

side is afraid the other will then run to the various lobbying groups and to the seniors and claim that they are trying to cut back their increased benefits, then let us do it collectively, let us go forward collectively.

There is \$100 billion-plus that can be saved. Should it be saved? I suggest that we have an obligation to do that and, again, to do it together. I suggest that we are wrong in postponing the inevitability of what will take place, which is mortgaging the future and saddling future generations with this great burden, which will mean that they will lose the opportunities that we had in terms of home ownership, in terms of jobs, in terms of creativity that otherwise is going to be stifled in this country.

It seems to me that there are areas that we can agree upon. You cannot continue to double the growth of any program every 7 years. It is a simple mathematical proposition that if you increase spending at the rate of 10 percent per annum over 7 years, you come up with the figure of 2. You have doubled whatever that cost is. So in the area of Medicare, if you are spending \$100 billion now, and you increase spending by 10 percent per annum, in 7 years it will be \$200 billion.

Does that make sense? Of course not. So it would seem to me that together we should begin to say, how can we moderate the growth in various programs? Yes, good programs, necessary programs. Where can we achieve savings? How can we do that?

In the area of taxes and tax relief, does any side really believe one side wants to advance the interests of the wealthy over those of working people, over those of people who are struggling to make a living? It might be good rhetoric politically for one side or the other to charge that, but how does that advance the business of doing what we should on behalf of the people? We detract, and we detract from ourselves. We detract from the process. And people then come and say, "We need a change. We need to change what is going on. A pox on both your houses."

I hope we would begin to address, where can we give tax relief? And who is entitled to tax relief? Are working-class, middle-class families with children entitled to that relief?

Mr. President, I thank you for the opportunity of putting forth just some suggestions in a new year, in the spirit of attempting to come together and to do the business of the people. I hope we could all reach out together, Democrats, Republicans, legislative and executive, to do that business.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. BOND). Who seeks recognition?

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

ISSUES WE MUST ADDRESS

Mr. DORGAN. Mr. President, at noon today we began a new session of the

104th Congress. The first order of business, as described by my friend, the Senator from Maryland, Senator SARBANES, is to end this shutdown and get people back to work and pay Federal employees for the work they do.

Someone yesterday on the floor said, "Well, my constituents cannot understand this shutdown of the Federal Government."

There is good reason for that, because it is not an understandable kind of thing. It made no sense. It never made any sense for anybody to say to 280,000 Federal workers, "We prevent you from coming to work, but we're going to pay you for not performing work we won't allow you to perform."

What kind of logic is that?

And then to say to half a million others, "We insist you come to work and we won't pay you until we resolve the dispute between the White House and the Congress on the budget."

What on Earth kind of logic is that? The first order of business is to end this shutdown that has never made any sense.

The second order of business is to reach an agreement on the budget, one that, yes, does balance the budget, does it in 7 years and does it the right way with the right priorities.

There are other things we need to do this year. There are other priorities. At the start of this session a couple of hours ago, I heard a description of some of the successes of the last session and, indeed, there were some successes in the last session. I might say one of the disappointments of the last session for me and many of us who come from farm country was the inability to have enacted into law a 5-year farm program. There is great difference in Congress about what kind of a farm plan we ought to have. There were virtually no hearings, there was no bipartisan markup, very little bipartisan discussion about a farm program this past year. One was cobbled together, posthaste, and put in a reconciliation bill that everyone knew was going to be vetoed.

The result is we now cross into the new year with no 5-year farm program. I think that is unfair to farmers. It is important to tell farmers and their lenders what kind of a farm program we will have this year as they begin planting their crops this spring. My hope is the Congress will turn its attention to this, have a fair debate, have some hearings about a decent farm program, what works to help family farmers in this country. My hope also is while we do that, the Congress will extend the current farm program for 1 additional year. It seems to me that will provide some certainty, at least, with what will happen with respect to 1996, and then it seems to me we ought to decide to write in 1996 a good farm program, one that saves money, yes, but one that saves family farmers and gives family farmers an understanding that there is a safety net so they will have a chance to make a living when

international prices go down and stay down.

So I hope the Congress will consider extending the current farm program for 1 year, and I hope the Congress will be serious and the Congress will decide quickly to begin hearings and to begin a thoughtful discussion about what kind of farm program works for the long-term future of family farmers in this country.

I want to mention two additional items. Not very many minutes ago a Member of the Senate stood up and said one of the problems we face is the construction of a national missile defense program. He spoke very persuasively—not for me but very persuasively for his point of view—that we need a national missile defense program.

This is not about partisan politics, it is about fundamental disagreements about how we spend money. Stripped apart, someone who calls for a new national missile defense program is calling for a new spending program of \$48 billion. Those who say we ought to tighten our belts and cut Federal spending and then stand up and say, "By the way, we want to start a new star wars"—and, by the way, it is star wars, there are space-based components included in the program—a multiple-site national missile defense program, are standing up and saying, "We want to embark on a \$48 billion new program to construct star wars." I am just saying that is out of step with what we ought to be doing.

The cold war is largely over. In Russia today, they are destroying missile launchers and destroying warheads as part of the agreements we have on weapons reductions, and then we have people stand up and say, "By the way, let's begin a new \$48 billion program for star wars, and we insist that you order 20 new B-2 bombers for over \$30 billion that the Pentagon says they can't afford, don't need, and don't want."

So I urge us this year to have an aggressive thoughtful debate on those policies as well. If we want to cut spending, and we should, if we want to save money, and we should, if we want to balance the budget, and we ought to, we cannot afford, in my judgment, to order star wars or B-2 bombers the Pentagon says they do not want and this country does not need.

Finally, there is another issue that we have to address in 1996, and that is the issue of jobs. We need to balance the budget because it is the right thing to do and will give us a better economy. I agree with that. But we also ought to care about specific policies in this country that relate to jobs.

Yes, an expanded economy produces jobs. So does a decent trade system. Mr. President, you know something, with all of the angst, with all the nail biting and with all the finger tapping on the desks around here, the shrugging about this, that, or the other thing, the merchandise trade deficit in

this country will exceed the budget deficit this year, and you do not hear a whimper about it on the floor of the Senate.

Let me say that again. We will have a larger trade deficit this year in this country than we will have a budget deficit.

Our trade deficit will be nearly \$180 billion. That means jobs have left this country, things are being produced elsewhere. And we have a bunch of economists who are measuring economic progress in this country by what we consume. Every month they flail around and say, "Gee, America is doing well because we are consuming more."

The genesis of economic health, it seems to me, the seedbed of jobs and opportunity in the future is not what we consume, but rather what we produce. Do we have good manufacturing jobs in this country?

Among the discussions of trade must be a discussion about NAFTA. I just want to show my colleagues a chart. The red, incidentally, is a trade deficit, trade with Mexico. Before NAFTA, before a trade agreement, a trade agreement which, incidentally, we never seem to be able to win—every time we show up at a negotiating table on trade, we seem to lose—we had a trade surplus with Mexico. We reached a trade agreement, and what happens? Well, we have a deficit with Mexico. This year, that deficit will be \$16 to \$18 billion. We will have lost about 200,000 American jobs to Mexico.

Take Mexico and Canada together, because that is what NAFTA really is, two countries. Look at the cumulative trade deficit with both countries, which will reach about \$40 billion this year. I will during the next 4 or 5 months every month come to the floor to discuss the trade deficit with Japan, over \$60 billion and the trade deficit with China, over \$30 billion, all of which means fewer jobs and less economic opportunity in this country. It seems to me that we ought to turn our attention in 1996 to the question of who are we and what do we want to be in terms of providing opportunity in the private sector in the form of jobs to the American people.

Do we decide we want to compete with people who make 12 cents an hour and hire 12-year-olds to work 12 hours a day? Not me. That is not fair competition. Yet, the product of child labor flows into this country every day in increasing quantities. The product of labor that makes a quarter an hour making tennis shoes, 30 cents an hour making shirts, 80 cents an hour making shoes, flows into this country every single day, and it displaces American workers who, if they are able to find another job, find a lower-income job. And if they are not able to find another job then become unemployed, or those who are despondent, or those who see somehow a stock market that reaches record highs, productivity on the rise, CEO salaries never higher and discover that American workers get laid off or

that 60 percent of American families—who, during dinner at night, discuss their situation—understand that they now make less money than they did 20 years ago when you adjust their income for inflation.

Part of the discussion we must have as a country, Republicans and Democrats, conservatives and liberals, CEO's and workers, the private sector, Wall Street and Main Street, is what about economic opportunity in this country? Will we continue to measure our economic health by what we consume, or will we decide that our productive sector, our manufacturing base, the seedbed with good jobs, with good incomes make a difference to this country? Will we decide to do something about that?

Will we decide to stop and put an end to the insidious, perverse tax provision that says if you close your U.S. plant and move it overseas, we will give you a tax break? That exists in law. I have had a vote on that in the Senate and lost. It is inconceivable to me that we would retain in our Tax Code a provision that says if you will shut your American manufacturing plant down, lay off your workers, and move those jobs to a tax-haven country somewhere else in the world and then manufacture the same product and ship it back in to our country, we will give you a tax break.

It is inconceivable that this Congress does not act to say we stand for American producers and American workers. No, we do not build walls around our country, but we want our country to compete in an economic system where competition is fair.

I hope in the coming months that this Congress will decide that trade deficits matter; that record trade deficits, the highest in the history of the world that this country absorbed in 1995, are intolerable.

Trade deficits that are bigger than our budget deficits are intolerable. This country needs to do something about it. For those who wonder about some of the issues, on NAFTA, which is the one trade issue, there was something released yesterday by Public Citizen. It says that NAFTA has broken promises. It is a rather lengthy, footnoted document. There are many other evidences of the same problem.

My interest in 1996 is that all of us, together, decide that budget deficits matter and we are going to balance the budget; trade deficits matter and we are going to address the chronic trade problems; farm programs matter and we are going to construct a farm program that makes sense for the family farmers of this country.

I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

REFLECTION ON THE PAST YEAR

Mr. THOMAS. Mr. President, I rise to reflect a little bit on the past year but, more importantly, to reflect on it as it

pertains to what we do in the coming year. I am sorry this year has ended in the conflict over the balanced budget. That has been one of the principal items of this entire year. We have worked on it almost all year. We worked on it in terms of a constitutional amendment to balance the budget. It failed by one vote. We worked on it then through the appropriations process into a reconciliation balanced budget bill, which changed a great many things. A balanced budget is much more than, of course, simply arithmetic or numbers. It is a fundamental change in the direction this Government takes.

So I am sorry that we ended up with this conflict, and I am sorry that Federal employees have become sort of trapped in it. I hope that that changes soon. I hope more than anything that we are able to complete the work that we started on the balanced budget.

I have been in this body now just for 1 year, and I came, as I think most of us came, in 1994, with a message from home that the Federal Government is too big, it costs too much, and the Federal Government is generally too intrusive in our lives. I believe that, and I think most people believe that.

One of the measurements of good government is the responsiveness, I think, to the voters, and to what people at home have suggested. So this year, then, in terms of those kinds of things, it has been a little frustrating. It has been frustrating in that we have come up to a balanced budget amendment, which I thought was necessary, but we could not quite get there.

We have done a great deal on welfare reform. We passed it in this body with a good vote, and now there has been some change in terms of accepting that reform. Then there is regulatory reform. Almost everybody recognizes that the regulatory system results in overregulation and results in regulation that is not efficient, and that the cost benefits often need to be measured there.

On the other hand, it has been a very fulfilling year, it seems to me. I came to Congress in 1989 when Dick Cheney went over to Defense, and I spent 5 years in the House. During that time, it seems to me, there was very little real consideration of change, little discussion of fundamental change in the way this Government behaves and operates. Instead, we sort of dealt with the policies that had been there for a very long time. There was a good deal—and continues to be—of protection of the Great Society kind of programs, the little tinkering around the edges when they came up for renewal. If they did not work right, if the results were not what we hoped they would be, whenever there was measurement of results—which, frankly, is not often enough—then the chances are that we put more money into the program. We continued to increase spending over this period of time, and the effort was basically to see how much increase there was going to be. If we did