

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

The Senator from North Dakota.

Mr. DORGAN. Mr. President, I want to visit about some issues today; two of them deal with trade and one deals with the issue of safer schools.

UNITED STATES TRADE RELATIONSHIP WITH CANADA

Mr. DORGAN. Let me begin by talking just for a moment about trade.

I generally come to the floor to talk about NAFTA, which is our trade relationship with our neighbor to the north, Canada, and our neighbor to the south, Mexico. Let me limit that this morning to our trade with Canada.

I say on a broader scale that our NAFTA trade agreement in my judgment has been a failure. We now have a \$40 billion combined deficit with our two neighbors, Canada and Mexico. Prior to the enactment of NAFTA, the trade agreement with our two neighbors, we had a much more positive balance of trade. But since the enactment of NAFTA, we now see a nearly \$40 billion combined trade deficit, which I think is a very serious problem. It is a growing problem, and one that we must deal with.

But let me just deal with one part of the trade problem with Canada today. There is an avalanche of Canadian grain that is moving across our border, flooding into our marketplace, and that is depressing grain prices here in this country and taking money out of the pockets of American farmers.

This might be a fairly boring subject to some, but not if you are a farmer. If you are a farmer out there struggling, and you see the prices drop for wheat, Durum, barley, and other things you are producing, and then see Canada flood our markets with Canadian grain, you get pretty angry about it, and justifiably so.

We had an agreement with Canada, something called tariff rate quotas, for a year which established levels of Canadian shipments of wheat, Durum, and other wheat coming into this country. That tariff rate quota expired, but the administration indicated they would unilaterally enforce that quota. Well, at this point Canada has shipped a quantity of grain into this country that is already above the tariff rate quota for this marketing year. And it is shipping Durum wheat into this country at a level that will exceed the tariff rate quota as well. It has not yet done so, but will exceed the tariff rate quota.

Canada seems not to care very much about what this country thinks about these trade arrangements. We had a consultation with Canada about a week or two ago in Montreal, I believe, and the Canadians responded in a way that was wholly unsatisfactory to these issues. In essence, the Canadians seemed to be saying, I am told, that they intend to do nothing about it and they intend to continue to ship their grain into this country.

I am asking the President to do a couple things. One, inasmuch as the Canadians are not exercising a good neighbor policy on this trade, we should take some action.

Just to back up for a moment, when the United States-Canada Free Trade Agreement was enacted by Congress, the Trade Ambassador, then Trade Ambassador Clayton Yeutter, said to Congress that the evidence of good faith in this trade relationship is that there will not be an increase in grain coming across our border following the enactment of this trade agreement. Well, that was not worth the paper it was written on. But that is the assurance he gave in writing to Congress. Of course, we have been flooded with Canadian grain ever since.

Here is what we ought to do. First, the United States ought to target Canadian foreign markets overseas. We ought to use our export enhancement funds in Venezuela, South Africa, West Africa, Tunisia, for example, to replace Canada as a major wheat supplier to those markets. If Canada is going to cause injury to our domestic marketplace for wheat, then it is time for us to go after their foreign markets and have them pay a price for their behavior under this trade agreement.

Second, I think the administration ought to take immediate action to unilaterally stop Canadian wheat shipments from coming into this country. They said they would unilaterally enforce the tariff rate quota. Canada has already exceeded that tariff rate quota on spring wheat and other wheat, and will exceed it on Durum. The administration should shut the border to additional wheat shipments coming into this country.

Third, the Canadian Wheat Ambassador is coming to this country, I believe, this week. I intend to seek a meeting with the Canadian Trade Minister, and ask some of my colleagues to participate in that. I am also going to seek a meeting with the Trade Ambassador and deliver to him personally my concern about what is happening with Canadian grain.

The fact is, grain prices are collapsing in this country. Family farmers are struggling to make a living, and at the same time they are seeing their prices collapse and their income go down. The Canadian grain is flooding across our border. It does not make any sense at all.

I will share one additional point with my colleagues. I went to our border with Canada. I of course come from North Dakota, and we share a long border with Canada. I went to the border in a little, orange, 12-year-old truck with some Durum wheat in the back. We went to the border to take that Durum wheat into Canada. And all the way to the border we saw 18-wheel trucks coming from Canada to the United States hauling Canadian grain—all the way to the border, truck after truck after truck after truck, coming into the United States hauling Canadian grain.

We got to the border in this little, orange, 12-year-old truck with a little Durum in the back. And guess what. You could not take one grocery sack full of American Durum wheat into Canada, not one. Not only couldn't you get this little, orange truck with Durum into Canada, you could not take a grocery bag full of wheat into Canada. That trade relationship is unfair, and it ought to be changed.

TRADE WITH CHINA

Mr. DORGAN. Mr. President, let me turn to a second trade issue just very briefly. That is the issue of trade with China. We are going to confront, in the coming weeks, the issue of most-favored-nation trading status with China.

I was in Beijing a few months ago and met—along with Senator DASCHLE, the minority leader, and some others, Senator KEMPTHORNE, Senator GLENN, and Senator LEAHY—with the President of China. The President of China talked about the trade between the United States and China, and said that they were enjoying this trade relationship. They should. This trade relationship is too much now a one-way relationship between the United States and China. China now has a \$40 billion trade surplus with the United States, or, to put it another way, we have a \$40 billion merchandise trade deficit with China. It is unforgivable that kind of failure in trade should occur.

Now, let me talk just a little about that. I have put on the easel a chart that shows merchandise trade deficits. We have had a lot of talk in this Chamber about budget deficits and a lot of work to deal with budget deficits. Nobody talks about trade deficits. We have the largest merchandise trade deficit in American history right now. What does that mean? That translates into jobs leaving this country. That is what the merchandise trade deficit means—a weaker manufacturing sector in America and jobs moving overseas.

Now, the largest merchandise trade deficit in history occurs because we have a significant merchandise trade deficit with a number of countries, one of which is China. Here is what has happened in merchandise trade deficits with China in recent years. Go back 10 years and what you will see is a massive increase in the merchandise trade deficit with China, now nearly \$40 billion. The growth in United States exports to China is not nearly as strong as the growth in imports from China.

Now, people say if you read a newspaper about our trade with China, here is the way they do it. It is like dancing the jig. They say, did you know our exports from the United States to China are up triple? We have tripled our exports. Yes, that is right here. It went from \$3.6 billion in 1980 to \$11.9 billion in 1996. So we read that in the paper, and they do this all the time, we have tripled our exports from the United States to China. You think, gee, what a

terrific thing for our country. They do not tell you the other half of the story. Imports from China are up 46 times—not triple, 46 times. They went from \$1 billion to \$51 billion. So the people that give you only half the story say, gee, we have tripled our exports to China, but they don't tell you that the amount of imports from China are up 46 times.

Now, just a short trade quiz. To which countries did the United States export more goods than it did to China in 1996? Did we import more goods to Australia than we do to China? China has 1.2 billion people. Did we export more to Australia than to China? What about Belgium? Did we export more to Belgium than China or Brazil or the Netherlands or Singapore? Did we export more to those countries than China? To which of these countries did we export more than to China? The answer is, all of them. We are a sponge for China, sending us all of their goods. Very close to half of all Chinese exports come to the United States of America.

What does China buy from us? Well, here is what they buy from us. In the trade flow with China they buy cereal, textile fibers, fertilizers, and some aircraft. What do we buy from China? Electronics, heavy machinery, toys and games, and footwear. This trade relationship is not fair, it does not make sense, and it weakens our country.

All of the debate here in Congress is about the most-favored-nation status and human rights. I was in China the day they sent Wang Dan to prison—I think for 9 years—sent him to prison because he criticized the government. If you criticize this Government, is somebody going to send you to prison? No, we have something called a Constitution. You are welcome to criticize this Government. It is part of what this country is about; the hallmark of freedom is free speech. In China, Wang Dan found free speech might be free but only up to a limit. You criticize your government, you spend years and years in prison.

So, human rights are important. Yes, we ought to be concerned about human rights with respect to China and with respect to most-favored-nation status. But even if the human rights issue were addressed and even if that issue were resolved, what about the abiding trade problem with China with respect to the imbalance of trade, a \$40 billion trade deficit and growing? What about that? What about the other deficit, the trade deficit?

This administration and this Congress needs to deal with the other deficit, and that is part of this issue. I hope the journalists, newspapers, and others would also start writing about this, carry some op-ed pieces about it. You cannot even get this information in an op-ed piece. They will not carry it.

What about the \$40 billion trade deficit? Why ought not we as Americans expect that if we buy all of these goods from China, they ought to buy a mas-

sive quantity of American-manufactured goods as well? China says it wants airplanes, needs airplanes. Guess what? Instead of saying we will buy your airplanes manufactured in the United States, they say we want American manufacturers to manufacture their airplanes in China. It makes no sense. That is not fair trade.

We will have a discussion this month about most-favored-nation status with China, and yes, part of it should be about the issue of human rights. But part of it also needs to be about the abiding, growing and dangerous trade deficit that we now have with China and about reciprocal trade treatment that would require China to understand that when it sells into our marketplace, it must also then buy in the American marketplace goods that China needs and uses.

(The remarks of Mr. DORGAN pertaining to the introduction of S. 989 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DORGAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1998

The PRESIDING OFFICER. The Senate will now resume consideration of S. 936, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 936) to authorize appropriations for fiscal year 1998 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Cochran/Durbin amendment No. 420, to require a license to export computers with composite theoretical performance equal to or greater than 2,000 million theoretical operations per second.

Grams Amendment No. 422 (to amendment No. 420), to require the Comptroller General of the United States to conduct a study on the availability and potential risks relating to the sale of certain computers.

Coverdell (for Inhofe/Coverdell/Cleland) amendment No. 423, to define depot-level maintenance and repair, to limit contracting for depot-level maintenance and repair at installations approved for closure or realignment in 1995, and to modify authorities and requirements relating to the performance of core logistics functions.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, momentarily, when the draft of my amendment arrives, I will send it to the desk.

For the moment, I will simply mention that the amendment I am about to offer, I will offer on behalf of myself, Senator BINGAMAN, Senator DOMENICI, and Senator LEVIN.

Mr. President, I indicate that additional original cosponsors will be Senators HAGEL, JEFFORDS, CHAFEE, SPENCER, D'AMATO, FRIST, GORTON, SNOWE, COLLINS, KENNEDY, BIDEN, KERREY of Nebraska, LIEBERMAN, BYRD, REED of Rhode Island, DASCHLE, and ROBB.

I want to especially recognize Senator DOMENICI for his contribution to our work on this amendment.

Mr. President, let me state at the outset that Congress established, in 1991, with strong bipartisan support, what is known as the Nunn-Lugar Cooperative Threat Reduction Program, the CTR.

Last year, the Senate, in a 96 to 0 vote, amended and enlarged this important program through the Nunn-Lugar-Domenici legislation entitled the Defense Against Weapons of Mass Destruction Act.

The CTR program at the Department of Defense, along with its companion programs at the Department of Energy—namely, the Materials Protection Control and Accounting Program [MPC&A] and the International Nuclear Safety Program—have played significant roles in our efforts to reduce the risk to the United States from loose nukes and the dangers inherent in the operations of Soviet-designed nuclear reactors.

Each of these programs plays a key role in enhancing stability around the world and contributes to circumscribing the threats that emanate from weapons and materials of mass destruction.

The defense authorization bill for fiscal year 1998, as reported out of the Committee on Armed Services, cut the funding for the Cooperative Threat Reduction Program and the Materials Protection, Control and Accounting Program and totally eliminated all funding for the International Nuclear Safety Program.

Our amendment is designed to restore the funding cuts in these three programs.

REDUCTION IN THE CTR REQUEST

Mr. President, the Armed Services Committee has recommended a cut of \$60 million in the President's request of \$382.2 million for the fiscal year 1998 for the Cooperative Threat Reduction Program. The sponsors of this amendment believe that this is a mistake.

The Nunn-Lugar program's impact on the threat posed by former Soviet weapons of mass destruction can be measured in the 81 ICBM's destroyed, 125 ICBM silos eliminated, 20 bombers destroyed, 64 SLBM launchers eliminated, 58 nuclear test tunnels sealed, and the 4,500 warheads taken off strategic systems aimed at us—Mr. President, let me repeat that, 4,500 former Soviet warheads which were pointed at the United States have been removed by the Nunn-Lugar program—all at a