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Senate

The Senate met at 11 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, we praise You for new beginnings and fresh starts. Things never need remain the same. Because of Your grace, we need not perpetuate the problems of the past. Last week was a week of conflict, sharp disagreements, and acrimonious differences over the procedures and methods of managing the work of the Senate. Here we are, at the beginning of a new week. We know that we cannot remain deadlocked and debilitated by differences. Grant the Senators the willingness to listen to one another. May both parties be willing to place the highest priority and value on finding a way to move forward together. Remind them that there is nowhere else to go, no escape from the responsibility of leading the Nation together. Help all of the Senators to discern what is needed for the parties to function effectively together and then to commit themselves to doing everything they can do, not to defend a position but to discover Your plan for unity and oneness in the spirit of patriotism. Father, we need You. Our efforts have not worked. We need Your intervention, Your vision for a solution, and Your power to make things work. Extricate us from being part of the problem to becoming part of Your solution. You are our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Arizona is recognized.

Mr. KYL. I thank the Chair.

SCHEDULE

Mr. KYL. Mr. President, today the Senate will be in a period of morning business with Senators DURBIN and THOMAS in control of the first 2 hours. For the information of all Senators, it is the intention of the majority leader to begin consideration of the agricultural appropriations bill during Tuesday's session. The leader has announced that the Senate will remain in session notwithstanding the Memorial Day recess in order to complete this important spending bill. Therefore, Senators can expect votes throughout the week and into the weekend if necessary.

Mr. President, I observe the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KYL). Without objection, it is so ordered.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction for morning business with Senators permitted to speak therein for up to 5 minutes each. Under the previous

order, the time until 12 noon will be under control of the Senator from Illinois, Mr. DURBIN, or his designee.

The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, I ask consent to use as much of the time allocated to Senator DURBIN as I may use.

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

SUGAR PROGRAM

Mr. DORGAN. I noticed in the Washington Post this morning an editorial I wanted to comment on briefly. Those noted experts on agriculture and the farm program who write editorials for the Washington Post have written an editorial today entitled "A Deal Too Sweet" about the sugar program. I can just see them sitting out there in their Big Ben coveralls dumping sugar into their coffee, cogitating about America's sugar program and America's farm program. I want to suggest to them to look in a different direction.

They see a program in this country where sugar prices are kept far too high, in their judgment. They believe the market for sugar would produce prices at just a fraction of what the sugar program currently provides sugar producers. I fear the Washington Post just does not understand the sugar program or the market.

Most sugar in this world is traded contract to contract between countries. Very little is traded in the open market. What is traded in the open market is the surplus or the dumped sugar. This dumped sugar is traded at very low prices, but that does not reflect the cost of sugar that is traded between countries.

For a number of reasons, the sugar program is not working as well as it had in the past. For a long period of time the sugar program provided both stable prices for consumers and also stable income, or stable support for

PLEDGE OF ALLEGIANCE

The Honorable JON KYL, a Senator from the State of Arizona, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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sugar producers. Is this a worthwhile goal? I think it is.

We have seen times in this country when the sugar prices spiked up, up, way up, which was a terrible disadvantage to America's consumers. We have seen circumstances as well where farm income has dipped way down. That was devastating to producers. At least with respect to this commodity, sugar, we developed a program that provides stability for both consumers and producers. This makes sense to me.

The sugar program has not worked as well in recent months and years. The reason, in my judgment, is because the current underlying farm program has not worked. As prices have collapsed for most other commodities, and as we have pulled the rug out from under producers with a farm program called Freedom to Farm, we have had more acreage put into sugar production in this country.

In addition to that, we have had molasses stuffed with sugar coming in from Canada, which is just another method of transporting sugar into this country in excess of the amount agreed to by our trade agreements. We have a significant threat from Mexico, despite what we thought was an agreement on sugar, so we have a whole series of threats to those who produce sugar—cane and beet—in this country.

The Washington Post would make the case: Let's just get rid of the sugar program. Others will probably make the same case. It would be interesting to ask the following question, and perhaps get an answer from the Washington Post and others who believe this. The question would be: While sugar prices have fallen by a fourth since 1996, has anyone seen a reduction in the price of sugar at the grocery store? Let me repeat, prices to the producer have fallen by one-fourth; has anyone seen a reduction in the price of sugar at the store? What about candy bars, cereal, ice cream, cookies?

The answer is no. In fact, during that same period of time, while the price of sugar to the producer has fallen by a fourth, those prices—candy, cereal, ice cream, cookies, and cake—are up 7 to 10 percent.

The point is this. This program has worked and can work again if we have a decent farm bill. But it will not work in the long term unless we amend and change the Freedom to Farm legislation which is the underlying problem with all farm commodity prices.

This is not the time, and we should not allow those who preach it to decide the sugar program ought to be repealed. The sugar program has worked, and it is good for sugar producers and consumers in this country.

I wanted to make the case that those who editorialize about it, including this morning's editorial, in my judgment, are wrong. I respect their opinion, but I think they are wrong. It is, once again, a question not just for those who produce sugar—in my part of the country, there are family farmers

who raise sugar beets—it is a question of do we want to have family farmers in this country's future.

Some say family farmers are a little old timer that got left behind when the interstate came through. Yes, it is nostalgic, yesterday's news, let's just get on with big corporate farms. I do not believe that. I believe family farmers contribute to the value and culture of this country in a significant way. If we decide there is no virtue between the crevices of mathematics and concentration—if we decide family farms do not matter—this country will have lost something significant, in my opinion.

One part of needed farm policy change, but an important part for those who produce sugar beets in our country, is the retention of a decent sugar program that provides some stability of income for producers. I hope my colleagues will understand this in the coming weeks and months as we begin discussing the farm program and related issues such as the sugar program.

TRADE DEFICIT

Mr. DORGAN. Mr. President, what piqued my interest last Friday and this morning was the announcement of the trade deficit. It is interesting to me, the deafening silence that occurs in this Chamber and around this town especially regarding the monthly announcement of our trade deficit.

I prepared a chart that shows our growing and alarming bilateral merchandise trade deficits. This is last year, 1999. As announced on Friday, our monthly merchandise trade deficit rose to \$37 billion. We have a surplus in our services trade balance, so if services are included the net effect is a \$30 billion merchandise and services deficit. In other words, we buy \$1 billion a day more from other countries than we sell to other countries—\$1 billion a day.

What does that mean? It means that is the debt we have and the liability we incur.

Does it matter? We had people doing handstands and having apoplectic seizures on the floor of the Senate for years and years about the fiscal policy deficit. They would come and talk about the Federal budget deficit, what a god-awful thing it was—and it was—\$300 billion a year and rising out of sight.

With respect to this merchandise and services deficit—\$30 billion a month net, \$37 billion with respect to merchandise or manufactured goods, over \$1 billion a day—one cannot find anybody who pays any attention to it or cares much about it. Why? Because the institutional thinkers in this country, once again on Friday, were reflecting, as they always do when this news comes out, about how the deficit is not such a bad deal. This trade deficit means America is growing faster than other countries. If we are growing faster than other countries, then natu-

rally we will be buying more from abroad and perhaps selling less to them. We will therefore have this trade deficit.

These are the same economists, the same "thinkers," who told us in 1994: Why do we have a trade deficit? Because we have a fiscal policy deficit. If we get rid of the budget deficit, we will get rid of the trade deficit.

I can give names, but they are embarrassed when I read their quotes with their names. They are the same economists who said we have a trade deficit because we have a budget deficit. They said the trade deficit will be gone once the budget deficit is gone. No, that is not the reason at all. We do not have a trade deficit because we are growing faster than other countries. That is an absurd contention, just absurd.

We have a trade deficit with China because our country is growing faster than China? No, China has an economy which is growing very rapidly. Our trade deficit with China, which is very close to \$70 billion a year, is because we are buying more from China than they are buying from us. Is that because they do not need things? No, it is because they are buying from other countries instead of us.

Why do we allow that to happen? Because we are weak-kneed and do not have a backbone. Our country has never had the backbone to say to other countries: You must have a reciprocal trade relationship with us. If we are going to treat you in a certain way and we welcome you into our marketplace, then we must be welcome in your marketplace. We have never had the backbone to do that.

On Friday, the merchandise trade deficit with Japan increased from \$6.7 billion to \$6.8 billion. That means, with Japan, we have a merchandise trade deficit approaching \$80 billion. How many years do you have to have \$50 billion, \$60 billion, \$70 billion, \$80 billion trade deficits with the same country before someone will stand up and say: There is something wrong here. They keep selling us all of their goods, but they buy what they need from others.

I represent, for example, ranchers. I know I mentioned this before. I represent farmers and ranchers and others. Every pound of American beef going into Japan today has a 38.5-percent tariff on it. This is a country that has a nearly \$80 billion trade surplus with us, or we have a deficit with them. Send a T-bone steak from Dickinson, ND, to Tokyo, Japan, and there is going to be a 38.5-percent tariff on the T-bone steak. What is that about? Does one think we would be considered a massive failure in international trade as a country if we had 38.5-percent tariffs on products imported into our country? Of course we would.

Yet we have a trade relationship with Japan that allows them to have a 38.5-percent tariff on beef—this is after we reached an agreement with them, by the way. We had a big trade agreement for beef producers about 10 years ago.