

came every morning to that class with a sparkle in her eye and a love for learning and a love for teaching. She made a difference not only in my life but in the lives of hundreds and hundreds of students whom she taught over a very long career in the Bismarck, ND, school system—Mrs. Offerdahl.

And Mrs. Senzek, who was my fifth grade teacher, a highly intelligent woman, somebody who was absolutely committed to improving the educational standards of the kids in Bismarck, ND. My sixth grade teacher, Miss Barbie, who was a very sophisticated woman, somebody who loved reading and imparted that love to students.

I think back to how fortunate we were to have people of that quality and that caring who provided education to us and at great sacrifice to themselves. I can say every one of these women whom I have mentioned could have made much more money doing something else, but they were dedicated to teaching young people, and they made enormous financial sacrifices to do it.

There are so many other teachers along the way whom I remember. Mrs. Hook was my second grade teacher. She was a woman of real majesty, really almost a regal person, very tall, very erect, very dignified, somebody who commanded respect.

These are people who made an impression that has lasted a lifetime, lasted a lifetime for me, but I know lasted a lifetime for other students in the Bismarck public school system as well.

Mr. President, I add our words of praise to all the teachers across this country who make a difference in the lives of kids. Other than family members, other than parents, perhaps there is no more important relationship than what teachers do in terms of training our kids. So, today, we say thank you, thank you for everything you have done. You have made a difference.

CRISIS IN AMERICAN AGRICULTURE

Mr. CONRAD. Mr. President, I want to talk about another crisis that is occurring in this country. It is not receiving the attention as are the storms in Oklahoma, the tornadoes, and the tremendous damage that has been wreaked in those States by this set of storms, but it is a crisis nonetheless. It is almost a stealth crisis. It is a crisis in American agriculture, and I can tell you, it is causing trauma, too.

In my State, we have just seen a series of headlines in the major newspapers that tell the story. I thought I would bring them to the attention of my colleagues today so hopefully we can reflect not only on the tragedy in Oklahoma and Kansas, but we can reflect on the tragedy that is happening in central America, and I mean the central America of North Dakota and South Dakota, Montana, Nebraska, and

Kansas—States that have been hard hit by a virtual depression in agriculture.

It is causing real trauma, Mr. President. These headlines tell the story. This headline sums it up: "The rural depression." There is a real depression in the heartland of America. Prices, the lowest we have seen in 50 years, are causing literally thousands of farmers to exit agriculture.

Here is another headline which recently ran in papers back home: "Farm prices, farm numbers both fall."

And this headline that says: "Another farm dies; does Washington really care?" That is the question we are going to be asking today and we are going to continue to ask as we see this crisis grow and develop affecting more and more farm families and starting to affect the small towns of our State as well. In fact, this headline says it well: "AG Crisis Is Bigger Than N.D." This is an editorial from the largest paper in our State pointing out that not only is North Dakota affected but other farm States as well.

This is a headline which ran recently: "State Loses Farmers." And one headline which ran, again, in the biggest paper in our State: "Crop Prices Are the Problem." And indeed they are. "Crop Prices Are the Problem." This article says, "Crop prices, that's the big thing wrong with the region's farm picture this year." And they are exactly right.

When I mentioned the crisis has moved from the farmstead to the streets of North Dakota, this headline tells that story: "Farm Downturn Leaves Main Street Reeling. Three family-run businesses in Michigan, North Dakota closed, with little hope of reopening."

There is the crisis that is receiving enormous attention in Oklahoma and Kansas—and it should have enormous attention. Those people deserve for others to understand what is happening and the suffering they are experiencing.

There is another crisis as well, and that is the crisis in farm country. Those people are suffering. And they deserve attention as well.

Let me just show another chart which goes right to the heart of the problem we are facing. This shows what has happened to farm prices from 1946 to 1998 for wheat and barley. You can see from the prices—this is 1998—it has even gotten worse. We go out to 1999, and these prices continue to decline in real terms. We have the lowest prices now for these commodities in 52 years. This is a crisis by any definition.

I just want to conclude by going back to what one of the articles said in the papers back home. This says: "Banks' Survey Shows Farm Income Dwindling." In this article they say, "The vice is tightening on farm borrowers in the Upper Great Plains. The outlook for farm income is grim unless commodity prices increase."

Mr. President, that is exactly the case. We face a tightening noose

around the necks of literally thousands of farm families, and it is time for a response from the Federal Government. We need to pass the disaster supplemental. We need to make the last disaster program we passed whole, because we now know it will cost \$1.5 billion more to keep the promise which was made in that disaster program. We need to once again shore up the transition payments that are promised farmers under the new farm bill at this time of price collapse.

Those are steps we can take, we need to take, we must take. In addition, we should reform crop insurance, because we know that program does not work when you have multiple years of disaster.

I just close by saying once again, I hope America is listening and understands that there are tragedies occurring across the United States. We have a tragedy in Oklahoma, a tragedy in Kansas, and we ought to respond.

There are also tragedies that are occurring below the radar screen. They are not getting the attention of the national press. They are a crisis nonetheless, and we ought to respond to them as well.

I thank the Chair and yield the floor.

Mr. President, I know my colleague from Montana is waiting to speak.

I inquire of the Parliamentarian, how much time do we have remaining on our side?

The PRESIDING OFFICER. Five minutes 15 seconds are remaining.

Mr. CONRAD. I just ask my colleague from the State of Montana if he would like that additional 5 minutes. I would be happy to yield to him at this point.

The PRESIDING OFFICER. Would the Senator from Montana—

Mr. GRAMM. Reserving the right to object, may I hear the request again?

The PRESIDING OFFICER. The inquiry was whether the Senator from Montana desires time.

Mr. BAUCUS. Mr. President, I appreciate the inquiry of the Senator from North Dakota. I would, but I want to accommodate the manager of the bill, too. I would like, at some time in the next hour or two, to speak for 15 minutes.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. To accommodate the Senator, why don't we just take 5 minutes off each side. We are going to have the vote at noon, so we will have less time. Senator SARBANES and I had an opportunity to plow this ground in some depth, so why don't we yield to the distinguished Senator 10 minutes now, and then we will begin the debate on the financial services modernization bill.

Mr. BAUCUS. If I might try once more for 15.

Mr. SARBANES. I yield the Senator another 5 minutes.

Mr. BAUCUS. Thank you very much.

The PRESIDING OFFICER. So the RECORD is clear, the Senator from Montana will have 15 minutes—10 minutes

from the Democratic side, 5 minutes from the majority side.

The Senator from Montana is recognized for 15 minutes.

Mr. BAUCUS. Mr. President, I ask unanimous consent to speak in morning business.

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

Mr. BAUCUS. Mr. President, I thank very much not only my good friend from North Dakota but my good friend from Texas, Senator GRAMM, and my good friend from Maryland, Senator SARBANES.

CHINA'S WTO ACCESSION

Mr. BAUCUS. Mr. President, I rise this morning to offer some thoughts on the negotiations towards China's WTO accession, in the aftermath of Premier Zhu Rongji's visit to the United States.

This, I submit, is a question of fundamental importance to America's trade interests. China is now our fourth largest trading partner—after Canada, Japan, and Mexico—a major market, and the source of our most unbalanced trade relationship in the world. And it is perhaps still more important to America's strategic interests in Asia. Today, I would like to review the progress thus far and its implications for these interests.

Let me begin, however, with some context about WTO accessions and the commitments they require.

The WTO really began with the creation of the General Agreement on Tariffs and Trade, otherwise known as the GATT, in 1948. At that time, 23 nations were members. Each of them agreed to a set of tariff cuts and agreed to apply the new tariffs to all other GATT members. This is the famous, or infamous, principle of "MFN," or "Most Favored Nation."

Since then, since 1948, 111 other economies—membership is no longer restricted to countries, as Hong Kong and the European Union are now members—have joined to make up today's 134-member WTO.

The original tariff agreements are also joined by agreements on sanitary and phytosanitary standards—that is, health standards—intellectual property, technical barriers to trade, and other issues. And 30 more economies have applied to join, the largest being China.

As these economies join, they must also lower their trade barriers, live up to WTO's intellectual property and agricultural inspection commitments, and so forth. For existing members, however, the only requirement is the one they adopted back in 1948: that we apply MFN—or today normal trade relations—tariffs to the new members. That is the only commitment that current members have to make.

So as we consider the commitments China has and will make to be a WTO member, we must also remember that these are fundamentally one-way concessions. Let me repeat, to enter the

WTO, China has committed to a set of one-way concessions.

Nothing in any WTO accession will mean American concessions on market access; the use of our trade laws to address dumping, subsidies, or import surges; or controls on American technology exports. Likewise, if we should choose to tighten export controls at some point in the future, nothing in the WTO accession would prevent us from doing so.

Let me now turn to the commitments China has made and to the issues which remain.

To enter the WTO, China and the existing members must do two things: draft a "Protocol" covering a set of fair trade policies, and agree on a set of market access concessions.

These are the issues which the American negotiating team addressed in the months and weeks before Premier Zhu's visit. And the results are striking. China has made a significant set of concessions in both areas. The work is not done, but let me review for the Senate some of the major elements.

Under the protocol, China has made the following commitments: It will end the practice of requiring technology transfer as a condition for investment. That is very big. This includes refusing to enforce tech transfer provisions of existing contracts. The United States is guaranteed the right to continue using nonmarket economy methods for fighting dumping and unfair subsidies.

China will end investment practices intended to take jobs from other countries, for example, local content requirements which stop auto plants from importing U.S. parts; export performance clauses requiring production to be exported rather than sold on the Chinese market, and so on. And China has agreed to a product-specific safeguard which will strengthen our ability to fight sudden import surges.

It is important in the weeks and months ahead to ensure that these provisions have acceptable duration. But it is also clear both that we will be able to use the WTO to strengthen our guarantees of fair trade, and also that we will be able to use our own domestic trade laws for the same purpose. These are fundamental parts of any successful WTO accession.

The American negotiators have also won an impressive set of commitments in market access. Let me offer a few examples: In agriculture, China has already begun by lifting its infamous ban on Pacific Northwest wheat, American beef, and also on citrus products. And when it enters the WTO, it will accompany this by major tariff cuts. For example, beef tariffs will fall from 45 percent to 12 percent, and adoption of tariff-rate quotas in bulk commodities; that is, minimum guarantees of imports into China.

The wheat tariff-rate quota, for example, has the potential to lift China's imports from 2.4 million metric tons a day to 7.3 tons for the first year China is in the WTO and more afterwards.

China will also give up any rights to export subsidies, a far cry from, say, Europe which has massive export subsidies; China going much, much further than Europe is today.

In industrial goods, China will grant full distribution rights, retailing, repair, warehousing, trucking and more in almost all products over 3 years. And it will allow American companies to import and export freely. These are concessions that will fundamentally transform an economy which now operates by requiring both Americans and Chinese to use Chinese Government middlemen in these areas. It will make large tariff cuts to an average of 7.1 percent, and it will give up the quota policies at the heart of several industrial policy ventures.

Another concession of special interest to my State of Montana is deep cuts in wood products, from levels reaching 18 percent today down to 5 and 7 percent after WTO membership. And in services, China has made commitments in every sector. They are especially strong, as I noted, in distribution, but also extend to telecommunications, to finance, to audiovisual, environmental services, law, franchising, direct sales and more. These are very significant concessions which go most of the way to creating a commercially meaningful agreement.

The U.S. negotiators deserve immense credit for their tremendous achievements of the past months, absolutely amazing, perhaps even more for their willingness to refuse bad offers in the past years and remain firm in the commitment to strong accession in all areas.

Several issues, however, remain unresolved. I am especially and very strongly concerned that we are not accepting any rapid phaseout of nonmarket economy dumping rules or import surge provisions. We can also improve on the market access commitments in several of the service sectors. However, we should also understand that there is a point at which we should say yes. We should not set a goal of transforming China's trade regime into Hong Kong's by next New Year's Day. Rather, we should expect a good, commercially meaningful accession, and we are almost there now.

Finally, let me say a few words about the broader interests involved. A WTO accession is a set of unilateral trade concessions; in this case, made by China. As such, it is in our economic and our commercial interest. It will create opportunities while making trade fairer for our working people and farmers. But it is also a piece of a larger strategy designed to create a more stable, a more prosperous and more peaceful Asia-Pacific region.

China's economic integration into the Pacific region since the opening under President Nixon in 1972 has been immensely important to our long-term national interests. We can see that very clearly in the Asian financial crisis, for example.