

me in supporting this amendment to put more money into the Pell Grant Program.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Madam President, when the time comes to discuss the matter, there will be very vigorous objection from the managers, both Senator HARKIN and myself, on this amendment. We think that low-income energy assistance is very, very important. But we will await the event after our distinguished colleague from Arizona has had a chance to make his presentation.

In the absence of any other Senator seeking recognition, Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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 Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DORGAN. Madam President, I ask unanimous consent to be allowed to speak in morning business for 20 minutes.

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

#### FAST TRACK TRADE AUTHORITY

Mr. DORGAN. Madam President, I noted in a news report recently something which I have heard previously. The news reported that President Clinton and his administration will in just a matter of days from now, on September 10, send a legislative proposal to give President Clinton and this administration something called fast track trade authority.

Now, that might sound like a foreign language to a lot of folks, but the notion of fast track trade authority is relatively simple. It is that trade negotiators shall negotiate trade agreements between the United States and other countries, then bring these trade agreements to the Congress, and they shall be considered in Congress under something called fast track procedures. That means no one here in the Congress is allowed to or will be able to offer amendments to alter that proposed trade agreement.

That is what fast track means. It is a special deal for a trade agreement brought back to Congress so that all Members of Congress are prevented from offering amendments. Members of Congress will be allowed only to vote yes or no on the entire agreement.

The Constitution of the United States in article I, section 8 says, "The Congress shall have the power to regulate Commerce with foreign Nations."

Yet, in recent decades we have developed this notion of fast track trade authority that has given both Republican and Democrat Presidents the opportunity to bring trade agreements to

the Congress under a procedure that handcuffs Members of Congress and prevents them from offering any amendments at any time.

I want to share why I think this is important and why I believe it is inappropriate to grant fast track trade authority to this administration. I should say that when I was in the House of Representatives, I led an effort in the Chamber of the House to prevent fast track trade authority being given to a previous administration as well.

The Washington Post, in an article written by Ann Devroy, titled "Battle Lines Forming Over Clinton's Bid for Fast Track Trade Powers," states the Business Roundtable, among others, will work to help President Clinton get these fast track procedures in place by getting Congress to pass a proposal to give the President fast track powers. "The job won't be easy," it says.

It reports that the Business Roundtable has written in a letter to its members, "The political climate for new trade agreements is not good. Organized labor, human rights groups, protectionists, isolationists and environmentalists are questioning the benefits of trade."

Now, I guess I don't fit any of these descriptions. I am not an isolationist. I am not a member of organized labor. I am not a member of a human rights group. I am not a protectionist. I am not a member of some environmental organization. I am not some xenophobe, and I am not someone from a small town who cannot see over the horizon. I studied a little economics. I even taught a little economics in college. I understand something about the trade issue.

I understand that in international trade this country is not moving forward; it is falling back. We are not winning; we are losing. We ought not proceed to develop new trade agreements until we solve the problems of the old trade agreements. And I want to recite a few of those problems.

This was an interesting article written by a journalist who is a very good journalist. But nowhere in this article in talking about trade authority—and this is the difficulty we have in this Chamber—does it point out that we will have the largest merchandise trade deficit in the history of this country. Nowhere does it point that out. How can you have a discussion of trade and fail to mention in the context of that discussion that we now suffer the largest trade deficit in the history of our country?

I don't understand that. This is not theory. It is not some academic discussion. It is a discussion about whether we are going to proceed to give this administration the ability to have fast track authority for a new trade agreement they or trade agreements they will negotiate, and bring them to Congress and tie our hands so that no amendments may be offered.

Some do not mind, I suppose, that we have the largest merchandise trade def-

icit in history. They say trade is trade. In fact, this article quotes the Business Roundtable as saying, "Those who oppose this question the benefit of trade."

What a lot of nonsense that is. I don't question the benefit of trade. In fact, much of what we produce in my State, an agricultural State, must find a foreign home. I understand the benefits of trade. I also understand the benefits of trade that is fair and the benefits of trade relationships with other countries that are fair trade relationships. I also understand about being taken advantage of. I also understand about trade policies that have been more foreign policy than trade policy over the last half century.

For the first 25 years following the Second World War, our trade policy was foreign policy. It had very little to do with trade. The fact was that this country was bigger, better, stronger and could outtrade and outproduce almost any other country in the world with one hand tied behind its back. So we could afford to exercise a foreign policy disguised as trade policy with dozens of our trading allies and still prevail. And it was just fine, at least in the first 25 years following the Second World War.

During those first 25 years, incomes in this country continued to rise. However, in the second 25 years, we ran into some very shrewd, tough international competitors and it has not been as easy for us to compete unless the trade rules are fair. Unfortunately, the trade rules have not been fair because we have continued to negotiate trade agreements that are more foreign policy than trade policy. As a result we have trade agreements that are fundamentally unfair to American workers and American producers. I want to go through a few of these in this discussion.

The first chart that I want to show is a chart about the merchandise trade deficit in our country. Nobody seems to care much about it here in the Congress. You don't hear people talking about it. There is always this angst about the budget deficit, and we have worked on that and finally have our fiscal house in some order. But there is no discussion at all about the other deficit, the merchandise trade deficit, which is a sea of red ink and growing every single year. In fact, we had the largest merchandise trade deficit in American history last year, and we are most likely going to exceed that this year. We have had deficit after deficit after deficit. There have been 21 straight years of merchandise trade deficits.

Let me just describe what has happened following our trade agreements. We rush off and send our best negotiators to negotiate trade agreements. When they finish negotiating some agreement with some country, whether it be Japan or the GATT agreement or NAFTA or some other agreement, they have a huge celebration or giant feast

at which they all declare they have won.

But, what have our negotiators actually won? We had a \$28 billion merchandise trade deficit in 1981 when the trade agreement took effect from the Tokyo round of trade talks. By 1989, this Congress passed—without my vote, I might add—a United States-Canada Free-Trade Agreement, at which time we now had a \$115 billion merchandise trade deficit.

In 1994, a trade agreement, negotiated under fast track with Mexico and Canada, called NAFTA or the North American Free-Trade Agreement came into effect. By that time, we had amassed a \$166 billion merchandise trade deficit. Then there was the Uruguay round of talks under the General Agreement on Tariffs and Trade or GATT, and the trade agreement enacted by Congress which took effect January 1, 1995. By that time, we had a \$173 billion merchandise trade deficit. That has now grown to a \$191 billion merchandise trade deficit, and is continuing to grow again this year.

DRI and McGraw-Hill, which is a company that does econometric projections, suggests our merchandise trade deficit will likely double in a 10-year period. We are headed in the wrong direction, not the right direction. So the question is, Do we continue doing this? Or does somebody stand up and say, "Wait a second, this doesn't make any sense. You are asking us to give fast track trade authority to negotiate another trade agreement when all we have seen is an ocean of merchandise trade deficits."

With this discussion, I am not suggesting that we ought not trade. Of course we should trade. But we ought to say to our trading allies that the conditions under which we trade with them must represent fair trade. If you get your products into our marketplace, that's fine. But, then we expect our products to get into your marketplace. If we have standards that will not allow our producers to pollute our air and water, then we expect you to produce under the same standards.

If we have standards that say we can't hire a 14-year-old and have him work 14 hours a day and pay him 14 cents an hour to produce a product that we then ship to Pittsburgh or Los Angeles and Denver, then we expect you not to employ a 14-year-old and pay him 14 cents an hour, producing something you ship to those same cities. Those are the conditions under which our workers, our citizens, and our businesses ought to expect trade to be handled under our trade agreements.

Now, when you look at this ocean of red ink which no one writes about and no one talks about, it seems to me it is time to stop to evaluate where we are. Daniel Webster said, on the floor of this Senate about 160 years ago, "When the mariner has been tossed for many days in thick weather and on an unknown sea, he naturally avails himself of the first pause in the storm, the ear-

liest glance at the Sun, to take his latitude and ascertain how far the elements have driven him from his true course." That might be a good suggestion for this Congress on the issue of trade.

Instead, what this Congress will debate, without even talking about this choking trade debt, will be fast track.

There is fast food, fast lane, fast living, fast talk, and fast break. I remember when I played high school basketball the notion of a fast break was to move quickly and rush and get ahead of the defenders before they could get set up and make the basket. That's what a fast break is all about. You go ahead, before anybody notices you, and score your points.

Everything that says fast somehow connotes lack of preparation. That certainly has been the case with fast track in trade. Anyone, I say, anybody who believes that we have been successful in representing the economic interests of this country in pursuing the kind of process we pursued in recent years in trade just is not looking at the same set of facts that exists for this presentation I am giving today.

Madam President, the instant you discuss these issues there are those in this town who categorize you in one of two camps. You are described as a free trader, period, end of story. This connotes, by the way, that you support all of these negotiations and fast track and so on. You are either a free trader, or you are some kind of xenophobic, isolationist stooge who doesn't get it and are called a basic protectionist. Those are the two camps. You are one or the other, and you can't be in between because there is no thoughtfulness in between, we are told.

I stand right square in the middle of this issue, saying that this country has a problem and we ought to deal with it. We ought not be talking about negotiating new trade agreements as long as we have vexing, difficult problems with old trade agreements that we refuse to deal with. Fast track—if we are going to fast track anything, let's fast track the efforts to solve old trade problems.

We negotiated a trade agreement with Mexico. At the time, we had a nearly \$2 billion trade surplus with Mexico. Guess what? It has not been very long—only 3 years later—and we have ended up with nearly a \$16 billion trade deficit with Mexico. We go from a small surplus, to a big deficit.

We negotiate a trade agreement with Mexico and we are told what is going to come into this country from Mexico will be the product of low-skill and low-wage work.

What is actually coming in from Mexico? Automobiles, automobile parts, and electronics parts. Do you know we now import more cars from Mexico into the United States than the United States exports to the rest of the entire world? Think of that.

Has the United States-Mexico, has the NAFTA agreement worked out the way we expected? I would like one per-

son to come to this Senate and say, "Boy, this really worked out well. What we wanted was to have an agreement with Canada and Mexico positioned such that at end of it, we would have a combined trade deficit of nearly \$40 billion." Is that what we wanted? I don't think so.

At the root of all of this, whether it's with Mexico or Canada is our past agreements and the fast track process that wouldn't allow the agreements to be changed and corrected. As a result we have a severe problem with Canadian grain flooding across our border in a fundamentally unfair way.

And by the way, we can't resolve these issues now because we pulled the teeth of our own trade laws in all these trade agreements. We have pulled the teeth of those provisions which could have been effective in representing us and in remedying these problems. And now that the teeth are pulled, we wonder why we can't chew on these issues. You can't chew because there is no effective remedy left.

Does anybody think that this represents progress? Is it progress to have Mexico and Canada have a huge trade surplus with the United States? Is it progress that we have this deficit with them?

China has a large and growing trade deficit, which has been growing exponentially. In a dozen years it has grown from \$10 million up to over \$40 billion. How about Japan? Every single year, we have had a recurring trade deficit of \$48 billion to over \$50 billion a year.

What does all of that represent? It represents jobs. And it represents, by and large, a diminution of our manufacturing sector. No economy will long remain a strong economy if it doesn't retain a strong manufacturing base.

There are those who believe it doesn't matter where you produce. Get in your Lear jet or get in your Gulfstream and travel around the world. Look out the window and find out where on this Earth, what patch of ground can you find where you can build a plant and have people come in the front door of that plant and pay them a quarter an hour, a half a dollar an hour, or 75 cents an hour. Pay them no benefits, no pensions, no insurance, and pollute the air and water as you produce because that represents profit and that represents progress. Not to me it doesn't. Not to this country it doesn't.

The consideration of fast-track trade authority by this Congress ought, it seems to me, to persuade us finally to ask ourselves, what truly is progress in international trade? Do we really think that a trade picture that looks like this is progress?

Six countries have 92 percent of our record level merchandise trade deficit. Nearly 30 percent of the trade deficit is with Japan. It is 24 percent and growing with China. Canada and Mexico together, have another 24 percent. The

latest figures show that NAFTA, the crown jewel of trade agreements has produced a record nearly \$40 billion combined trade deficit. Do we really think that those kinds of numbers represent progress?

This is not working. It is not a case of this country saying we want to close our borders and shut off imports; it's a case of this country saying we expect the trade rules to be fair. We expect our negotiators who negotiate trade agreements to win from time to time. Should we expect that every time our trade negotiators run off someplace that they lose? I don't think so. Yet, that is what happened.

We have a beef agreement with Japan. Nobody knows much about these things, because all this is like a foreign language. We have an avalanche of Japanese goods coming into America. I do not object to that. All I ask is that American goods get into Japan on a fair basis.

We couldn't get much American beef into Japan, so we had a huge negotiation with the Japanese. It must have been 8, 10 years ago, by now, that they announced this breakthrough. You would have thought there was a national day of fiesta and rejoicing. It was a major breakthrough; a big beef agreement with Japan. Guess what the agreement was. We have such a low expectation of our trade negotiations.

The agreement with Japan was the following: When the agreement is fully phased in, there will remain only a 50-percent tariff on American beef going into Japan. That tariff will be reduced, except if the quantity increases, it snaps back to 50 percent. Under any other set of circumstances, that would be defined as failure, but it was defined in our negotiations with Japan as a success. That is true with virtually every single set of negotiations this country has been involved in the last two decades.

This is not a complaint about Republicans or Democrats. It's a complaint against both and all. I have not yet met anyone who is willing to look me in the eye and talk about the facts about the merchandise trade deficits in this country and have them tell me that this is a record they want to stand on.

My hope is that in the coming couple of weeks, as we discuss the issue of fast-track trade authority, we might finally have the debate we really need. We don't want a thoughtless debate about "this person is a protectionist" and "this person is a free trader." Rather we need a thoughtful debate about precisely what kind of trade agreements represent this country's real interests, what kind of trade agreements require us to compete internationally and compete effectively and fairly, and what kind of trade agreements make certain that this country, when it does compete in the international marketplace, is able to do so on an even and fair basis.

Madam President, it is obvious, I suppose, that I will be aggressively op-

posing the fast-track authority that this President will request. If he, on September 10, makes a formal request, he will no doubt have substantial support for it. I have had several people come up to me in my State who said to me, "Oh, by the way, Byron, I was supposed to tell you to vote for fast track because my company sent out a memo to all the employees saying, 'We want you all to contact your Senator to vote for fast track.' I don't know about fast track," they said, "but that is something my company wants you to vote for."

I am not going to support fast track. I will be on the floor of the Senate often to talk about what I think are the problems in international trade and what I think are our priorities.

We have massive problems with Canada, for example, on grain trade. The responsibility that we have is not to create some fast-track procedure for new agreements, but to create a fast-track determination to solve old trade problems from previous agreements that do not work.

Until trade negotiators demonstrate a willingness to do that, and until this administration demonstrates a willingness to do that, I do not think it ought to get the vote of the U.S. Senate or the U.S. House for a peculiar and unique authority called fasttrack that, in my judgment, undercuts the constitutional requirement of Congress, to regulate commerce.

Madam President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER (Mr. COATS). The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, let me just say to my colleague from North Dakota that I appreciate his analysis. I look forward to joining him in this debate. I think he is really one of the most eloquent Senators, or for that matter Congressmen, in Washington on a set of issues that are so important to working people, so important to producers, and I thank him.

#### DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 1056

Mr. WELLSTONE. Mr. President, I ask whether or not the amendment we are on right now is the Kyl amendment; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I do not know whether or not my colleague, Senator KYL from Arizona, will be back today or whether we will come back to his amendment tomorrow, but I want to just very briefly comment on his amendment.

The Kyl amendment, as I understand it—I have the amendment before me—

amounts essentially to over a \$500 million rescission, if you will, in funding for what is called LIHEAP, the low-income energy assistance program. We have seen cuts over the years in this low-income energy assistance program. It is really now under a billion dollars total. So in many ways we would essentially, if this amendment passes, be dealing with the end of the program.

Mr. President, I actually would come to the floor and have an amendment which would call for an increase in funding for low-income energy assistance. And the reason I do not is that we have been sort of going through the same drill every year, which is that come the cold winter months—this happens in Minnesota; it happens in many of our cold-weather States—what happens is, because we do not have enough by way of appropriations, because the vast majority of these families are families with incomes under \$7,000 or \$8,000 a year, because about half the people helped are children, because close to 50 percent of these families are working poor families, they work 52 weeks a year, 40 hours a week, and because, Mr. President, these grants, this assistance, represents a kind of lifeline for people so they are not faced with the choice of "Do I pay for my heat? Then I can't afford prescription drugs or I can't afford food," we have been supportive of this.

What happens, though not as supportive as we should be, the administration provides additional emergency funds because, you know, whether it be in Minnesota or Indiana, I suppose, as well, what happens is that at the county level where the people live, at the grassroots level, we get calls. And these are desperation calls. So we actually provide a supplement to what we have in the bill by way of emergency funding. But for a State like Minnesota or Indiana it is a bit of a nightmare to plan. People never know. They never know.

So now we have an amendment which would really just make this situation, which is not great—we do not have the funding that we should have for a program that helps people so they do not go cold. That is a kind of minimal standard of decency. It certainly is important to a cold-weather State like Minnesota. But now if this amendment was to pass—I do not think it will; I hope we will have a strong vote against it—it would be a nightmare.

I just want to say to my colleague, whom I enjoy, that the part of the amendment which deals with expanding funding for the Pell grant I am all for. I think one of the things that was overlooked in the budget agreement—I think there was a bit too much exaggeration about how we were going to make sure that higher education was affordable for all our students because, to repeat one more time, the tax credit which goes to the HOPE scholarship program is not refundable. So if you come from a family below \$27,000 a year, you may not be eligible, and