

that was announced late last week and show a few charts. I ask unanimous consent to proceed for 10 minutes.

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

FISCAL POLICY AND THE TRADE DEFICIT

Mr. DORGAN. Mr. President, I will come to the floor and comment generously about this fiscal policy issue of \$792 billion of tax cuts over the next 10 years. We don't have surpluses yet. We have economists who tell us we will have surpluses and when these surpluses will exist over the coming 10 years. We have an appetite for trying to figure out what we want to do with all these surpluses that have not yet materialized.

Economists at the start of this decade in the early 1990s predicted almost universally that we would have a decade of slow, anemic economic growth and continued trouble. Going back 8 years, we had a \$290 billion fiscal policy deficit. The Dow Jones industrial average had not yet reached 3,000, or it had barely reached 3,000. We had sluggish growth. In 1999, the budget deficit is largely gone. The Dow is somewhere close to 11,000. We have robust economic growth and economists predicting wonderful economic news as far as the eye can see. These are economists—who can't remember their telephone numbers or their home addresses—predicting what will happen, 3, 5, and 10 years in the future.

The result is people seize on these surpluses and say: Let's give three-quarters of \$1 trillion in tax cuts, nearly one-third of which will go to the top 1 percent of the income earners in this country. I will have a lot more to say about that in the debate which will ensue during this week. My colleague, Senator DURBIN, just read Kevin Phillips' comments that were on NPR yesterday morning. I think they were right on point. I hope we can spend some time discussing those as well.

I want to talk about another deficit, one that both parties have been largely ignoring. It is called the trade deficit.

I have here a Washington Post article that appeared last Wednesday, July 21, "U.S. Trade Deficit Hit Record High in May." This was written by Paul Blustein. Paul is the Washington Post reporter who writes their trade stories. Any time you see a trade story, it will be by Paul Blustein. He will talk to the same three or four people. They will comment in each article, and month after month the trade deficit worsens.

We have a very serious problem. We tackled the budget deficit, and wrestled it to the ground. Now, we largely don't have a fiscal policy budget deficit. It is gone. That was tough, hard work. But the trade deficit is growing and at an alarming rate.

It is interesting that this story in the Washington Post actually says that we have a trade deficit that is a record deficit, "thanks to America's unflag-

ging appetite for foreign goods." The Post, in this story, finds all of this both "heartening" and "worrisome" for the U.S. economy.

Heartening because so many Americans are feeling so prosperous that they are buying an ever-rising amount of imports.

I am more struck by the "worrisome" aspects of this trade deficit. One of those was highlighted by the Post article, with the Japanese deciding that their central bank should intervene with respect to the value of the yen against the dollar—to manipulate the value of the yen in order to influence continued exports to the United States.

What is happening to the trade deficit? This chart shows record trade deficits month after month. It means we are buying more from abroad than we are selling abroad. It means we are running a current accounts deficit that will some day be repaid by a lower standard of living in the United States.

There is a lot of disagreement among economists but none about that. A trade deficit must at some point be repaid in the future by a lower standard of living in the country that experiences the trade deficit.

Here is a chart that shows the growing U.S. trade gap, exports and imports. You will see what is happening to the U.S. exports on this softening bottom line. And you will see what is happening to the level of U.S. imports and the massive red ink that represents indebtedness that burdens this country. Should we worry about this indebtedness? The answer is, yes, of course. Should we do something about it? Absolutely, and sooner rather than later. There is now in law a commission called the Trade Deficit Review Commission. This is a piece of legislation that I authored and was cosponsored by Senators BYRD, STEVENS, and others. This Commission has been impaneled and is now beginning its work. But we have a responsibility as a country to respond to this trade deficit and to do so aggressively.

Another chart shows the deficit with respect to specific countries. Japan: We have had a trade deficit with Japan forever, it seems. This trade deficit is robust and growing, and continues to grow to record levels.

It used to be that economists would say that we have trade deficits because we have been running budget deficits. When you run budget deficits, you are going to run trade deficits. The budget deficits are gone. Why is the trade deficit worsening? Yes, with Japan, with Canada, and it is worsening with Mexico.

We used to have a trade surplus with Mexico. We were able to turn that into a deficit very quickly because we negotiated a trade agreement with Mexico that was incompetent. We have incompetent negotiations by bad negotiators that resulted in bad trade agreements and higher deficits with respect to Mexico. We turned a surplus into a deficit.

China: What is happening with China is a very substantial runup of the trade deficit in just a matter of about 8 to 10 years.

What do we do about all this? I am concerned, obviously, about not only the general trade deficit, which weakens our manufacturing sector, but also with respect to the economic stars in our country, the family farmers. Agricultural trade balances have worsened. Our agricultural trade balance with Europe declined sharply between 1990 and 1998. In Asia and Europe, our agricultural trade balance has changed in a manner that is detrimental to family farming.

Going back to the issue I mentioned on the previous chart of our individual bilateral trade relations with China, Mexico, Canada, and Japan, you will see that we are continuing to run trade deficits that are alarmingly high. Yet no one wants to talk about it, and certainly no one wants to do anything about it. The minute someone says let's take some action, someone else will say: You are proposing a trade war. What on earth can you be thinking about?

This country had better think about itself for a few minutes. It ought to turn inward and ask: What does this red ink mean to the U.S. and its future?

Even Mr. Greenspan, who is prone to understatement, indicated that this cannot be sustained for any lengthy period of time. This country must worry about its bilateral trade relationships with the countries I just described. It also must worry about its general trade strategy, which results in huge trade deficits and in the kind of trade relationships, which I think will make this country's citizens increasingly angry and anxious.

Incidentally, these trade deficits are much higher than the Washington Post reports. The trade deficit in the Post represents the combination of goods and services. If you look at trade deficits in goods, it is much higher than this. That relates to the question of what is happening to the American manufacturers.

Let me talk about farmers specifically for a moment. Our family farmers around the country are suffering through a very serious crisis. The bulk of that is because prices have collapsed on the grain market, even though the stock market is reaching record highs. The grain market has collapsed, and farmers are told their food has no value.

Another serious part is that, even though we produce more than we need and we need to find a foreign home for our grain, we discover that grain floods across our borders and livestock floods across our border, especially from Canada and other parts of the world, undercutting our farmers' interests. Why? Because we had incompetent negotiators negotiating incompetent trade agreements. They have resulted in increasing trade deficits in this country.

The story behind the headlines is the injury that is caused to family farmers, to the manufacturing sector, to that part of America's economy that has produced the strength of this country today. That strength will not long exist if we don't do something about the trade deficit. Those who talk about tax cuts for 10 years, anticipating future economic growth and future economic surpluses, will not see those develop and will not experience that growth unless we do something about this exploding trade deficit. You cannot sustain long-term economic growth when you run a \$21.3 billion deficit in one month. It wasn't more than a couple decades ago that we ran a trade deficit of a couple billion dollars in a quarter of the year. Wilbur Mills, who used to be chairman of the Ways and Means Committee, called special meetings to talk about emergency tariffs to be put on goods to reduce the debilitating trade deficits. Now they are \$21 billion a month and growing in a very significant way.

We need the Administration and the Congress to understand that the underlying trade negotiations and trade agreements we have had with a number of countries, including NAFTA and GATT, have undercut this country's interests. They do not work. They sell out the interests of family farmers in this country. They injure our manufacturing sector. I am not suggesting putting up walls and retreating. I want our producers to be required to respond to competition. But our producers cannot and should not be expected to respond to competition when our producers have one hand tied behind their backs by unfair trade agreements.

Finally, I want to talk for a moment about what happened last December with the U.S. Trade Ambassador announcing a deal with respect to the Canadian trade issue. They have all kinds of agreements that, as I said, weren't worth much. We just allowed them to put a bunch of points down on a piece of paper. I reviewed that deal, and nothing much has happened. In fact, our trade situation with Canada grows worse. Our agricultural economy grows worse. Prices have continued to collapse. Family farmers continue to be injured and, at the same time, we have durum and spring wheat, cattle and hogs flooding across the border, most unfairly traded and most in violation of the basic tenets of reciprocal trade. Yet, nothing happens. Nobody lifts a finger to say let us stand up on behalf of your interests and take the actions you would expect the Federal Government to take to insist on fair trade.

IN MEMORY OF JUDGE FRANK M. JOHNSON, JR.

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of S. Res. 165, in memory of Senior Judge Frank M. Johnson, Jr. of the United States Court of Appeals for the

Eleventh Circuit, submitted earlier by Senators HATCH, LEAHY, and others.

The PRESIDING OFFICER (Mr. GREGG). The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 165) in memory of Senior Judge Frank M. Johnson, Jr., of the United States Court of Appeals for the Eleventh Circuit.

There being no objection, the Senate proceeded to consider the resolution.

Mr. HATCH. Mr. President, late last week, Senior Judge Frank M. Johnson, Jr. of the Eleventh Circuit Court of Appeals passed away at his home in Montgomery, Alabama. Judge Johnson will be remembered for his courageous stands in some of the most difficult struggles of the Civil Rights era. At a time when men of lesser fortitude would have avoided direct confrontation on the highly unpopular issues of school desegregation and voting rights for African-Americans, Judge Johnson stood firm on his convictions and the law.

Soon after his appointment to the district court by President Eisenhower in 1955, Johnson took the courageous step of striking down the Montgomery law that had mandated that Rosa Parks sit in the back of a city bus. He believed that "separate, but equal" was inherently unequal. Judge Johnson upheld the constitutionality of federal laws granting African-Americans the right to vote in Alabama elections. He believed in the concept of "one man, one vote."

Despite tremendous pressure from Governor George Wallace, Judge Johnson allowed the voting rights march from Selma to Montgomery to proceed despite threats of continued civil unrest and violence. The national fervor that followed the march resulted in the enactment of the Voting Rights Act of 1965.

Today, around a courthouse that bears Frank Johnson's name in Montgomery, there are integrated schools, buses, and lunch counters. Truly representative democracy flourishes in Alabama with African-American state, county, and municipal officials who won their offices in fair elections with the votes of African-American and white citizens. In large part because of Judge Johnson, attitudes that were once intolerant and extreme have dissipated, but the example he set has not.

The members of the Judiciary Committee extend our deepest sympathies to Judge Johnson's family and the host of friends that he had across the country. We will always remember this federal judge for exemplifying unwavering moral courage in the advancement of the wholly American ideal that "all men are created equal" and deserve "equal protection of the laws."

Mr. LOTT. Mr. President, I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements re-

lating to the resolution be printed in the RECORD.

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

The resolution (S. Res. 165) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 165

Whereas Frank M. Johnson, Jr. was appointed a United States District Judge in Alabama by President Eisenhower in 1955;

Whereas Judge Johnson was elevated to the United States Court of Appeals for the Eleventh Circuit by President Carter in 1979;

Whereas in a time when men of lesser fortitude would have avoided direct confrontation on the highly unpopular issues of school desegregation and voting rights for African-Americans, Judge Johnson stood firm in upholding the constitution and the law;

Whereas Judge Johnson struck down the Montgomery, Alabama law that had mandated that Rosa Parks sit in the back of a city bus, because he believed that "separate, but equal" was inherently unequal;

Whereas Judge Johnson upheld the constitutionality of federal laws granting African-Americans the right to vote in Alabama elections, because he believed in the concept of "one man, one vote";

Whereas despite tremendous pressure from Governor George Wallace, Judge Johnson allowed the voting rights march from Selma to Montgomery to proceed, thus stirring the national conscience to enact the Voting Rights Act of 1965;

Whereas today, around a courthouse that bears Frank Johnson's name in Montgomery, Alabama there are integrated schools, buses, and lunch counters, and representative democracy flourishes in Alabama with African-American state, county, and municipal officials who won their offices in fair elections with the votes of African-American and white citizens;

Whereas in part because of Judge Johnson's upholding of the law, attitudes that were once intolerant and extreme have dissipated,

Whereas the members of the Senate extend our deepest sympathies to Judge Johnson's family and the host of friends that he had across the country;

Whereas Judge Johnson passed away at his home in Montgomery, Alabama on July 23, 1999;

Whereas the American people will always remember Judge Frank M. Johnson, Jr. for exemplifying unwavering moral courage in the advancement of the wholly American ideal that "all men are created equal" and deserve "equal protection of the laws" and for upholding the law: Now, therefore, be it

Resolved by the Senate, That—

(1) The Senate hereby honors the memory of Judge Frank M. Johnson, Jr. for his exemplary service to his country and for his outstanding example of moral courage; and

(2) when the Senate adjourns on this date it shall do so out of respect to the memory of Judge Frank M. Johnson, Jr.

UNANIMOUS CONSENT REQUEST

Mr. LOTT. Mr. President, I believe we are about ready to make the unanimous consent agreement to proceed with the Interior appropriations bill. We had one further modification. I believe it is being cleared on both sides.

I expect there will be no problem, and hopefully we can go forward with that.