



# Committee On Finance

Max Baucus, Ranking Member

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## NEWS RELEASE

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### **Baucus Pushes for Final Passage of Miscellaneous Tariff Bill** *Eliminating Tariffs Will Help Companies Stay Competitive Senator Says*

(WASHINGTON, D.C.) Today, U.S. Senator urged his Senate colleagues to pass the Miscellaneous Tariff Bill on the Senate floor today. The conference report on H.R. 1047 will eliminate or temporarily reduce tariffs on approximately 400 products reducing the price of imports purchased by U.S. companies. This reduction will allow U.S. companies remain more competitive in today's international markets.

Full text of Senator Baucus' floor statement follows:

#### **Floor Statement of U.S. Senator Max Baucus Miscellaneous Tariff Bill November 19, 2004**

Mr. President, I am pleased that in these final days of the 108<sup>th</sup> Congress, the Senate is set to pass – at long last – the Miscellaneous Tariff Bill. This bill reduces or eliminates tariffs on literally hundreds of products that U.S. companies use to make products here in America.

The bill is a collection of many bills too small to be considered independently. Traditionally, Congress collects these inexpensive and non-controversial bills together in one omnibus bill, which the Senate passes by unanimous consent.

That didn't happen with this bill. For the first time in the history of this process, the House insisted that we go to conference on this bill. That's unfortunate.

In the aggregate, the provisions of this bill represent a significant cost savings for U.S. manufacturers already struggling to compete. We owe it to them to get the process back on track in the next Congress. I hope we can do that. And I promise to work toward that end.

Mr. President, I want to highlight two provisions in this bill in particular that help my state of Montana remain competitive. One is a provision that eliminates the tariff on a specialized

component used by a Bozeman-based boot manufacturer called Schnee Shoes. Schnee Shoes produces a first-class product. Eliminating the tariff will save them tens of thousands of dollars a year and allow them to keep good paying jobs in Bozeman.

The other provision improves the competitiveness of U.S. wool. We produce a lot of wool in Montana – two million dollars last year. Like other commodities and textiles, wool has faced an increasingly difficult marketplace over the past several years.

In response, U.S. wool growers adopted a positive approach to embrace world markets. Through the Wool Trust Fund – first established in 2000 – U.S. exports of wool have risen six-fold as a share of domestic production. This successful program is scheduled to expire next year. This bill renews the Wool Trust Fund through the year 2007 and allows U.S. and Montana wool growers to continue to compete.

Mr. President, I also want to speak about one provision of the bill that I know has generated some controversy--Normal Trade Relations to Laos.

In the absence of Normal Trade Relations, Laos is subject to average tariffs of 45 percent, with peaks of 60 to 90 percent for important Laotian products like t-shirts and bamboo chairs. In contrast, most U.S. trading partners – including Laos competitors Burma, China, Cambodia, and Vietnam – face average tariffs of 2.4 percent.

I know that some of my colleagues oppose granting Normal Trade Relations to Laos. They believe that Laos must work harder on improving its human rights record before receiving Normal Trade Relations.

But Normal Trade Relations is not a special privilege the United States grants only to certain countries. And it does not signify approval of a country's policies. It is not a free trade agreement or a preference program. It is the baseline economic relationship the United States has with virtually every country in the world.

In fact, there are only three countries on Earth that do not have Normal Trade Relations – Cuba, North Korea, and Laos. Laos is the only one of the three that has full, normal diplomatic relations with the United States.

Laos has worked with the United States closely in accounting for U.S. prisoners of war and missing in action in Laos during the Vietnam War; supported U.S. counterterrorism efforts in Southeast Asia post 9-11; and cooperated in a long-term bilateral counternarcotics program.

Granting Normal Trade Relations to Laos could have a dramatic effect on improving the dismal economic conditions in that country. Laos has the lowest life expectancy in Southeast Asia, and the highest fertility rate. It also has the highest adult illiteracy rate, particularly among women. Cambodia has created more than 200,000 jobs since the United States granted that country Normal Trade Relations in 1996. My hope is that Normal Trade Relations for Laos will have a similar effect.

And granting Normal Trade Relations to Laos will also create opportunities to open the society and improve human rights, religious freedom, and the rule of law.

That is why my good friend Senator Grassley and I have worked hard to pass Normal Trade Relations for Laos, and why it is right to include it in this bill. It is time for us to remove an awkward legacy of the Vietnam War and grant Normal Trade Relations to Laos.

And so, Mr. President, this bill includes a long list of provisions that will help American competitiveness. We should bring debate on this bill to a close and pass this constructive measure. I urge my colleagues to vote for cloture.

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