said that the WTO has no control over our sovereignty. That is like saying the U.N. has no control of our sovereignty. Yet what body in the world directs our foreign policy? Where do we send troops around the world? Why do we put our troops under U.N. command? Where do we get authority to march into Kosovo and Somalia? From the United Nations. The WTO is the same.

□ 1030

It is the same sort of thing. It is incrementalism. People say we can always oppose it. That is sort of like saying in 1913, The income tax is not all that bad; it is only 1 percent placed on the rich. We don't have to worry about it. But before we know it, it is out of control. There is incrementalism here to be concerned about.

To the issue of whether or not we are obligated to follow the WTO rules, Congressional Research Service on August 25, 1999, did a study on the WTO. Their interpretation is this:

"As a member of the WTO, the United States does commit to act in accordance with the rules of the multilateral body. It is legally obligated to ensure national laws do not conflict with WTO rules."

That is why we will be very soon changing our tax laws to go along with what the WTO tells us to do. In an article recently written by D. Augustino, he says:

"On June 5, WTO Director General Michael Moore emphasized the obedience to WTO rulings as not optional. Quote, the dispute settlement mechanism is unique in the international architecture. WTO member governments bind themselves to the outcome from panels and if necessary the appellate body. That is why the WTO has attracted so much attention from all sorts of groups who wish to use this mechanism to advance their interests."

Indeed, this is a treaty that we are obligated to follow. It is an illegal treaty because it was never ratified by the Senate. Even if it had been, it is not legal because you cannot transfer authority to an outside body. It is the U.S. Congress that has the authority to regulate foreign commerce. Nobody else. We will change our tax law and obey the WTO. And just recently, the European Union has complained to us because we do not tax sales on the Internet, and they are going to the WTO to demand that we change that law; and if they win, we will have to change our law. The other side of the argument being, We don't have to do it. We don't have to do it if we don't want to. But then we are not a good member

as we promised to be. Then what does the WTO do? They punish us with punitive sanctions, with tariffs. It is a managed trade war operated by the WTO and done in secrecy, without us having any say about it because it is out of our hands. It is a political event now. You have to have access to the U.S. Trade Representative for your case to be heard. This allows the big money, the big corporations to be heard and the little guy gets ignored.

Mr. Speaker, I reserve the balance of my time.

Mr. DEFAZIO. Mr. Speaker, I yield myself 2 minutes. We have heard already that this organization only has moral authority, no power to change U.S. laws, they cannot impose any action. That is not true. It is patently not true. If the secret tribunal with no conflict-of-interest rules which does not allow intervenors other than the nation states involved, no interest groups, no one else whose laws or interests might be in jeopardy loses a decision, then the complainant nation can impose penalties on you if you do not change your law.

So we are saying, there is no power to change our laws. We can pay to keep them. If we had wanted to continue to protect sea turtles, we could have paid the foreign shrimpers who want to kill sea turtles at the same time they catch shrimp. We could have paid off Venezuela because they wanted to import dirty gasoline if we did not want to allow it to be imported. But no, we changed our laws.

Now, for anybody to say that they do not have leverage, that they cannot make us change our laws is patently untrue unless you are adding the little proviso, U.S. taxpayers can pay for our laws. Well, that is not right.

There are other problems with this. The gentleman from Maryland talked about how we need to improve the antidumping provisions. The antidumping provisions are on the EEC hit list. The European Economic Community has chosen a number of areas of U.S. laws they are going to appeal in the WTO to try and get binding penalties against the U.S. unless we repeal those laws.

They include the restraint of foreign investment in or ownership of businesses relating to national security. National security. So the Chinese could come in and buy up Lockheed Martin. The 1916 anti-U.S. dumping act is in contradiction with the WTO agreement. They intend to file complaints against that. We have a gentleman saying, and I think with great merit, we need to make it stronger, but it is on the target list. If we lose the decision, we have to pay to keep out dumped foreign steel or other goods. The EU is going to go after Buy America provisions. They say those are WTO illegal. Finally, the small business set-aside. It is outrageous the things that are being ceded under this agreement.

Mr. CRANE. Mr. Speaker, I yield myself such time as I may consume.

The distinguished gentleman from Texas (Mr. PAUL) quoted from a Con-

gressional Research Service report and he indicated the U.S. sovereignty was imperiled through membership in WTO.

As a member of the WTO the United States does commit to act in accordance with the rules of the multilateral body. It is legally obligated to ensure national laws do not conflict with WTO rules.

Not quoted, however, in this quote from Congressional Research Service is the remainder of what was contained in that which states:

However, the WTO cannot force members to adhere to their obligations. The United States and any other WTO member may act in its own national interest in spite of the WTO rules. The WTO even recognizes certain allowable exceptions such as national security.

That is a direct quote from the Congressional Research Service World Trade Organization background and issues, August 25, 1999. Membership in the WTO is not a surrender of U.S. sovereignty but its wise exercise.

Mr. Speaker, I yield 3 minutes to the gentleman from Arizona (Mr. KOLBE).

(Mr. KOLBE asked and was given permission to revise and extend his remarks.)

Mr. KOLBE. Mr. Speaker, I appreciate the gentleman yielding me this time, and I appreciate his leadership on this issue.

I rise in strong opposition to this resolution. Supporters of it would have us believe that the United States would be better off if we withdrew from the World Trade Organization, but I believe that nothing could be further from the truth. Political leaders and statesmen who created the WTO and its predecessor, the GATT, did so for good reasons. They had lived through some of the darkest days in the history of the world, famine, poverty, war that dominated the lives of millions of people around the world.

Protectionism and economic stagnation put millions of Americans out of work. Factories closed, homes were lost, families were destroyed. They witnessed the havoc which trade wars and military wars and the protectionism that comes from trade wars can bring. And they vowed not to let it happen again. So they created an organization whose sole purpose was to open up closed markets, promote economic growth, provide a forum for the peaceful resolution of trade disputes. This was the GATT, the predecessor to the WTO. And it worked. Since World War II, the world has experienced unprecedented economic growth. Millions of people around the world have been pulled from economic poverty.

But the system certainly was not perfect. So, we tried to correct some of the deficiencies of the past by creating the WTO which would further liberalize trade and provide for an even stronger dispute settlement procedure. Again, I believe the system has worked, especially for the United States.

In the first year of implementation, U.S. exports rose 14.4 percent, seven

times greater than the GDP growth in that same year. When fully implemented, it is estimated that the agreement establishing the WTO will add somewhere between 125 and \$250 billion each year to the GDP of this country.

I agree that it is still not perfect, it is an evolving institution. But what is it supporters of this resolution disapprove of? Tariff cuts? Opening export markets? Peaceful dispute resolution? Economic growth? Full employment? And if this is what they disapprove of, what exactly is the alternative that they propose? It is easy to criticize, it is easy to point fingers, to lambaste, but what is the proposed alternative? I have yet to hear anyone that can prove to me that there is a better way than to proceed with the WTO.

We will be hearing a lot today about how our antidumping laws are the cornerstone of U.S. trade policy, critical to our economic growth, that they are responsible for the prosperity we experience today. I say baloney to that. Our antidumping laws are more often than not little more than special interest protectionism for select U.S. industries, protectionism that costs every single American.

Take a look at the recent editorial in the Washington Post, not exactly a conservative newspaper, entitled "Steel's Deal." It says:

"The theory of antidumping cases is that foreigners are protecting their markets, allowing firms to make huge profits at home and sell at a loss to Americans. Even where this is the case, it is not obviously bad. Cheaper steel helps the U.S. carmakers and other manufacturers that buy the stuff, and these firms employ far more American workers than do U.S. steelmakers."

Mr. Speaker, I could not have said it better. The WTO may not be perfect, but it is the best that we have. I urge a "no" vote on this resolution.

Mr. Speaker, I include the Washington Post editorial in its entirety:

STEEL'S DEAL

Sometimes the administration sings anthems to free trade. But last week, faced with a study documenting the steel industry's efforts to hobble foreign competitors, the Commerce Department felt obliged to defend protectionist policies. Rather than concede the obvious facts, a department official pleaded that the U.S. market is relatively open and complained that the study was "totally ridiculous and absurd" because it was paid for by foreign steel makers.

It is true that the tariffs and quotas that once excluded foreign steel are mostly gone, thanks to international trade deals. But the new battle has shifted to anti-dumping suits. Whenever foreign imports surge, U.S. makers allege that steel is being "dumped" on the U.S. market at prices lower than it would fetch in its country of origin. If the U.S. side can convince a special tribunal that its business is damaged by such dumping, the Commerce Department imposes punitive tariffs on the dumpers. The steel industry uses this device so aggressively that about 80 percent of steel imports from Japan are subject to anti-dumping tariffs or investigations. As of last December, steel accounted for 103 of 250 punitive orders in effect across the economy.

The theory of anti-dumping cases is that foreigners are protecting their markets, al-

lowing firms to make huge profits at home and sell at a loss of Americans. Even where this is the case, it is not obviously bad: Cheaper steel helps the U.S. car makers and other manufacturers that buy the stuff, and these firms employ far more American workers than do U.S. steel makers. But foreign protectionism occurs less often than U.S. industry claims, and these claims get too little scrutiny. Because of pressure from the steel caucus in Congress, the dumping tribunal tends to side with U.S. firms: just last week, a House committee refused to appropriate funds for the tribunal's budget because members disliked one of its recent findings.

In addition to pushing up U.S. prices, anti-dumping actions weaken America's ability to lead the world toward trade liberalization. One reason for the failure of November's Seattle trade summit was that the United States had refused to put its dumping rules on the table. Most countries rightly regard anti-dumping law as a cover for protectionism. In the only test of this suspicion so far, the World Trade Organization's dispute-settlement panel found against a U.S. claim that South Korea's computer-chip "protectionism" warranted anti-dumping action.

America's steel industry accounts for a tiny proportion of the national economy. But its lobby fills the campaign coffers of both parties and can distort trade policy. Most American workers, employed in competitive industries that depend on open markets, suffer from this quiet corruption.

Mr. LEVIN. Mr. Speaker, I yield myself such time as I may consume.

I am opposed to this resolution. In a word, globalization is growing. It is here to stay. The question is whether and how we are going to shape it. If you vote yes, I guess you are saying, Don't try to shape it; throw up your hands, retreat from the process. I think the answer instead is to pursue, to persevere, to roll up our sleeves, to understand the strengths of the WTO; and where there is a need for reform to get in there and work for those reforms.

The WTO provides a rule-based foundation for growing international trade. There is no alternative but to have some kind of a global rule-based system. The alternative is anarchy, and that is not in the interest of the U.S. as the largest world trader. The World Trade Organization has also provided a means for us to attack nontariff barriers in addition to the traditional barriers to trade, tariffs, et cetera.

It is far from perfect. We continue to press Japan in terms of their nontariff barriers. We have made some progress through the WTO in certain areas. It also has addressed the new technologies as they evolve in the world. But there are other ways that the WTO has not adapted to change. Now its rulings are binding. They were not under GATT. That means that the procedures have to be more open than they are. We have to eliminate the secret procedures. We should be in there and this administration has been in there fighting for those changes.

Also, more and more globalization includes the evolving economies. That means there are new issues, issues of labor, of worker rights, labor market issues, issues of the environment. The World Trade Organization needs to address these issues. With the help and

support of some of us, the administration has been endeavoring to do that.

So, in a word, it seems to me this is the question: If you vote yes, what are you saying? You cannot be saying reform. You cannot reform an organization that you say withdraw from. What you need to do is to get in there and to work at it. That is why I believe there needs to be a no vote.

Let me just say a word about some of the arguments that are used, for example, sea turtles and the Venezuela ruling. What the World Trade Organization said in those cases was the U.S. has to apply the same laws to others as we apply to ourselves. That is not a radical proposition.

Let me comment briefly on what the gentleman from Arizona said. The WTO does not endanger American anti-dumping laws. Period. The way the Uruguay Round was structured, our antidumping laws can persevere and we can pursue them.

Mr. Speaker, I think to vote yes on this sends the wrong message. It is the message of retreat. It is the message of withdrawal. A yes vote if shaped correctly, and I think we need to do it, says to the world, we are going to be part and parcel of a global organization. Where it has strengths, we will support it vigorously.

□ 1045

Where it has weaknesses we can work actively to change it; that is what we have been doing these last years. That is what we need to do with even greater energy and endeavor. I urge a no vote on this resolution.

Mr. PAUL. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. GILLMOR). The gentleman from Texas (Mr. PAUL) has 25 minutes remaining.

Mr. PAUL. Mr. Speaker, I yield myself 15 seconds. It is said that we do not have to listen to the WTO, but they threaten us with sanctions. They do not give us incentives. It is a threat, and we capitulate.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Idaho, (Mrs. CHENOWETH-HAGE).

Mrs. CHENOWETH-HAGE. Mr. Speaker, I rise in strong support of H.J. Res. 90, which would officially withdraw the United States from the World Trade Organization and would fully restore our sovereignty, and I think that is the heart of the problem.

Mr. Speaker, as the recent debacle in Seattle clearly demonstrated, the United States has absolutely no business in a bungling international organization that can unconstitutionally raise our taxes and threaten our sovereignty. The Seattle meeting was touted to be an opportunity for nations to openly and freely discuss multilateral trade agreements.

In truth, this was simply a charade, and most of the meetings were closed door or secret, where certain bureaucrats and countries were allowed to negotiate while others were left at the