doesn't come into the Federal Treasury, and is not to be used or misused by the people who are putting this budget deal together.

Now, I raised this issue last week, and it doesn't mean a thing, apparently. You know, there are some people who apparently just can't hear. I think the budgeteers are in a soundproof room and don't hear. The Senator from Alaska, Senator STEVENS, has raised objections to this. Senator MCCAIN has raised objections to it. Senator HOLLINGS has raised objections to it. I have raised objections to it. Others on the floor of the Senate have raised objections. It doesn't seem to mean a thing. They just do their thing in this room. And the White House is negotiating with the Republican leadership in Congress. That is why the deal is being struck. Somehow there will be some immaculate conception announced from some room here in the Capitol in the coming hours, maybe later today, tomorrow, or Wednesday. There is no chance to get into that deal and pull something out that is as egregious a mistake or an abuse as this is, because then we will only have a certain number of hours, and we will be able to vote ''yes'' or ''no'' on the construct of this deal.

The reason I came to the floor is to say that if there are people who are putting this together and if they are in fact listening, listen carefully and listen closely: You are doing the wrong thing. You are making a mistake. This money doesn't belong to you. This money ought not to be used to plug a hole in the budget. If you are going to add something up, add it up honestly. If you come up short, find an honest way to cover the shortfall. Do not misuse or manipulate the universal service fund.

I saw on television once a program by a fellow named David Copperfield, a great illusionist, and he provided marvelous entertainment, creating these wonderful illusions for his television audience. Most people, like me, understood it was a trick. The wonderment was, how did they do that trick? I don't understand it. But with respect to illusions performed by Mr. Copperfield, I suppose everybody understands it's trickery.

Why don't we understand in Congress when we create an illusion like this in the budget, it is also trickery, and trickery doesn't belong in these budget agreements. It doesn't belong here, and they ought not bring to it the floor, using the universal service fund—or I should say misusing those funds.

We will vote on that tomorrow. I offered an amendment last week, which is scheduled for decision in the morning. We will, if we are not too late, send a message to the budgeteers: Do not do this. It is the wrong thing.

I said on Thursday that I recall at a motel in Minneapolis near the airport, they had a little sign where the manager parked. It was near the front door, so I suppose everybody wanted to park there. It said, ''manager's parking space.'' Then below it, it said, ''don't even think about parking here.'' I thought, wow, I bet no one thinks about parking there. That is what this Congress ought to say to the people negotiating these deals: Don't even think about doing something like this. It is not the right thing to do. It misuses funds that are not yours. Don't even think about it.

FAST-TRACK TRADE AUTHORITY

Mr. DORGAN. Madam President, because the Senate has very little business today, I wanted to come to the floor to talk about the universal service fund issue. But because we don't have much else to do, I need to unburden myself on a couple of other issues.

This deals with a subject discussed by my colleague from Montana, Senator BAUCUS, on the issue of trade. He was discussing one small issue with respect to China and the WTO. I want to talk about another issue that is going to be the subject of substantial debate in the month of September. When we get back from the August recess, which Congress will take, we are told that the administration will request from this Congress something called fast-track authority for trade negotiations.

Fast-track authority, again, is a term that doesn't mean much, perhaps, to most. Everything with fast seems to me to connote something that is kind of interesting. There is fast food, fast talk, fast track. It all kind of connotes doing something unusual, not taking time to prepare. Fast track means that somebody can go negotiate a trade agreement someplace, bring it back to Congress, and once they bring it to Congress nobody in Congress has the right to offer amendments. That is fast track. To me that is undemocratic. But it is called fast track.

We have negotiated several trade agreements under fast track. All of them have been abysmal failures, terrible failures. We were told that we should grant fast track authority once again so our trade negotiators can go abroad and negotiate new trade agreements with other countries.

Let me review for just a moment what this has gotten us, and why I and some others in this Chamber intend in September to come and aggressively oppose both the President and those in this Chamber who want to extend fast-track trade authority. We asked for fast-track trade authority for negotiating a trade agreement with Mexico, our neighbor to the south. Do you know that just before we negotiated a trade agreement with Mexico under fast track that we had a trade surplus with Mexico? In other words, our trade balance was to our favor—not much, but a trade surplus. So we negotiated a trade agreement with Mexico.

Guess what happens? Now we have an enormous trade deficit with Mexico. What has happened to American jobs? They go to Mexico.

Do you know that we import more cars from Mexico into the United States of America than the United States exports to all of the rest of the world? Think of that. We import more cars from Mexico to our country than we export to the rest of the world. We were told that if we would just do this trade deal with Mexico, all it would mean is that the products of low-skilled labor would come into this country from Mexico but certainly not high-skilled labor.

What comes from Mexico? Cars, car parts, electronics—exactly the opposite kinds of products given the assurances that we were given when the deal was done with Mexico. I didn't support the North American Free-Trade Agreement—this so-called free-trade agreement with Mexico. They attached a free-trade handle to this agreement. That is another name thing—free trade; free lunch. There is no free lunch. The fact is there is nothing free about free trade.

You would think our trade negotiators ought to be able to go out and negotiate a trade agreement that we would win from time to time. Why is it that our trade negotiators seem to lose every trade agreement that they enter into?

Then there is Canada. We had a free-trade agreement with Canada. Now the trade deficit with Canada has gotten much worse. We have a peculiar and difficult circumstance with our Canadian border up in the North Dakota area with the flood of unfairly subsidized Canadian grain coming south across our border.

How about Japan or China? We have massive trade deficits every single year with these countries. And the trade deficit doesn't diminish. It doesn't get smaller. It doesn't improve. These trade deficits are abiding deficits every single year.

What does it mean to our country when you have a long-term trade deficit? With China it has gone from $10 million up to $40 billion in a dozen years. As a result, our country has become a cash cow for China's hard currency needs. It is fundamentally unfair to our workers in our country, and it is unfair to our factories and our producers in our country.

People say, ''Well, but those of you who do not like these trade agreements, you just do not understand. You do not have the breadth and the ability to see across the horizon. You do not see the world view here.'' What we do see is this country's interests.

I am all for expanding our trade. I am all for fair trade. But I will be darned if we ought to stand in this country for a trade relationship—the one we have with Japan, the one we have with China, the one we have with Mexico, or Canada for that matter, and others—that allows our producers and our workers to be put in a position where they cannot compete against unfair trade.

We cannot and should not have to compete in any circumstance with any

country that produces a product using 14-year-old kids working 14 hours a day, being paid 14 cents an hour, and then ships their product to Toledo, Fargo, Denver, and San Francisco. Then we are told, ''You compete with that, America. You compete with that.'' We shouldn't have to compete with that.

When we put people in our factories, we have a child labor law. When we put people in our factories, we have a minimum wage. When our people work in our factories, we have air pollution laws against polluting air and against polluting water.

Then a producer says to us, ''Well, that is fine if you want to do that. If you want to protect children, pay a decent wage and protect your air and water, we will go elsewhere. We will produce elsewhere. We will produce in China, Sri Lanka, Bangladesh, and Mexico. We will produce elsewhere where we are not nearly as encumbered by the niceties of production such as child labor laws or minimum wages.'' We shouldn't have to put up with that.

The point I am making is this: Those who come to us in September and say, ''Give us fast-track trade authority so we can go out and negotiate new trade agreements,'' ought to understand that some of us believe that you ought to correct the old trade agreements you have first. You ought to correct the problems that are causing massive deficits with Mexico, massive trade deficits with China, and massive deficits with Japan.

I am not saying that we want to close our markets to them. Instead we need to be saying to them, ''When you want to buy things, then you buy from us.'' We say to China, ''If you have a $40 billion trade deficit with us, when you want to buy airplanes, you buy them from us. When you want to buy wheat, you come shop in this country.''

Instead, China shops around the world for wheat. When it needs airplanes, it says to one major American airplane company, ''By the way, we would like to buy your airplanes, but we want you to manufacture them in China.''

That doesn't work. It is not fair trade. It is not the way the trade system ought to work.

Those of us who feel that way in September are going to be here on the floor saying fast-track trade authority ought not be extended. What we ought to do to the extent that we have the energy is to fix the trade problems that now exist—yes, in NAFTA, in GATT, and in bilateral trade relationships with Japan and China and others. That is the job we should be doing. Congress has the responsibility to insist the administration does it, and Congress itself needs to be involved in doing it.

I know what will happen when we do that in September when the administration asks for fast-track authority and some of us stand up and say, ''Wait a second; we wonder whether this is in the interests of our country.'' We will have people immediately jump up and say, ''Yes, you people are against free trade. You are a bunch of xenophobic, isolationist stooges who simply don't understand this world now is a smaller world. We from day to day and minute to minute have trade relationships with each other all around the globe, and you don't understand that. You never have gotten it, and you don't get it now.'' We hear those discussions virtually always when we raise the question of trade.

On the other hand, I think maybe those who view us in such a cavalier way will have to deal with the insistence of some of us that we finally must as a country insist on fair trade relationships. Perhaps they will begin to understand these abiding and long-term trade deficits. Incidentally, the largest trade deficits in the history of our country are occurring now. We currently have the largest merchandise trade deficits in our history. Maybe they will come to understand that these trade deficits will retard this country's long-term economic growth and hurt this country and we must do something about them.

There is great anxiety in this Chamber—and has been for a long while—about the budget deficit. We have made enormous progress in reducing that budget deficit. But there has not been a whisper in this Chamber about suggesting we do something about the largest trade deficit in American history. That trade deficit relates to jobs, economic opportunities, and the future of this country as well. It is long past the time when we do something about it.

MEDICARE WASTE, FRAUD, AND ABUSE

Mr. DORGAN. Madam President, I would like to make comments on one additional subject today, a subject that many of us are working on in both the Republican and Democratic caucuses, and one that is also very important to our country.

The inspector general about a week and a half ago in Health and Human Services released a report on the Medicare Program, and indicated to us in Congress and to the American people that they felt that as much as $17 billion to $23 billion a year is essentially wasted in the area of Medicare, for a range of reasons and a range of areas—waste, fraud, and abuse. They describe bills that were inappropriate, bills that were erroneous, services billed for that were never provided, and some fraud.

The reason that is an important report is that it follows on the heels of the Government Accounting Office, the inspector for the Congress, the GAO, which also had indicated that it felt somewhere in the neighborhood of $20 billion to $23 billion a year is wasted in the area of Medicare. By ''wasted,'' I mean waste, fraud, and abuse.

A good number of people have tried to tackle this subject at one time or another and with some limited success. The American people would look at Medicare and probably conclude that it was a very important program. I happen to be a supporter of Medicare. I think it was a very important program for this country to develop.

Prior to the 1960's, when this country developed the Medicare Program, far fewer than half of the American senior citizen population had any health insurance at all—and that was for obvious reasons. There are not insurance companies formed in this country to run around seeing if they can provide unlimited insurance to people who are reaching an age of retirement and where they are going to need more and more health care in older age. It is not the way insurance companies make money. Insurance companies search for that healthy 25-year-old who is not going to need any health care and sign them up to pay health insurance premiums. All of us know that. That is where insurance companies make money. Do you know of an insurance company that says, ''Our mission in life is to make a profit by searching out old folks and seeing if we can provide insurance to old folks''? I don't think so. That is not the way it works. In order to have health insurance for people at any age, they would have to charge so much that most people couldn't afford it. The result was that in 1955, 1960, 1962 fewer than half of America's senior citizens had any health care coverage at all.

We passed Medicare and made certain that the fear of reaching retirement age and not having health care coverage would be gone forever. Medicare guaranteed those citizens who reached that age—age 65—that they were going to have health insurance coverage. And it has been a marvelous program in many ways. After health care was provided for senior citizens in the early 1960's in the Medicare Program, 99 percent of the senior citizens in this country have coverage for health care—99 percent. That is a remarkable success.

Something else has happened in this intervening period, and it is also called success. People are living longer and living better. Medical breakthroughs extend life in a very significant way. One-hundred years ago at the turn of this century, if you were alive, you were expected on average to live to be 48 years of age. One century later, you have a reasonable expectancy to live to be 78 years of age—from 48 to 78 in one century. That is progress. These days, on average, you live to 77 or 78 years of age. You have a bad knee, replace the knee; a bad hip, replace the hip; cataracts, get surgery, and you can see again. Plug up your heart muscle for over 50 or 60 years, open the chest and unplug the heart muscle with open-heart surgery. I have been to meetings where people have stood up at a meeting and said, ''You know, I have a new knee. I have a new hip. I had cataract surgery and had some blockages removed with heart surgery,'' and then said, ''and we are sick of the Government spending money.''