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This is not the time, and we should not allow those who preach it to decide the sugar program ought to be repealed.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 diner 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 genuflecting, 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 naturally 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.

At the end, one would have thought these folks just won the Olympics. They celebrated and had a day of feasting and rejoicing because this country had this great trade agreement with Japan. Yes, we have gotten more beef into Japan, but every pound of beef today that goes into Japan has a 38.5-percent tariff on it. That is outrageous.

I will go through a couple of other countries to close the loop.

Mexico. We have a trade agreement with Mexico called NAFTA, the North American Free Trade Agreement. I remember the two economists, Hufbauer and Schott. They said if we do this trade agreement with Mexico and Canada, this country will have 300,000 or so new jobs.

At the time, we had a trade surplus with Mexico. That trade surplus with Mexico is now over a $20 billion trade deficit. Immediately after we passed NAFTA, signed a new trade agreement with Mexico, and reduced tariffs on United States goods going into Mexico, Mexico devalued its currency and washed out any gains. In fact, the devaluation was much higher in terms of its effect on the tariffs, so it more than washed out any gains. A trade surplus with Mexico was turned into a very large trade deficit. The trade deficit with Mexico in March was $1.9 billion—for just a month.

What about Canada? Canada had a modest trade surplus with us, or we had a modest trade deficit with Canada, and then we passed NAFTA, the North American Free Trade Agreement. The announcement Friday said the goods deficit with Canada is now $3.9 billion, almost $4 billion. Our annual deficit with Canada is somewhere in the neighborhood of $30 billion to $40 billion.

With respect to the European Union, Friday the announcement was that the merchandise trade deficit with the European Union rose from $3.5 billion in February to $5.7 billion in March, the most recent month for which data has been reported.

I will comment on our trade deficits with Japan and Mexico a little later.

I taught economics briefly in college. I understand about economists. It is much less a discipline than it is some psychology pumped up with helium. It is just being able to say anything at any time about almost any subject.

This is what the economists say.

In today's Wall Street Journal, Mr. Wiegand says:

> This deficit will start to shrink as the Federal Reserve continues to raise interest rates to slow the U.S. economy.

Oh, yes, that is probably a pretty good solution: Drive the economy into the ditch. That will probably take care of it. I do not dispute them. If Alan Greenspan continues to choke the neck of the American economy and drives this economy into the ditch, yes, I suspect we will probably be buying less from abroad. It is probably not very good medicine to kill what ails us, in my judgment.

The person who wrote this article in today's Wall Street Journal did not provide the name of the analyst. These are just anonymous analysts:

> Analysts say they remain sanguine because the underlying fundamentals that fuel the deficit remain unchanged. America's economy is stronger than the economies of trading partners, and that's why we have these trade deficits.

That is absurd, just absurd. Why do we have a big trade deficit with Japan? It is because we lack a backbone. For 15 years, we have allowed Japan to throw their goods into our marketplace and keep their marketplace relatively closed to American goods. The same is true with China. The same is true with many other countries.

This country needs to have the backbone to say to other countries: Here is a mirror. Look closely because what you see in that mirror is what you will get. You are welcome to come into our country with your goods and services. Our consumers welcome them, and we welcome them. But you should understand, the price for admission to the American marketplace is that your markets be open to our producers, to the products of our workers and our production plants. If it is not, then you are going to pay a price for that.

About 30 to 40 percent of Chinese exports are sent to the United States. We are a ''cash cow'' for China's hard currency needs. There is no substitute on Earth for the American marketplace. China needs this marketplace. The closing of this marketplace would lead China to collapse immediately. Mr. President, 30 to 40 percent of their exports are to the U.S. economy.

So we say to China: That's all right. You keep shipping all your products here. Ship us your shirts and your shoes and your trousers and your trinkets. You keep shipping all the merchandise you want to the United States, and that's fine if you want to prevent us from accessing your marketplace.

We just negotiated a bilateral trade agreement with China. We had folks up all night over in Beijing and here. They were working back and forth and trading and doing the things you do when you negotiate a trade agreement. They finished a trade agreement. The vote we are going to have in the House this week, and subsequently, perhaps a week or two later in the Senate, is not about this trade agreement. We do not get the opportunity to vote on the bilateral trade agreement with China. The vote is going to be: Do we accord China permanent normal trade relations?

I have voted for normal trade relations in the past. The only difference in this vote is: Shall it be permanent? But it is not a vote on the bilateral trade agreement with China. Frankly, I do not know how I am going to vote on permanent NTR. At this point, I am leaning, perhaps, to vote in favor of it, but only if it includes a commission to monitor trade compliance—because China has made other agreements with us and has not complied with them at all—and only if it provides some responsible monitoring of human rights in China.

But having said all that, these votes are not about the bilateral trade agreement. We do not need PNTR to do what we should do with China. In Washington, DC, because there are so many interests here that are working on this PNTR issue, you can't turn on the television without seeing another ad by big interest groups that are saying: You must vote for China PNTR.

Regrettably, they misstate it. They say: If we don't vote for PNTR, the Chinese marketplace will not be open. That is absurd. It does not make any sense at all.

The vote on China PNTR isn't about whether the Chinese marketplace is open; it is a vote on whether normal trade relations with China will be made permanent—just that; and only that. It is not even a vote on the bilateral trade agreement we reached with China last year.

Having said all that, as I said, I voted for normal trade relations previously. I think China is going to be a significant influence in our lives, and I prefer it be a good influence rather than a bad one. I happen to think that involvement is preferable to noninvolvement. But that does not excuse the relationship that exists between China and the United States in which our trade negotiators come so far short of reaching an agreement that is in our interest. I will give you an example.

China has 1.2 billion people. On the issue of automobiles in the recently negotiated agreement with China, after a phase-in period, there will remain in China a 25-percent tariff on any automobiles the U.S. would send to China. Any automobiles that China would send to the U.S. would have a 2.5-percent tariff. So China will retain a tariff that is 10 times higher than the U.S. on vehicles moving back and forth. This is a country that has a nearly $70 billion surplus with us.

I ask the question: Why? Why would a negotiator sit across the table and agree to a proposition that China can have a tariff that is 10 times higher on automobiles than we can?

The answer? The answer is: It is so much better than it was. The old tariff on automobiles was so much higher. We brought it down so far.

I said: Why don't you sit down at the table, and hitch up your belt, and say, All right, let's begin negotiating reciprocal policies and the same tariff. Why can't our negotiators do that?

Our trade negotiators would say: Oh, you can't do that because we are starting from different points.

It is time we start from the same point. It is time we demand that our trade negotiators begin dealing with this trade deficit with respect to what is really causing it.

These economists are wrong when they say the problem is that our country is growing too fast, other countries

are growing too slow, and therefore we have a big deficit. The reason we have a big deficit is that when China wants to buy airplanes China says: We are going to manufacture the airplanes in China. That is not the way you do business. If they are going to sell us all their commodities, then they have a responsibility to buy from us what we have to sell. If they need airplanes, they ought to buy airplanes built in the United States of America. If they need wheat, they ought to buy wheat from the United States. In other words, trade relationships ought to be reciprocal. But our trade negotiators never require that.

Is this a criticism of the current administration? You bet—the past administration, and every administration for the last 20 years. None of them have had any backbone.

I stand here and talk about this because the trade deficit report came out last Friday, and it said that the merchandise and services trade deficit was $30 billion in a month. That is roughly $340 billion a year more in manufactured goods that the United States bought than it sold.

I know I will have people listening to this who will say: That guy is just a protectionist. They are wrong. I am not a protectionist in the definition of the word used pejoratively. One who seeks protection is somebody who wants to build a wall around the country and keep everybody out. That is not my view of it at all. We have a global economy. We have an expanding reach of opportunities around the world.

But this country has to understand that times have changed. After the end of the Second World War, for the first 25 years, our trade policy was almost universally foreign policy. We would engage with another country with one hand tied behind our back, and say: Do you want some help? Here is a trade policy that is concessional to you because you're struggling, you're flat on your back, your economy is devastated because of the Second World War. We want to help you get back on your feet. Therefore, our trade policy was largely foreign policy. That was fine because we could beat anybody with one hand tied behind our back.

But the second 25 years post-Second World War have been different. We have shrewd, tough, economic competitors. We have still tied the hands of America's producers and America's workers, and have provided concessional terms in trade negotiations to virtually every other country.

That is the only basis that you could excuse a recurring trade deficit with Japan that is $50 and $60 and, now, $70 billion a year—year after year after year after year. The only thing you can call that is neglect—yes, by Republican administrations and Democratic administrations. That is neglect.

People who hear this will say: That guy just doesn't understand that you can't see over the horizon. He does not understand all this. The problem is, I think I do understand it.

In the budget deficit debates, we used to have people come to the floor and say: Think of it in terms of your own family. If you're running up a deficit, you have to pay it sometime, don't you?

Think of the trade deficit in terms of your own family unit. If the country is your family, and you are buying much more than you are selling and, therefore, incurring a deficit that continues to grow, is that a problem? Will it at some point come back and bite you? Will that be a problem for this country? Will it inhibit America's economic growth? Will the fact that the current accounts' deficit—measured by recurring trade deficits—allows foreigners to hold American dollars with which they can make decisions about whether to invest in this country, and how to invest in this country, be a problem for this country?

I think it is. My only point is that last Friday should not pass without notice—a Friday in which we say the merchandise and services trade deficit is now $30 billion this month alone. That news occurs at the same time the Chairman of the Federal Reserve Board says our country is growing too rapidly and we need to slow it down with another one-half of 1 percent interest rate increase.

Well, I am telling you, I think the combination of those two pieces of economic news ought to be very sobering to all Americans. Yet, as I said when I started, there is this deafening silence in the Chamber. Almost nobody will come and talk about the trade deficit because they will be branded by especially the corporate world as people who don't understand, who want to build a wall around this country, people who are protectionists. Yes, I want to protect America's economic interests. Of course, I do. I am an American and, of course, I want to do that.

But I believe the protection of our interests involves understanding that the economy has changed. This is a global economy but we must have fair trade rules. If we decide as a country that nothing matters that we fought about for the last 100 years, and that the globalization of our economy somehow should pole-vault over all of those issues, then we will, in my judgment, have lost substantial ground. We had people die in the streets in this country. They were shot and clubbed to death because they fought for the basic principle of workers being able to organize. People died for that right in this country.

Some companies will say: I know was a problem in America because you have all these collective bargaining issues. The way to get rid of that issue is we will take our manufacturing plant and close it. We will move to a country where workers can't organize, and we will not have those problems. People in this country fought so long for a minimum wage and a livable wage. A company might say: We can solve that issue. We don't have to deal with minimum wages. We will move this plant from the United States to Bangladesh, and we won't have to pay minimum wages. People fought a long time over the issue of child labor. They may say: Well, we can solve that. We will move our plant overseas and we will put 12-year-olds in the plant and we will pay them 12 cents an hour. We will work them 14 hours a day, and we won't have to meet plant safety standards. That is an easy way to pole-vault over those issues.

How about dumping chemicals into the streams or into the air? A company can say: We can solve those issues. You know that plant where we are going to hire kids to work, and pay them 12 cents an hour, and work them 14 hours a day, and not worry about safety? We can also dump the raw chemicals into the water and into the air.

Well, that raises the question, I am afraid: Should there be an admission price to the American marketplace? Should the admission price be at least that there are fair rules of trade? I have asked folks, and one honestly said to me he thought it was fine. If the marketplace decided that you can amass the capital and employ kids in unsafe conditions and pay them pennies, if you can produce a product the consumer wants, it is fine for that product to be in our marketplace. I respectfully disagree with that perspective. Globalization requires the attendance of rules, in my judgment, that relate to the kinds of issues we fought over for 100 years in this country.

Others would say, well, you are trying to export American values. There you have it. That is exactly what is necessary in the global economy—exporting the values of saying that fair competition is not competition with 12-year-old kids being paid 12 cents an hour. Fair competition is not competition between a plant in Pittsburgh that has to meet air pollution standards and water pollution standards, competing with a plant owned by the same company somewhere that can dump all of their chemicals into the streams and into the air.

Those are our range of issues with which we have to deal. All of those issues, incidentally, relate to a very significant and unhealthy growth in this country's trade deficit.

Let me come back for a moment to the vote that will be very controversial on China's permanent normal trade relations. Last week—and I know I digress here—I was thinking of coming to the floor and submitting in a bill that says the Federal Reserve Board cannot go into a room and lock the door in something called the ''Open Market Committee'' and continue to call it open. I was thinking of putting in a bill that requires them to call this a ''closed market committee.'' If they are going to lock the American people out, they should not call it an open committee. Just as I was thinking of

doing that—and I decided against it for the moment—we ought not to call it normal trade relations with China, or Japan, or, for that matter, Europe; we ought not to call normal trade relations a circumstance that give us a $50 billion, $60 billion, $70 billion, or $80 billion trade deficit. There is nothing normal about our trade relations with Japan. There is nothing normal about having a $50 billion, $60 billion, or $70 billion trade deficit every single year. That is abnormal. Now, I could not get the votes, perhaps, to rename that ''abnormal trade relations,'' but it is not normal, and we ought not to consider it normal to have this sort of circumstance exist.

In the last decade, it has gotten worse, not better. The mantra of so-called ''thinkers'' who are quoted—incidentally, they are the same people because when reporters write the stories, they call the same people, ''thinkers''. These same people have put the same quotes in the stories every month for 10 years. Even though the times have changed and the thinkers were demonstrated to not be accurate, they just change their story. That is why the story has changed now from their original saying that when we had a budget deficit you are therefore going to have a trade deficit. They say now that wasn't it; now it is because we are growing too fast. There must be some familial relationship here with the Chairman of the Fed because he also thinks we are growing too fast. It must be the same group of thinkers. There must be a genetic code that exists between these folks.

Again, I digress. I came to the floor to simply say I don't want Friday's notice of this dramatic increase in the trade deficit to not be discussed at least at some length in the Senate. It is important that we discuss it and begin to provide remedies for it.

Mr. President, how much time remains?

The PRESIDING OFFICER. There are 2 minutes remaining.

ISSUES FOR THE SENATE TO CONSIDER

Mr. DORGAN. Mr. President, there are a lot of issues in the Senate with which we ought to be dealing. Most of the important issues we are avoiding. Now, there exists in this Congress something called a Patients' Bill of Rights. It is in conference and we can't get it back. Why? Because big money interests have decided they want to block it; they don't want a Patients' Bill of Rights. We ought to have that on the floor of the Senate and the House, out of this conference, and we should pass a decent Patients' Bill of Rights.

We ought to be able to employ the opportunities to offer amendments on the Elementary and Secondary Education Act when it is here and strengthen this country's education system. But are we able to do that? No.

We also have a juvenile justice bill that is trying to close a loophole in gun shows. When you buy a gun, you have to run your name through an instant check to see whether you are a felon. If you are a felon, you don't have the right to own a gun. It would close the gun show loophole. Now you can go to a gun show and buy a gun and you don't have to run your name against anything. A felon can buy a gun, regrettably. That is not anti-gun; it is a moderate, thoughtful step to extend the instant check. That is in the juvenile justice bill. That is not on the floor of the Senate.

This Senate has been at parade rest for some long while. It is time to take action on the things the American people want us to act on. We ought to deal with a Patients' Bill of Rights, and we ought to bring to the floor of the Senate the legislation that deals with the gun show loophole in the juvenile justice bill. We ought to have an opportunity to debate the Elementary and Secondary Education Act without somebody hovering and saying: Before you do that, I have to approve the amendments you offer. There are no gatekeepers here. The rules of the Senate don't provide for gatekeepers.

In the coming months, we have the opportunity to address health care, education, juvenile justice, and things that matter in this country. The only reason they are not on the floor of the Senate with extended debate, or out of conference which exists now, is because the leadership doesn't want them on the floor of the Senate. I must say that in the coming weeks and months we intend to do everything we can possibly do within the rules of this Senate to make sure those are the issues we debate in the Senate this year.

The PRESIDING OFFICER. Under the previous order, the time until 1 p.m. shall be under the control of the Senator from Wyoming, or his designee.

Mr. THOMAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

A RECORD OF OBSTRUCTIONISM

Mr. THOMAS. Mr. President, this morning I listened to my friend, the Senator from North Dakota, talk about what we ought to be doing in the Senate. I must tell you I couldn't agree more that we need to be moving forward. I also must tell you I have a totally different view as to why we are not.

We have actually been seeking to move forward for some time. The Republicans have had a number of critical issues out here that the American people are interested in—marriage tax penalty relief, tax relief in other areas, farming, education, and critical needs of the men and women in the armed services. But, unfortunately, as each of these things has come up, we found ourselves being stopped from moving forward either by unrelated amendments or objections to moving forward. I really think we should analyze where we are and what we are seeking to do.

In my view, in general terms, what is happening is that there is more of an interest, particularly on that side of the aisle, in simply trying to create issues rather than create solutions. Each time we bring up a basic bill, we come back to amendments that have already been dealt with, and they insist on dealing with them again.

The majority leader is trying to deal with a number of issues. One of them, of course, is education. We are dealing with the whole question of elementary and secondary education. We are blocked by that side of the aisle from meaningful educational reform. We are trying to deal with the idea of moving forward with the kind of funding the Federal Government can provide for elementary and secondary education.

There is a difference of view. Yes, indeed, we have a difference of view. The basic difference of view is to the extent the Federal Government is involved in the funding of local schools. Those local schools, their leaders, the school boards, and the counties and States ought to have the basic right to make the decisions as to how that money is used. I think it is pretty clear that the needs are quite different.

Yesterday, I spoke at the commencement of a small school in Chugwater, WY. The sign on Main Street said ''Population 197.'' There were 12 graduates at this school. They come from, of course, the surrounding agricultural area. I can tell you that the educatioonal needs in Chugwater, WY, are likely to be quite different from those in Pittsburgh. The notion that in Washington you set down the rules for expending the funds that are made available in Federal programs we do not think is useful. I understand there are differences of view.

But I guess my entire point is that we are always going to have different points of view and we should have an opportunity to discuss those and opportunities to offer alternatives. But we have to find solutions, and we have to move forward. That is why we vote. That is why there is a majority that has a vote on issues. But the idea that you have a difference of view and, because you don't get your view in, it is going to stop the process is not what we are talking about.

Education, of course, is just one of the areas. There is the question of the marriage tax penalty and the question of tax relief and tax reform. But, quite frankly, more than anything, there is the question of fairness—where a man and woman can work at two jobs before