

This is why I am proud to add my name as a cosponsor of a bill to reauthorize the Older Americans Act. This Act helps to assess the needs of seniors and provide services to fill these needs. Funding through this Act provides nutrition, disease prevention, and in-home health service programs for the elderly. The Older Americans Act will also provide for community service employment for senior citizens with low income, so that they may continue to demonstrate the strength of their work ethic. Furthermore, the Act will allow state and local aging agencies to operate as advocates to promote the rights of older persons. As more and more Americans enter the older generation, it is critical that the mechanisms which have provided assistance continue to be able to lend support. We must not forget the lessons which these men and women have passed on to us and to our children. To do so would be to debase their contribution to the prosperity of our own posterity. The generous contributions our seniors have made will continue to propagate long after the grandchildren of today leave this world. Remembering our older Americans, and the importance of their influence on many young, fresh lives, is perhaps the most apt offering we can bestow as we celebrate Grandparents' Day.

Mr. President, I yield the floor. In doing so, may I thank my friend from North Dakota, Mr. DORGAN, for his patience, and all others on whose time I have transgressed.

I thank him also for his contributions to the work of the Nation, for his knowledge, for his clearheadedness, for his evenhandedness, and for the inspiration that he gives to me and all of my colleagues.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 20 minutes.

Mr. DORGAN. Mr. President, let me thank the Senator from West Virginia for his kind words. He always contributes immensely to this Senate when he rises and speaks to the Senate and to the American people. I am enormously proud to serve with Senator BYRD, as I have indicated on previous occasions.

#### THE FARM CRISIS

Mr. DORGAN. Mr. President, I come to the floor today to talk briefly about a couple of issues that are of critical importance to the country, and especially to that part of America that I come from—North Dakota, the farm belt. It is an important part of our country. Our country is made up of many parts—of cities, of country, of family farms, of main streets, and small businesses. But we are going through a very, very tough time in rural America.

I asked the majority leader some moments ago on the floor of the Senate about the ability to deal with this farm crisis through some action by this Con-

gress before we adjourn. I was impressed that he indicated that it is his intention for us to take up legislation to address this farm crisis once again as we did in the month of July. It is an urgent situation.

The future of many family farms and the future of many families living out in rural America depends on this Congress stepping up and making the kind of decisions that will give them the opportunity to make a decent living on the family farm.

When I talk about my part of the country, or our part of the country, I am reminded of something that Daniel Webster said. He was one of the giants of this institution. In fact, his portrait is on the wall out here in the reception room of the U.S. Senate. He is recognized as a giant in the history of this body. When THOMAS Jefferson made the Louisiana Purchase, which was fairly controversial at the time, let me read to you what Daniel Webster said. Remember; this a part of the country that I come from. About that Louisiana Purchase, Daniel Webster said:

What do we want with this vast, worthless area, this region of savages and wild beasts, of desert and shifting sands and whirlwinds, of dust, cactus, and prairie dogs? What can we ever hope to do with this western coast, a coast of 3,000 miles, rockbound, cheerless, uninviting, and not a harbor on it? What use do we have for this country?

Daniel Webster is not considered thoughtless because he made this statement. But it is quite clear, I suppose, to all of us now that he missed the mark some.

"What do we want with this vast, worthless area?"

Gosh. What a remarkable part of our country that Louisiana Purchase became.

Then a couple of years after Daniel Webster asked this question about that part of America, Thomas Jefferson sent Lewis and Clark to explore that area, and it was one of the great expeditions in the annals of American history.

Lewis and Clark, on May 14th, 1804, left St. Louis, MO, with 44 men and 120 gallons of whiskey, by the way, purchased with government vouchers. The President said, "Buy whatever you need." I have made jokes about the need to purchase 120 gallons of whiskey to get them through certain States. But I will not repeat those jokes here. I do that only because I think it is interesting to study the history of that Lewis and Clark Expedition. It was a remarkable expedition.

In April of 1805—April 7, to be exact—after Lewis and Clark had gone from St. Louis up to what is now near Washburn, ND, and spent the entire winter with the Mandan Indians, before they began the next portion of their journey to the West Coast, April 7, 1805, Captain Lewis wrote a letter to Thomas Jefferson. That letter—a six-page letter—was put on a keelboat with some soldiers and sent down the Missouri back to St. Louis, then down to New Orleans by boat, then to Washing-

ton, DC, to Thomas Jefferson. And then we never heard another word from Lewis and Clark for 17 months. Then we discovered on the conclusion of that remarkable expedition that they had been to the West Coast and back. And they told us what they found in this remarkable country of ours.

That letter, by the way, just for interest sake, was never viewed by the public until a couple of months ago. That letter, in a special effort by the Library of Congress, is now being viewed publicly at an Interpretation Center of Lewis and Clark near Washburn, ND, with all proper security, about a mile from where Captain Lewis wrote the letter in the year 1805 on April 7. He sent it by keelboat down the Missouri, all the way around to President Jefferson, and, of course, it came back in by jet airplane nearly 200 years later.

I tell you that just to say that this is a wonderful, remarkable country, and in our part of the country, which is called the farm belt, a rural area of the country, we are having an enormous amount of difficulty, one that requires this Congress' attention.

There are two things that are of great concern to us.

The collapse of grain prices means that we see the threatened loss of thousands and thousands and thousands of families who now live out on the family farm. Grain prices have flat out collapsed. Crop disease has come and visited our State—the worst crop disease of the century at the same time that grain prices have collapsed. And, on top of that, these farmers also fail because of unfair trade, unfair trade which helps cause the grain price collapse; an enormous amount of unfair trade, unfair trade that no one seems to be interested in doing anything about.

That brings me to the point I want to make today dealing with our trade problems, especially with our neighbors to the north—the Canadians—but these trade problems relate to Mexico, to France, to China, and to other countries as well.

Let me describe the problems just briefly, as I have before, and then tell you why I am especially interested today.

Trade agreements: There are those talking about this mantra of free trade saying let's do more free trade agreements, and the more we trade, the better off we are, and the better it is for our country. Trade statistics show that as we negotiate these agreements, agreement after agreement, whoever is negotiating these agreements must not be keeping their eye on the ball, because agreement after agreement we see deeper and deeper trade deficits for this country.

I ask those who negotiate our agreements: Is there any chance you might negotiate a trade agreement that is in our country's best interest just once; something that benefits our country instead of deepens our trade deficits?

The economic all-stars in trade have become America's family farmers. We have an abiding and abundant trade surplus in agricultural commodities and products. But that is shrinking, as you can see. That is shrinking because the trade agreements that have been developed over the years with other countries—the Canadian agreement, Mexican, and others—have not been in the interest of our farmers. They have created a bifurcation of trade strategy so that we become a sponge for virtually anything anyone wants to send into our country, even if it is sent here unfairly. And we increasingly cannot get our products into other countries' markets. The result is that the agricultural trade surplus, which once was healthy and which once reflected the one bright spot on our trade picture, is now itself diminishing.

Our foreign debt grows to finance this trade deficit. You know what red means, and I have shown many of these charts before that show that the trade debt is increasing and increasing dramatically.

Now, we have a U.S. trade ambassador's office that negotiates trade treaties. I voted against, I guess, the last three or four of the treaties they have negotiated. They went and negotiated one with Canada and, fundamentally, in my judgment, sold out the interests of American farmers. I think I can demonstrate it; I think I have. Then they negotiated NAFTA with Canada and Mexico. Same thing—a wholesale exodus of American jobs. They negotiated GATT—fundamentally unsound in the way it was negotiated to protect our producers' economic interests. I am not talking about being protectionist now. I am talking about standing up for the economic interests of our producers to say, if you must compete—and that is a worthy objective—then we will make sure the competition is fair.

Has that happened in all of these recent trade agreements? Not at all. Because these folks are interested in negotiating agreements, some kind of trade agreements that comport with some notion of free trade they have, a notion that is foreign to the folks where I grew up.

Is it free trade to say to an American producer, you go ahead and produce a product, then ship it to a marketplace and try to sell it? And by the way, you are going to compete with a manufacturing plant in Sri Lanka or Indonesia or Bangladesh, and they are going to hire 14-year-old kids and pay them 14 cents an hour; they are going to work them 14 hours a day, and they are going to make that product dirt cheap so they can increase their corporate profits; they are going to ship that product to Philadelphia, Los Angeles, Pittsburgh, or Fargo, and you, Mr. and Mrs. Producer, compete with them, go ahead, compete with them. Is that fair trade? Absolutely not.

Or how about saying to a mom and pop operation in this country that is

producing a product, you produce a product, but we need to make sure you are not polluting our air, not polluting our water, not hiring kids, and you don't have unsafe plants?

So we have restrictions on air pollution, restrictions on air and water pollution, we have child labor laws, and we have worker safety provisions. And then we say, you produce that product under those conditions—and I support all of those conditions, by the way—and then go compete, and when you compete, you compete against a plant in some country tens of thousands of miles away that doesn't have any restriction on dumping chemicals into the air, chemicals into the water, hiring kids or having unsafe factories. And so they increase corporate profits, make cheaper products and ship them here and compete unfairly.

I ask our trade ambassadors to defend that; defend that. And if you can't, then don't go negotiate another treaty for this country unless you can demonstrate to the American people you are willing for a change, for once, to stand up for this country's economic interests.

Now, there will be some people in this town who will listen to this, and they say, well, this guy is some xenophobic isolationist, and that is what all this language is about. I am not that: we need to find a foreign home for much of what we produce in farming today.

I want expanded trade, I want expanded trade opportunities around the world, but I am flat out sick and tired of our farmers and our business men and women being consigned to trade internationally in a circumstance where our trade negotiators have negotiated trade agreements that, A, are incompetently negotiated so they put us at a disadvantage and, B, totally non-enforced, unenforced. They won't lift a finger to enforce a trade agreement that I can see.

This morning I read in the paper that our steel industry is going to file an action alleging that there is dumping going on in this country. I don't even know much about it, but I say to the steel industry, sign me up as a supporter. It is about time people start standing up for their interests and demanding that trade competition be fair competition.

The first 25 years after the Second World War, trade policy could be foreign policy and we could tie one hand behind our back and beat anyone, anytime, anywhere. That was fine. War-torn Europe was trying to restore itself, and we were dealing with weak competitors. That is not true anymore. Now we have shrewd, tough international competitors, and the fact is our trade policy is still half foreign policy and our negotiators and our trade agencies don't seem to give a whit about either negotiating good agreements or enforcing the agreements we have.

That brings me to the issue of Canada especially. While our farmers face

collapsed prices and are having auction sales the Trade Representative does nothing. You can go to those auction sales and see the tears those farmers cry because they have lost more than a farm and a home; they have lost their hopes, their dreams and everything they wanted to do in life. And one of the reasons that that is happening and that prices are collapsing is this grain from Canada, durum, wheat, barley, is flooding through our back door because of a trade agreement that was, again, incompetently negotiated.

It is unfair trade, in my judgment. That is quite clear. It is sent here by a State trading agency in Canada which would be illegal in this country. A State trading monopoly in Canada would be illegal here. It sends that grain with secret pricing. By the way, we don't have secret prices here. Their prices are secret, and yet our trade agency refuses to lift a finger, doesn't lift a finger. And they boast about all the work they are doing.

Senator BYRD once talked about Aesop's fly. It probably fits here. Aesop's fly, sitting on the axle of a chariot observing, "My, what dust I do raise." Yes, my, what dust this USTR does raise. It is not even relevant to what is going on. The fact is, there are levers, there are opportunities, for our agencies to use, including the USTR, to stand up and fight for fair trade for our producers, our farmers, and our manufacturers, and they consistently refuse to do it.

I will have more to say about this specifically next week and specifically about USTR and specifically about the trade agreement with Canada. I will have more to say about it next week. But this country and this Congress should not allow this to continue where our producers are confronted with unfair trade circumstances. We either ought to expect an agency to stand up and fight trade fairness or get rid of the agency; just get rid of it. Stop pretending.

Mr. President, I mentioned Canada. I could talk about beer, Mexican beer coming north and American beer not going south. That is liquid barley, I guess. You know that is where beer comes from. I could talk about looking at trade through the eye of a potato, whole potatoes south, french fries north with the Mexican agreement. Or maybe we could do it with something everybody understands—Beanie Babies. You go stand at the border and see a convoy of trucks coming south with millions of bushels of Canadian grain, coming into a country that already has too much grain, and the result is prices are collapsed. And at the same time those convoys of trucks and railroad cars with millions of bushels of Canadian grain are coming into our country, trading unfairly, incidentally, at the same time that happens, try to bring a Beanie Baby in, and they stop you at the border and say, oh, no, you can only bring one—one. You only get one Beanie Baby to come across the border.

So we are willing to stand up for cloth dolls filled with beans but not for family farmers whose lives, whose economic lives are threatened, who are going out of business in record numbers, going out of business so fast that they have had to call auctioneers in my State out of retirement to handle the auction sales.

Am I upset about this? Yes. I am upset because I am a part of a system here that anticipates that those in the system will do what they are supposed to do, and I am especially upset with the U.S. trade ambassador's office. It is not new. I have been upset with them for years. But there is a new energy at this point because they are sitting on their hands doing essentially nothing while our farmers are going out of business. And there is a real and abiding problem that all of us understand that they refuse to take action to deal with it.

I will revisit this subject next week, early next week on the floor of the Senate and have more to say about the USTR with some specifics, and also about Canada.

But I wanted to make the point today, once again, that as part of the response to the farm crisis that I asked Senator LOTT about today, we must deal with strengthening prices. We must deal with an indemnity program that Senator CONRAD and I got passed.

But we must also deal with the trade component, because we can't continue to try to find a way to deal with strengthening prices and finding new markets overseas for our grain products and then have a flood or an avalanche of grain coming through our back door, unfairly traded into our country.

That is not fair to farmers. They ought to expect more. I certainly expect more. And the President ought to expect more from the U.S. Trade Ambassador's office, and as I said, I will have more to say about that early next week.

#### THE FEDERAL RESERVE BOARD

Mr. DORGAN. Mr. President, let briefly turn to one additional subject. That is the question of interest rates and the Federal Reserve Board. I want to talk about this because it also affects farmers—not just farmers, but all producers and all Americans. There is a lot of discussion these days about what is happening to the economy in our country. We have plenty of challenges. But it is also hard to miss some good news. The unemployment rate has gone way down. And the Federal Reserve Board, as most of us will recall, said: Now be careful, because if the unemployment rate ever falls below 6 percent there is a natural rate here below which we will get new waves of inflation; go below 6 percent, the Fed said, and we are going to have inflation problems.

Of course, the Fed was dead wrong. We have had unemployment below 6

percent for 4 years now. Inflation has not gone up, it has gone down. But this is good news for the economy. The unemployment rate continues to be down. The Consumer Price Index has gone way down too. The core rate with respect to the CPI is 2.2 for the last 12 months ending in July.

Finally, the real Federal Funds Rate, that is the short-term interest rate, adjusted for inflation, that the Federal Reserve Board sets, is 3.9 percent, the highest it's been in nine years. When inflation is way down here and the Federal Funds Rate, the real interest rate, is up here, you ask the question: Why? Let me see if I can answer that question and give just a bit of advice to the Federal Reserve Board.

The Federal Reserve Board is doing its best imitation of petrified wood. It is not a tough imitation for them. All you have to do is look at the Federal Reserve Board and it resembles the Petrified Forest. In fact, what I would like to do is, just for those who might be watching or those who might be interested, I would like to show them the Federal Reserve Board's Governors and regional bank presidents, because they don't get enough attention.

Here is who they are, here is where they are educated, largely their experience, and this is how much money they make. This is who sets interest rate policy in this country; interest rate policy which now has short-term rates too high and therefore the prime rate and other interest rates is too high.

Jerry Jasinowski, President of the National Association of Manufacturers, says:

Interest rates are a dangerous drag on the economy in view of the fact that 1/3 of the world is in a recession.

He calls on the Fed to cut interest rates.

Dr. Sung Won Sohn, Norwest Corporation:

If the Fed were to cut interest rates today, it would help ease the farm crisis, which has become critical because of low commodity prices, bad weather, crop disease, and so on.

James Glassman—I don't quote him very often, but James Glassman says:

[Interest] rates are not really as low as they seem. After adjusting for inflation, long-term rates are high, and short-term rates are even higher. . . . The longer the Fed waits (to cut rates), the closer a serious slowdown, or recession, becomes.

Mr. President, the Federal Reserve Board's Open Market Committee will meet on September 29. Two of these folks still probably think that interest rates ought to be increased, despite the fact that our economy is slowing down and the real interest rates are far too high now. It might serve the money centers' bankers' interests. It certainly does not serve the interests of the producers in this country. And there has been, for 200 years in this country, a tension between those who produce and those who finance production. At this point, with this crowd, it tilts in favor of those who believe it might be in the interests of the Fed to serve their con-

stituency, the money center banks. But there is no reason, given the economic circumstances in our country today, for them not to put interest rates where they belong, given the current rate of inflation, and that would augur not for an interest rate increase on September 29, but a cut.

Here are the folks. Here are their names. You could put them in a barrel and shake them all up and you would still have a gray suit, somebody with an economics background, no one from my part of the country, and no one who has ever fixed anything or built anything.

In fact, we have a vacancy now, and I said I would like my Uncle Joe to be considered for that. My Uncle Joe doesn't have any particular skills that would suggest him for the job, but he used to fix generators and alternators, so he has run a business and worked with his hands. He fixes things. Nobody here represents producers. Nobody on the Federal Reserve Board has an understanding, in my judgment, about the productive side of our economy.

My Uncle Joe is not going to be seriously considered, I suppose. But what we will probably find is this administration, like all others, will find somebody who looks just like this, same color suit, Ph.D. in economics. Certainly nobody from the Upper Midwest where they have been farming or their folks have run a small business or anything like that.

I guess the point I wanted to make today is, as we head towards September 29, all of the evidence suggests that we ought to be seeing a cut in interest rates. I should confess that I actually used to teach economics a bit in college. I have been able to overcome that and lead a reasonably productive life. All I ask from the Federal Reserve Board is to look at this from the standpoint of this country's long-term economic health and the economic facts that are now self-evident.

There is nothing that could persuade a couple of these people, as I understand they still believe that we ought to have higher interest rates except that they must represent some narrow self-interest for the money center banks. Certainly most of them ought to be able to look at the facts and understand we need—and this country deserves and our economy requires—a lowering of Federal Funds rate and therefore a lowering of the prime and other interest rates that represents where we ought to be, given the historical interest rates and declining inflation.

Mr. President, I understand that when you come down and are even obliquely critical of the Federal Reserve Board, it is like taking on the last American dinosaur. I regret that I do that. But it is the last part, the last institution that remains impervious to the broader public interest. Some think that the Fed is a hero for whatever has happened in our economy. I don't happen to view it that way. I