

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

The Senator from North Dakota.

Mr. DORGAN. Mr. President, I want to visit about some issues today; two of them deal with trade and one deals with the issue of safer schools.

UNITED STATES TRADE RELATIONSHIP WITH CANADA

Mr. DORGAN. Let me begin by talking just for a moment about trade.

I generally come to the floor to talk about NAFTA, which is our trade relationship with our neighbor to the north, Canada, and our neighbor to the south, Mexico. Let me limit that this morning to our trade with Canada.

I say on a broader scale that our NAFTA trade agreement in my judgment has been a failure. We now have a \$40 billion combined deficit with our two neighbors, Canada and Mexico. Prior to the enactment of NAFTA, the trade agreement with our two neighbors, we had a much more positive balance of trade. But since the enactment of NAFTA, we now see a nearly \$40 billion combined trade deficit, which I think is a very serious problem. It is a growing problem, and one that we must deal with.

But let me just deal with one part of the trade problem with Canada today. There is an avalanche of Canadian grain that is moving across our border, flooding into our marketplace, and that is depressing grain prices here in this country and taking money out of the pockets of American farmers.

This might be a fairly boring subject to some, but not if you are a farmer. If you are a farmer out there struggling, and you see the prices drop for wheat, Durum, barley, and other things you are producing, and then see Canada flood our markets with Canadian grain, you get pretty angry about it, and justifiably so.

We had an agreement with Canada, something called tariff rate quotas, for a year which established levels of Canadian shipments of wheat, Durum, and other wheat coming into this country. That tariff rate quota expired, but the administration indicated they would unilaterally enforce that quota. Well, at this point Canada has shipped a quantity of grain into this country that is already above the tariff rate quota for this marketing year. And it is shipping Durum wheat into this country at a level that will exceed the tariff rate quota as well. It has not yet done so, but will exceed the tariff rate quota.

Canada seems not to care very much about what this country thinks about these trade arrangements. We had a consultation with Canada about a week or two ago in Montreal, I believe, and the Canadians responded in a way that was wholly unsatisfactory to these issues. In essence, the Canadians seemed to be saying, I am told, that they intend to do nothing about it and they intend to continue to ship their grain into this country.

I am asking the President to do a couple things. One, inasmuch as the Canadians are not exercising a good neighbor policy on this trade, we should take some action.

Just to back up for a moment, when the United States-Canada Free Trade Agreement was enacted by Congress, the Trade Ambassador, then Trade Ambassador Clayton Yeutter, said to Congress that the evidence of good faith in this trade relationship is that there will not be an increase in grain coming across our border following the enactment of this trade agreement. Well, that was not worth the paper it was written on. But that is the assurance he gave in writing to Congress. Of course, we have been flooded with Canadian grain ever since.

Here is what we ought to do. First, the United States ought to target Canadian foreign markets overseas. We ought to use our export enhancement funds in Venezuela, South Africa, West Africa, Tunisia, for example, to replace Canada as a major wheat supplier to those markets. If Canada is going to cause injury to our domestic marketplace for wheat, then it is time for us to go after their foreign markets and have them pay a price for their behavior under this trade agreement.

Second, I think the administration ought to take immediate action to unilaterally stop Canadian wheat shipments from coming into this country. They said they would unilaterally enforce the tariff rate quota. Canada has already exceeded that tariff rate quota on spring wheat and other wheat, and will exceed it on Durum. The administration should shut the border to additional wheat shipments coming into this country.

Third, the Canadian Wheat Ambassador is coming to this country, I believe, this week. I intend to seek a meeting with the Canadian Trade Minister, and ask some of my colleagues to participate in that. I am also going to seek a meeting with the Trade Ambassador and deliver to him personally my concern about what is happening with Canadian grain.

The fact is, grain prices are collapsing in this country. Family farmers are struggling to make a living, and at the same time they are seeing their prices collapse and their income go down. The Canadian grain is flooding across our border. It does not make any sense at all.

I will share one additional point with my colleagues. I went to our border with Canada. I of course come from North Dakota, and we share a long border with Canada. I went to the border in a little, orange, 12-year-old truck with some Durum wheat in the back. We went to the border to take that Durum wheat into Canada. And all the way to the border we saw 18-wheel trucks coming from Canada to the United States hauling Canadian grain—all the way to the border, truck after truck after truck after truck, coming into the United States hauling Canadian grain.

We got to the border in this little, orange, 12-year-old truck with a little Durum in the back. And guess what. You could not take one grocery sack full of American Durum wheat into Canada, not one. Not only couldn't you get this little, orange truck with Durum into Canada, you could not take a grocery bag full of wheat into Canada. That trade relationship is unfair, and it ought to be changed.

TRADE WITH CHINA

Mr. DORGAN. Mr. President, let me turn to a second trade issue just very briefly. That is the issue of trade with China. We are going to confront, in the coming weeks, the issue of most-favored-nation trading status with China.

I was in Beijing a few months ago and met—along with Senator DASCHLE, the minority leader, and some others, Senator KEMPTHORNE, Senator GLENN, and Senator LEAHY—with the President of China. The President of China talked about the trade between the United States and China, and said that they were enjoying this trade relationship. They should. This trade relationship is too much now a one-way relationship between the United States and China. China now has a \$40 billion trade surplus with the United States, or, to put it another way, we have a \$40 billion merchandise trade deficit with China. It is unforgivable that kind of failure in trade should occur.

Now, let me talk just a little about that. I have put on the easel a chart that shows merchandise trade deficits. We have had a lot of talk in this Chamber about budget deficits and a lot of work to deal with budget deficits. Nobody talks about trade deficits. We have the largest merchandise trade deficit in American history right now. What does that mean? That translates into jobs leaving this country. That is what the merchandise trade deficit means—a weaker manufacturing sector in America and jobs moving overseas.

Now, the largest merchandise trade deficit in history occurs because we have a significant merchandise trade deficit with a number of countries, one of which is China. Here is what has happened in merchandise trade deficits with China in recent years. Go back 10 years and what you will see is a massive increase in the merchandise trade deficit with China, now nearly \$40 billion. The growth in United States exports to China is not nearly as strong as the growth in imports from China.

Now, people say if you read a newspaper about our trade with China, here is the way they do it. It is like dancing the jig. They say, did you know our exports from the United States to China are up triple? We have tripled our exports. Yes, that is right here. It went from \$3.6 billion in 1980 to \$11.9 billion in 1996. So we read that in the paper, and they do this all the time, we have tripled our exports from the United States to China. You think, gee, what a