

they have jobs. We ought to know whether the children are all right.

Now what we find out is a whole lot of people who we thought would be in the most trouble, children who have children—and they don't have a high school degree, they don't have the job training, and they don't have the skills development—we were worried about whether they would be able to obtain employment and whether their children would be better off. We worried about people struggling with mental illness. We had an amendment out here on the floor called the "family violence option," and the administration still has not made clear to States that they should be able to get a good-faith waiver for those women who come out of battered homes and that wouldn't be counted against their work force participation requirements.

We worried about all these people. We didn't want women to be driven back into very dangerous homes because they were going to be cut off assistance, because they couldn't work, because they were being stalked, they couldn't go to job training, they had been traumatized, they suffered from posttraumatic stress syndrome from being beaten up over and over and over again. We didn't want them forced back into dangerous homes. A lot of that is happening around the country.

I am coming back with this amendment, I say to my colleague Senator STEVENS, not on this emergency supplemental bill, but on the first vehicle that is out here, I am going to come back with this amendment which essentially says to all of us as responsible policymakers, "Please, let's find out what's going on around the country; let's make sure that families aren't going hungry."

By the way, there has been a dramatic increase all around the country in demand for food shelves, a dramatic increase of families needing basic nutritional assistance, and you have to wonder whether or not part of the reason is people are getting cut off welfare assistance, but they are not being able to get the jobs, they are not finding the employment, and they are worse off.

Mr. President, we ought to know, and I know that this is a critically important question. I am very pleased that I know Senator MOYNIHAN will be a part of this effort, and I hope one way or the other I can get 100 votes so that all of us can get the data that we need and we know what is happening around the country. That is what we should do as responsible policymakers. I will be back with this amendment as soon as there is an appropriate vehicle. I thank the Chair.

SUPPLEMENTAL APPROPRIATIONS FOR NATURAL DISASTERS AND OVERSEAS PEACEKEEPING EFFORTS FOR FISCAL YEAR 1998

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1768, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1768) making emergency supplemental appropriations for recovery from natural disasters, and for overseas peacekeeping efforts, for the fiscal year ending September 30, 1998, and for other purposes.

The Senate proceeded to consider the bill.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, today the Senate will consider the supplemental appropriations bill. It is a bill for emergency disaster needs and for overseas military operations.

Our Committee on Appropriations reported this bill, S. 1768, along with S. 1769, on Tuesday, March 17. S. 1769 provides funds for the International Monetary Fund. We reported both of these bills by one roll call vote, and that vote was 26-2. I call that to the attention of the Senate because it indicates a substantial agreement within our committee on the terms of these two bills.

Prior to the date we reported this bill, the administration had transmitted four supplemental or rescission messages to the Congress for 1998. This bill addresses each of those requests and makes other adjustments based on our committee's review of agency needs and priorities.

Our committee originated this bill ahead of the House Committee on Appropriations in order to complete action on these two urgent measures prior to the April recess. We have also done it to get ahead of some of the problems that are involved in the cloture votes before the Senate, because we just don't want this bill to be held up by the period of time that has to run if we do vote cloture on any other measure.

We have consulted with the House committee, and particularly the House committee chairman, on this approach, and I am pleased that the House understands what we are doing. The House committee will take up these two matters later this week. It is our hope that both of the bills will be in conference by the last week of March.

We have to have these bills passed before the recess. That is necessary, as I will explain later, as far as military implications and the disaster moneys that are involved. In order to do that, we must start this bill today and finish the bill before the cloture vote tomorrow, which is scheduled for 5:30 tomorrow evening.

S. 1768 makes appropriations for natural disaster relief and military operations. It provides \$2.5 billion in emergency funds. Pursuant to the budget agreement and the administration's request, these amounts are not offset by rescissions. Additionally, there are approximately \$190 million in new, non-emergency appropriations offset by specific rescissions or reductions in contract authority that are also addressed in this bill.

Most of those amounts are directed to meet the "Year 2000" computer crisis faced by several Federal agencies. Additional funds to ensure Federal computer systems are ready for the year 2000 will be provided in the 1999 fiscal year bill. We will present the bill later this year.

For Department of Defense operations, the committee recommends \$1.8 billion in emergency funding for ongoing missions in Bosnia and in Southwest Asia and for the natural disaster response.

The supplemental request for Bosnia was mandated by section 8132 of the 1998 defense appropriations bill, along with certifications and other submissions on the Bosnian mission.

The committee also received a fiscal year 1999 budget amendment for Bosnia. We will consider that amendment in the context of the fiscal year 1999 defense bill for the full year of 1999. We will not deal with 1999 funds for Bosnia in this bill.

The request for operations in Southwest Asia is approximately \$1.3 billion. That amount sustains the current force structure and operating tempo through September 30 of this year.

Let me say that again. The amount we have requested is sufficient only to maintain the existing deployment that has been made to contain Iraq. Should additional units be sent, we would have to once again ask for additional money.

Secretary Cohen, the Secretary of Defense, has not made any request for funding for the fiscal year 1999 yet; that is, no money has been requested for fiscal year 1999 for the deployment that is ongoing to contain Iraq in Southwest Asia.

As was discussed at our hearing on Friday, it is essential that our allies and regional partners in the gulf contribute more to this mission. Both Senator BYRD and I have spoken out on this before. At our committee markup before the Appropriations Committee, Senator BYRD offered his amendment, which is section 203 of this bill.

The Byrd amendment establishes a process for the administration to seek fuller participation by our allies and regional partners for the Southwest Asia mission and the costs associated with that mission.

The recommendation from the committee also includes \$672 million for disaster relief efforts by several Federal agencies including the Departments of Agriculture, Interior, the Army Corps of Engineers, and Transportation.

These amounts reflect the most recent estimates available to the committee from the Office of Management and Budget and increases that have been advocated by Senators for ongoing flooding in the Southeast and other needs. Some of these instances took place after the submission by the administration.

The administration has not yet requested additional funds for FEMA, the

Federal Emergency Management Agency. We may still receive such a request today or tomorrow as better estimates are prepared for flooding, ice storm and tornado damage across the country.

Based on the recent devastating tornadoes in North Carolina and Georgia over the weekend, I have urged the administration to forward any such request now so it will be considered during action on this bill.

On Tuesday, the committee also reported S. 1769, as I indicated. That appropriates \$17.9 billion for the International Monetary Fund. I hope the Senate will consider that bill this week as well. And we may well consider it as an amendment to this bill. At this time, there are discussions underway concerning the package proposed for IMF reforms. That was in the second bill, S. 1769, as reported by the committee. It is my hope that those talks will result in a new IMF package that will receive bipartisan support here in the Senate as we debate this bill.

Our committee did not recommend at this time additional funding to pay arrears at the United Nations. The fiscal year 1998 Commerce-Justice-State appropriations bill included \$100 million pursuant to the budget agreement for arrears. This amount was made available subject to authorization of the U.N. budget and management reforms. That authorization bill has not yet passed nor has a firm agreement been reached between Congress and the administration concerning this matter.

We do believe that the administration should conclude an agreement with Congress on U.N. reforms. And we hope, on that basis, to deal with the U.N. funding in the fiscal year 1999 State Department appropriations bill.

However, Mr. President, it is also possible that the House of Representatives may address the U.N. funding and the matter could be considered in conference. It would do so on the basis of the House passing the authorization bill and, based upon such action by the House, it would send us a bill to be considered here in the Senate. And of course it is possible we might consider that in conference without the necessity of an authorization bill in the Senate if that is agreed to by appropriate Members of the Senate. Any resolution, of course, hinges on securing an agreement on U.N. reforms.

The committee reported these two bills separately at the request of the House. We, however, want to ensure that defense and disaster relief amounts are enacted prior to the April recess. It is my intention to do everything I can to achieve passage of not only this bill but the IMF bill before that deadline.

Let me ask every Member of the Senate to be on notice that we are going to do everything we can to work with them on amendments today. We will do everything possible to complete action on this bill tomorrow before the cloture vote that is already set, as I indicated.

Now, once again, I just have to urge Members to come here today and offer their amendments. We hope that we will have some of them voted on tonight; that is for sure. And I think that Senator BYRD will join me in working to achieve reasonable time agreements wherever it is necessary to assure that we can debate and dispose of all amendments to this bill in a timely manner.

It will be my intention to move to table extraneous amendments that are not urgent for action prior to September 30. The committee will begin the markup of the fiscal year 1999 bill early this year. We hope to do so in May or early June. I implore Senators to reserve amendments that pertain to issues that can be funded after September 30, to reserve those amendments for the fiscal year 1999 bill. This is an emergency supplemental. It deals with the disaster funding and it deals with the amounts necessary to support our forces which are overseas at this time.

Now, Senators may disagree with the President on the deployment to Bosnia and may have some question about the size of the deployments to Kuwait and in the Southwest Asia area. All I can tell them is that the forces are there. The men and women in our armed services deserve support. If we do not support this bill now, the Department of Defense, under the Food and Forage Act, will simply have to take money out of the readiness accounts and we will see our forces here at home not receive the amount of money they need to continue to maintain their expertise and to maintain their readiness and to keep our defense systems in the shape that is necessary for any contingency.

When we, as the superpower of the world, have deployments of the level we already have overseas, it is just not possible to neglect the readiness of these people here at home. We are turning over the forces in the Iraq deployment every 6 months, Mr. President. That means that forces that are here at home must be ready to go on active duty and in a deployment mode when their time comes.

To be forced to take money from their readiness account in order to support those that are already deployed overseas is wrong. We need this money now. As I said, it must be done before April 1. The Joint Chiefs joined together to come to our committee and explain to us in detail the impact that not having these moneys available by April 1 would have on the readiness of forces stationed right here at home.

Mr. President, this is a bill that is necessary because of these emergencies. All amendments that are offered making additional appropriations must either qualify for the emergency as is described in this bill or must have appropriate budget authority and outlay offsets. So we will be examining every amendment that comes forward to see whether it would delay the passage of this bill. Again, I can only

plead with Senators to keep in mind the absolute necessity to assist us to get this job done before April 1.

Now it is my pleasure to yield to my good and distinguished friend from West Virginia. I know he has a statement to make as well as an amendment to offer. I look forward to working with him throughout the consideration of the bill.

I thank you, Mr. President.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I thank the Chair, and I thank my friend, the very distinguished Senator from Alaska, who is the chairman of the Senate Appropriations Committee.

I commend the leaders of the Senate for scheduling this very important emergency supplemental appropriations bill so quickly after its having been reported out of the committee, and I was pleased to join our distinguished chairman, Senator STEVENS, in taking the unusual step of scheduling our markup of this emergency bill prior to House action, in order to expedite congressional consideration of the bill. This bill contains some \$2 billion in emergency appropriations which are urgently needed for the support of our men and women overseas engaged in peacekeeping efforts in both Bosnia and Southwest Asia, as well as to cover necessary repairs resulting from natural disasters at various military installations throughout the Nation. In addition, over \$560 million is included in the bill for assistance to those of our citizens who have suffered from natural disasters, such as the flooding in the western and southern portions of the Nation and the ice storms in the northeast and the recent killer tornadoes in Florida.

The bill also includes some \$280 million in appropriations for various non-emergency purposes which are, nevertheless, necessary in order to enable various departments and agencies to continue their operations through the end of this fiscal year, without undue interruption. Of this amount, some \$156 million is for the Federal Aviation Administration to expedite its work on improving the Air Traffic Control computer system in order to avoid any problems connected with the year 2000. As noted in the committee report, the Department of Transportation's Inspector General has recently concluded that without this additional assistance, if unexpected problems are identified during testing of the replacement computers, the FAA might find themselves in a situation where they may be unable to assure the safety of the traveling public in the year 2000. Page 25 of the committee report states—and I quote therefrom—that: "Failure to resolve these computer hardware and software deficiencies well before the year 2000 problem could disrupt air traffic." These non-emergency discretionary appropriations are fully offset, largely through

rescissions, which are set forth in Chapter 11 of Title I of the bill.

Finally, and very importantly, the bill includes \$550 million in mandatory appropriations for veterans compensation and pensions. These funds are needed to accommodate the additional costs associated with the 1998 cost-of-living adjustment of 2.1 percent for compensation beneficiaries, as well as an increase in the estimated number of persons receiving such compensation and pension beneficiaries.

With respect to Bosnia, the President has provided a certification and report, required by the Fiscal Year 1998 Defense Authorization and Appropriations Acts, that the continued presence of U.S. armed forces is required after June 30, 1998. The report bears some careful reading by my colleagues, and I hope they will read it, in that there is a departure from the requests of the administration in previous years. The requests in previous years were all couched in the language of short-term duration.

Last year, the administration told us that we would be out of Bosnia in about a year.

All of the witnesses who came up before the Armed Services Committee and the Appropriations Committee assured the committees that that was the expected timeframe which would be needed during which we would have to place our men and women in possible harm's way, but we were assured—we didn't just ask the question once or twice, and the response didn't come forth just once or twice, but the response was always in the context of a year's time.

Well, I had strong suspicions then that it wouldn't work out that way, and I have a feeling that the administration felt the same way about it. I had a feeling that the administration was putting the best face on it and that they would be back within a year seeking more money. There is a bit of disingenuousness about it, I think. They probably knew in their own minds and hearts that it couldn't likely be done in a year, but that was the approach, that was the songbook from which everyone in the administration or the witnesses were to sing. It was to be a mighty chorus, everyone in harmony, no one out of tune, no sour notes, no "off" beats, everything orchestrated so that everyone would sound in unison to the effect it would be about a year.

Having seen this kind of game played before, I was suspicious of it. The time is up now and we are not only in, but we are in for an indefinite amount of time. The President's report doesn't have any end point included. Here is what the President said, now that men and women are there, and I quote from the report: "We do not propose a fixed end-date for the deployment." Let me repeat that: "We do not propose a fixed end-date for the deployment." Now, that is a far cry from what the President's people were saying last year, a year ago. But there is a big difference.

Once you get the Congress to go along for a little while and get the men over there, then it is a fait accompli for the Congress and they come back saying, "We need more money."

"We do not propose a fixed end-date for the deployment." That says it all. So we are in a different situation now. The exit strategy—in other words, the required conditions for our forces to come out and come home—reads like a nation-building strategy. What is required for us to leave Bosnia? First, judicial reform. Just a minor thing, judicial reform. Then, development of an independent media throughout the territory. Now, that sounds to me like a pretty big order. Then there is more. Democratic elections. What do we mean by democratic elections? Democratic elections followed by free market economic reforms—ahhh, free market economic reforms—privatization of the economy, and so on and on.

Well, that is an amazing piece of work. I urge my colleagues to read that report. We all get the point. This is a formula requiring the completion of a new, integrated democratic state. That is what nation-building is. I didn't buy on to that. The U.S. Senate has not bought onto that. And if the duration of our stay is going to be based on nation-building, as the President is obviously saying in the report, we are there for a good, long time.

How many Senators want to buy on now? Now is your chance, or your chance will soon come as to whether or not Senators want to buy on for a long time. Who knows, perhaps a good case can be made for it. Perhaps a good case can be made. But I haven't heard it as yet. This Senator from West Virginia is not in there for a good long time. Not yet, certainly. The administration was being disingenuous. Those who came up here and testified last year—obviously they had to say what the administration had required them to say. They all came up before the committees and it was like a broken record to hear everybody say practically the same thing, "We will be there about a year, about a year." Well, they are the people who are supposed to know. So that is what we were told.

But I don't believe this is going to be an indefinite free ride. I think the administration ought to have to make its case this time, and it ought to be required to give more specifics, more facts, more reasoning, more reasons for its program. The terms of our involvement are turning into a permanent force, turning into a permanent force, and the pressure to get out is dissipating. The pressure for our allies to take the lead is evaporating, evaporating.

The distinguished Presiding Officer has stood on some afternoons and seen the Sun "drawing up water," as they say. The Sun's rays will be peeping through a cloud and we are told that the Sun is drawing up water. But water is evaporating. I often pour water into my little fountain for my birds over in McLean and the water evaporates after

a while. The birds get some of it, but it also evaporates.

Likewise the pressure for our allies to take the lead is evaporating. Our combat forces are going to be there for years if the report is accurate. And the funding is to the tune of some \$2 billion per year through regular, so-called "emergency" supplementals. Now, are our allies being asked to defray any of these costs? I support this supplemental request for fiscal year 1998, but the fiscal year 1999 cost of nearly \$2 billion should be debated again, when the regular authorization and appropriations bills are considered on this floor.

We need to debate this regularly because we are spending your money. One of the network's TV programs from time to time talks about spending "your money" and gives examples of projects from time to time that are being supported by Members of Congress or perhaps others, and they will say, "This is your money." Well, we need to debate this request because we are spending your money, the taxpayers' money. And we need to get some answers.

Now, when we turn to Southwest Asia, the situation seems to be even worse. Not only do we have 30,000 troops in the region waiting for the signal to go after the Iraqi regime, but our allies are not there with us.

We look over our shoulders and we don't see anybody. Where are they? It reminds me of the first question that was ever asked through all the eternity, all time and eternity, that preceded the making of the world, the universe. The first question that was ever asked, when God, walking in the cool of the evening, was seeking Adam and Eve, and they were not to be found, and then God said, "Adam, Adam, where art thou?" The first question.

So, we should say to our friends and our allies, where art thou in this matter? Many countries of the world are not in that immediate region but they depend upon oil from that region. Why are they not assisting? Why are we not asking them to assist? The President, in his report to Congress, speaks about leadership. In other words, we, the eldest remaining superpower, must provide the leadership. Well, it comes with a price tag. I take it we are all providing the money, apparently all of us. We are not asking our friends. We are going to do it whole hog this time. Our friends in the Arab world are cool, to say the least, about building an effective coalition to enforce the U.N. inspections team on Saddam Hussein. Meanwhile, we continue to pony up to the tune of \$1.3 billion for this current fiscal year.

My colleagues should be aware that the committee adopted an amendment which I offered and which our distinguished chairman, Mr. STEVENS, co-sponsored urging the President to go out and get contributions from our friends and allies for financial help, in kind, and other support to share the burden in Southwest Asia against a

threat to world peace. Go out and get a little help. People downtown might start out by reading Shakespeare, read about Timon of Athens. Read Shakespeare's "The Life of Timon of Athens." He, too, sought to get help from his friends. After he had squandered his own wealth on his friends, he sought to get some help from them. One day the bookkeeper said, "Look, Master, we are out of money. You are broke." Old Timon said, "I am sure my friends will help me. You go see this fellow over here and then go see that one over there—I helped him one day—and this one over here, go see him."

Well, Timon was disappointed. He didn't get any help.

I urge the administration to go out and get contributions from our friends and allies for financial help, in kind, and other support to share the burden in Southwest Asia against a threat to world peace. We fully expect a vigorous campaign by the administration to create an effective international political coalition where the burden is shared. This will take a great deal of effort on the part of the administration's foreign policy team. They talk about all this big debt we owe the U.N. Why not charge off some of the costs that we have been spending and that we are yet spending and that we will continue to spend for a while in dealing with the threat of Saddam Hussein. How about that, Mr. U.N.? How about giving us some credit on those expenditures? We ought to try. We expect that an effort will be made on the part of the administration's foreign policy team, and it will result in a wide-ranging political effort to isolate the regime currently in power in Iraq.

We face a situation of grave weight and precedent in dealing with this transparent attempt to intimidate the world with weapons of mass destruction. How we handle this threat will be of great importance for the future of effective efforts to control the proliferation of weapons, components, and delivery systems of mass destruction. It is the future of arms control, and we need to pay great attention to it. That is why I offered this amendment in the committee. That is why Mr. STEVENS, the chairman of the committee, supported it.

Mr. President, I urge my colleagues to support the committee's recommendations as it brings forth this bill, S. 1768. I again commend my chairman and express my appreciation to him for the excellent work he has put forth in bringing the bill to the floor. Also, I thank him for his courtesy and for the good will and friendship that he has continued to extend toward me.

Now, Mr. President, are amendments in order to the bill?

The PRESIDING OFFICER (Mr. SMITH of Oregon). Amendments may be offered.

AMENDMENT NO. 2062

(Purpose: To establish an emergency commission to study the trade deficit)

Mr. BYRD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for himself and Mr. DORGAN, proposes an amendment numbered 2062.

Mr. BYRD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. BYRD. Mr. President, I have offered this amendment on behalf of myself and the distinguished Senator from North Dakota, Mr. DORGAN. I am very pleased to join with the distinguished Senator from North Dakota in introducing an ambitious new effort on the matter of the Nation's persistent and growing trade deficit. Mr. DORGAN has taken the floor time after time after time and spoken eloquently and very knowledgeably concerning the perennial trade deficits that seem ever to grow larger. This legislation would establish a commission to take a broad, thorough look at all important aspects of trends involving and solutions to the growing U.S. trade deficit, with particular attention to the manufacturing sector.

The trade deficit, as my colleagues know, is a recent phenomenon—recent in terms of its being over a period of recent years—with large annual deficits only occurring within the last 15 years or so. Between 1970 and 1996, the U.S. merchandise trade balance shifted from a surplus of \$3.2 billion—did you hear me, Senators? Our merchandise trade balance has shifted from a surplus of \$3.2 billion to a deficit, in 1996, of \$199 billion. That is \$199 billion. As my colleague, Mr. DORGAN, has suggested, projections by econometric forecasting firms indicate that long-term trends will bring this figure to \$300 billion, or more, within the next 10 years. So hold on to your hats. The deficit was \$199 billion in 1996, but long-term trends indicate that the figure will go to \$300 billion, or more. You better hold on to two hats. It is going to really take off within the next 10 years. No one is predicting a decline in the near future. Sounds kind of like the stock market, doesn't it? This is bad news about the trade deficit. Thus, unless we act, our trade deficits will soon exceed our annual appropriations for the Department of Defense.

Mr. President, \$2 million is made available in this amendment to establish a 12-member congressional commission to be known as the trade deficit emergency review commission, with three members each to be named by the majority and minority leaders of the Senate, and by the Speaker and mi-

nority leader of the House. At least two of those individuals are to be Senators, and at least two are to be Members of the other body. The purpose of the commission shall be to study the causes and the consequences of the U.S. merchandise trade and current account deficits and to develop trade policy recommendations for the 21st century. The recommendations shall include strategies necessary to achieve market access to foreign markets that fully reflect the competitiveness and productivity of the United States and also improve the standard of living in the United States.

While it is not clear what the particular reasons for this growing trade deficit may be nor what the long-term impacts of a persistently growing deficit may be, the time is overdue for a detailed examination of the factors causing the deficit. We need to understand the impacts of it on specific industrial and manufacturing sectors. We need to identify the gaps that exist in our databases and economic measurements to understand specifically the impacts of the deficit on such important things as our manufacturing capacity and the integrity of our industrial base on productivity, on jobs, and on wages in specific sectors.

From time to time, we debate the trade deficits. Both Senator DORGAN and I and other Senators have participated in these debates. Senator DORGAN is an expert on the subject. I voted against NAFTA, I voted against GATT, and for good reasons, which every day seem to be becoming clearer and clearer. So we debate these deficits frequently. We moan and we groan, we weep and we shed great tears by the bucketsful. We complain about them, but if we do not understand the nature, the impacts, and the long-term vulnerabilities that such manufacturing imbalances create in our economy and standard of living, we are in the dark.

It appears to me that debate over trade matters too often takes on the form of lofty rhetorical bombast of so-called "protections" versus so-called "free trade agreements." But I suggest that neither side knows enough about what is really transpiring in our economy, given the very recent nature of these annual persistent deficits. Certainly, we know that the deficits reflect on the ability of American business to compete abroad. We want to be competitive. Certainly, we know that specific deficits with specific trading partners cause frictions between the United States and those friends and allies. This is particularly the case with the Japanese, as we are well aware, and is becoming quickly the case with China. It will only be when we truly understand the specific impacts of this large deficit on our economy—particularly our industrial and manufacturing base—that the importance of insisting on fair play on the trade account will be clear.

Finally, the legislation requires the commission to examine alternative

strategies—big words, “alternative strategies”—which we can pursue to achieve the systematic reduction of the deficit, and particularly how to retard the migration of our manufacturing base abroad and the changes that might be needed to our basic trade agreements and practices.

These are the purposes of the commission that Senator DORGAN, I, and other Senators are proposing in this legislation.

I join in welcoming other Senators. I join with Senator DORGAN in welcoming other Senators to cosponsor the legislation. Senator DORGAN will speak later this afternoon on this subject matter. I again thank him for the leadership that he has been providing and continues to provide on this subject matter.

I urge Senators to support the amendment.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, the amendment we are considering deals with a subject I have spoken about on the floor many, many times called the Federal trade deficit, the national trade deficit. I know some will roll their eyes when I talk about the trade deficit, because I have come to the floor very often to talk about this issue. But it is critically important, and I want to explain why I care about this issue and why the Senator from West Virginia and I have offered the amendment that we have.

The amendment itself is an emergency commission to end the trade deficit. It establishes a commission to study the current trade deficit that we have and to make recommendations to Congress on strategies and approaches that we may use to deal with the trade deficit.

I would like to proceed by describing just a bit my concern about the trade deficit. There are a lot of things in this country that are going right. Many Americans take a look at this economy and they say, gee, the country is in pretty good shape. The Federal budget deficit is down, down, way down. Inflation is down, down, down 5 years in a row, 6 years in a row. Unemployment is down. The crime rate is down. The welfare rolls are down. Most people would think this country is doing quite well.

That is the case. It certainly is true. There are, however, some small-craft warnings out there dealing with the trade deficit. The trade deficit is the one economic indicator that is not going down; it is going up. Our trade deficit is increasing. The last 4 years in a row we have had the largest trade deficit, merchandise trade deficit, in the history of this country. And this year it will increase once again.

In order to talk about trade just for a moment, I want to begin by talking about the parochial issues that affect North Dakota, among others—the Canadian grain imports to the United States.

It seems to me every time we have a trade agreement, we end up with the short end of the stick. We had a trade agreement with Canada, and look what happens to grain coming into the United States from Canada. Here is what was going on before we had a trade agreement, and here are the massive quantities of imports into this country since the trade agreement, undercutting our farmers, markets, lowering our grain prices, costing, according to North Dakota State University, \$220 million a year out of the pockets of North Dakota farmers.

So am I concerned about that? Sure I am. Because you cannot get the similar kind of grain into Canada. I have told my colleagues before that one day I drove to the Canadian border with a man named Earl Jensen in a 12-year-old orange truck. We pulled up to the Canadian border with 200 bushels of durum wheat.

All the way to the border we saw semitruckload after semitruckload, perhaps two dozen of them, coming into this country hauling Canadian durum. When Earl and I got to the Canadian border with his 12-year-old orange truck with 200 bushels of durum, we were told, “We’re sorry, but you can’t take United States durum into Canada.” My question was, “Why? Did I not just see a dozen semitruckloads or two dozen semitruckloads of Canadian durum coming into the United States?” “Yes.” “Don’t we have a trade agreement with you?” “Yes.” “Then why can’t we take American durum, U.S. durum, into Canada?” “Because that’s the way the trade agreement works,” we were told.

It is not the way a thoughtful trade agreement would work and not the way that a trade agreement that was thoughtfully negotiated would work, but it may be the way this one works. This is precisely my point about the trade problem we have in this country. Every time our negotiators go out and negotiate another trade agreement, they seem to lose in the first 2 weeks.

Will Rogers, 60 years ago, said, “The United States of America has never lost a war and never won a conference.” He surely must have been thinking about trade negotiators.

Now, let me describe to you this merchandise trade deficit. You see this red ink? The merchandise trade deficit is 22 years old—22 straight years of trade deficits, 35 of 36 years of trade deficits. And you see, this is not getting better; it is getting worse. It is not just getting worse; it is getting much worse. Some would say, “Well, let’s ignore that. Let’s just ignore it. It doesn’t matter.” It does matter. The trade deficit ultimately is going to be repaid with a lower standard of living in this country. We had better worry about it and better do something to deal with it.

The merchandise trade deficit was a record in 1997. Here are the projections by the U.S. Department of Commerce and Standard and Poors of what will

happen to the trade deficit in the next 4 years. Is this good news? I don’t think so. It is successive and alarming—continued trade deficits year after year after year.

Now, Mr. President, there are a number of reasons for the trade deficits. I will describe one of them, for example, currency valuations. If you take a look at this chart, you will see what happens when we compare foreign currencies versus U.S. dollars. The Japanese yen, fallen; the Mexican peso fell through the basement; the Canadian dollar, way down; the Taiwan dollar, apparently subbasement here; the Thai dollar and Indonesian dollar, down—you see what has happened in every one of these? What does this mean?

It means that when you have a trade agreement and you reduce tariffs, and a currency fluctuation like this exists, foreign goods are less expensive in the United States and U.S. goods are more expensive in foreign countries. Therefore, we see fewer exports and more imports and, therefore, a huge trade deficit—33 consecutive years of merchandise trade deficits with Japan.

Let me talk just for a moment about Japan, China, Canada, Mexico.

Japan. Here is our trade relationship with Japan. The Japanese are sharp. The Japanese have said to us, “Here is the way we’re going to trade with you. By the way, our relationship with you is going to be that we’re going to flood your market with Japanese goods, and when you want to get American goods into the Japanese market, good luck.”

Oh, we get some goods into the Japanese market, but we do not get nearly enough of the things we need to get in to reduce this trade deficit. You know all of the standard brands that come in. People say this is good for our consumers. Well, in some ways it could be good for our consumers, but wouldn’t it be good for our producers, wouldn’t it be good for our wage earners, the people who have jobs in this country, if we could take this amount of red and say that is what we are going to put into Japan in products made by Americans who are earning a wage and earning benefits and have a good job?

The Japanese, for example, fill our country with their goods, and then they say to us, “By the way, when you send beef to Japan, there is a 47 percent tariff on every pound of beef going into Japan.” So, a T-bone steak in Tokyo is \$30, \$35 a pound. Why? Because we do not get enough beef into Japan. In fact, the 47 percent tariff is our success rate, that is after we negotiated a beef agreement with Japan.

How many other countries would say it is a success if they were to have a 47 percent tariff on something imported into the United States? They would say that is a colossal failure. They would say the United States is failing to meet its responsibilities towards opening expanded fair and free trade. But the Japanese have a 47 percent tariff on beef. Nobody whispers a thing about it. All the while we have a literal tide of red

ink year after year after year that now reaches \$50 billion and \$60 billion every year.

Now, I ask the question on behalf of those who want to export to Japan and want the jobs that come with those exports, the jobs that pay well, that have decent benefits, I ask the question: When are we going to do something about this? When are we going to do something about this trade deficit? And who is going to stand up and say, let us do it?

Now, this exists, at least in part, because the Japanese will not allow our goods in, but also in part because of corporations who want to do business on both sides and think this is just fine. As long as they are selling goods both ways, they don't care who ends up swallowing the red ink. In fact, with respect to other countries like China, Indonesia, Sri Lanka, Bangladesh, and dozens of other countries, the largest corporations think it is a wonderful thing to be able to produce where you can produce dirt cheap and then sell the goods in the United States. That is part of this trade deficit as well.

China now has a nearly \$50 billion trade deficit with this country—nearly \$50 billion. And it has ratcheted up, as you can see, very quickly. China sees the American marketplace as a market in which they can move a substantial amount of their produce from trousers to shirts to shoes to electronics. You name it, the Chinese send it. And, yes, trinkets and toys. The Chinese send all these products to our country.

Now, China, of course, does not buy nearly enough wheat from us, something we produce in great quantity. Oh, they are worried about all kinds of things, and they are price shopping elsewhere while they are ratcheting up this huge trade surplus with us; for us a deficit with them.

China, for example, desperately needs airplanes. They have a lot of people. They are going to need apparently about 2,000 airplanes in the coming couple of decades. China is saying, "By the way, yeah, we'll buy a few airplanes from you, but what we want to do is move your airplane manufacturing capability to China." They say to Boeing, "Yeah, we'll buy Boeing airplanes, but produce them in China." That is not the way the trade works. If we are buying what China produces, they have a responsibility, when we produce something, to buy it from our country. That is the way in which we reduce this trade deficit.

There are some in this country, and some enterprises, who make a lot of money because of this trade deficit. They say, "Well, gee, we're making a lot of profit for our stockholders. We hire a kid 14 years old, and we can work that kid 14 hours a day. We can pay that kid 14 cents an hour, and we can make a lot of money by shipping the product that child makes to the U.S. marketplace."

Yes, there are children today who are earning 14 cents an hour. They

produce, for example, a pair of shoes that has 20 cents of direct labor in the pair of shoes, and it is sent to a store shelf in Pittsburgh or Fargo or Edina or Los Angeles and sold for \$80 a pair—with 20 cents of labor. Is that a good deal for the producer? Sure. That means higher profits for the corporations. It means fewer jobs here in this country and it means a swollen trade deficit for America.

In the long term, we need to construct a trade strategy that says to producers that there is an admission price to our economy. We are a leader in world trade. We are a leader in open trade. But we demand as a country fair trade. Our country needs to say to this administration and to future administrations, as we have said to past ones, that when we negotiate a trade agreement, we expect the agreement to be in this country's best economic interest.

You cannot tell me that having negotiated, as our Government has, a trade agreement with Mexico and Canada that turns sour immediately and costs us several hundred thousand lost jobs in this country and has increased our deficit with Canada, an agreement which took a surplus in Mexico and immediately turned that into a huge deficit, you cannot tell me that is success. It is a failure. We ought to expect more from our trade negotiators, and we ought to expect a better trade policy in this country.

American trade deficits have grown under the trade agreements. This chart shows what has happened with both Canada and Mexico. It shows that we had a surplus with Mexico, and we turned it immediately into a deficit. With Canada, the deficit has increased. It seems to me that is not progress.

Now, the commission that we have recommended—Senator BYRD and myself—we have suggested that the commission should develop trade policy recommendations by examining the impacts on investments, the impacts on domestic wages and prices, the causes and consequence of trade deficits I have just discussed, the barriers to trade, the relationship of tariff and nontariff trade barriers to bilateral deficits, the comparative and competitive trade advantages that exist, the effects of labor, environmental health and safety standards on trade.

The series of things that we want to occur with this trade deficit commission are simple. We want all the spotlights to shine on the same spot on the question of trade. We believe the trade deficit injures this country. And we believe the trade deficit that is growing is counterproductive to our future economic progress.

Mr. President, all of us have read about the Asian financial crisis. I have described a swollen trade deficit prior to the Asian crisis. The Asian currency crisis, as shown by last week's announcement of that the trade deficit continues to grow, is exacerbating the problem. In fact, last month's trade deficit was the highest in history.

What we now understand is that Asian crisis, that Asian financial crisis, will inevitably continue to put upward pressure on these trade deficits.

That is why we think it is time to turn to this subject in earnest as a country and decide what is wrong and what is right. How do we fix what is wrong? And how do we strengthen what is right?

As I conclude, I want to again point out that I have come to the floor very often and talked about trade. And instantly people, when you talk about trade, decide that there are only two sides to the trade issue—protectionists and the free traders. They could not be more wrong.

I believe very much in expanded trade. I come from a State in which nearly one-half of our production is in agriculture that must find a foreign home. But we also understand in our State that there are certain requirements when we negotiate agreements and treaties, especially in trade, that demand this country be treated fairly. It was all right just after the Second World War to have a trade policy that was essentially stimulated by foreign policy considerations, but it is not all right any more. We now face tough, shrewd economic competitors. And it is not satisfactory to me, and I believe not satisfactory to this country, to allow other countries to ratchet up huge, huge trade surpluses with us or force us into having huge trade deficits with them and see that circumstance weaken our manufacturing sector in this country, and weaken the capability of having long-term good jobs that pay well, with benefits.

Anyone who believes that it does not matter when you weaken your manufacturing sector does not understand what makes a good, strong country viable in the long term. You cannot survive as a world economic power unless you have a viable, strong, growing, vibrant manufacturing sector. And that is what all of this is about.

This country and its producers and its workers can, should, and will compete anywhere in the world, any time. But we should not be expected to compete against the conditions of production that we see existing in some parts of the world, nor should we be expected to compete when the rules are not fair. We ought not expect our trading partners to flood our market with goods and then close their market to American producers and American workers. That is not fair trade. It is not right for the future of this country.

I thank the Senator from Alaska for his courtesy. I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. STEVENS. Mr. President, the amendment that is pending is the Byrd amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. This amendment now has been cleared on this side of the aisle. I am prepared to accept that on behalf of the committee, and I urge Senators to request its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from West Virginia.

The amendment (No. 2062) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, there are other Senators coming with amendments. I urge Senators to come and take advantage of today. It is the right period of time to clear an amendment that any Senator wishes us to agree to without debate.

Mr. BYRD. Mr. President, I ask unanimous consent that the name of Mr. SARBANES be added as a cosponsor to the amendment.

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

Mr. STEVENS. Will the Senator add my name?

Mr. BYRD. Mr. President, I ask that the name of the distinguished chairman of the committee, Mr. STEVENS, be added as a cosponsor.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. STEVENS. Mr. President, I understand Senator FEINGOLD is seeking the floor to speak as in morning business, which we do not object to, provided there would be no amendments introduced to this bill during that period. I ask the Senator how much time he would like to have.

Mr. FEINGOLD. Mr. President, I appreciate the chairman's remarks and respectfully request 30 minutes as in morning business. I have no intention of introducing any amendment on this bill at this time.

Mr. STEVENS. Under those circumstances, I ask unanimous consent the Senator be recognized for that period of time and that I regain the floor at that time.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Wisconsin.

THE NAVY'S F/A-18E/F SUPER HORNET PROGRAM

Mr. FEINGOLD. Mr. President, I rise today to tell a story that perhaps will intrigue and may be worthy of Tom Clancy's best novel. The story has a little bit of deception and what might be called good old-fashioned Government coverup. Maybe if we could get Alec Baldwin and Sharon Stone, we might even have a halfway decent movie to boot. But the unfortunate aspect of this story is that it is true and that the American people are the ones who I think are getting duped.

Mr. President, the Navy's F/A-18 E/F "Super Hornet" program is foundering and the Defense Department is doing everything in its power to keep it afloat. Last April I requested a review of this program by the General Accounting Office. Just this week the GAO finished its work on this report. The report itself raises numerous questions regarding the aircraft and also the Navy's judgment in developing, producing, and testing the aircraft. Perhaps even more telling, though, is the Navy aircraft's testing team's efforts to keep this wasteful and unnecessary program alive.

The new GAO report makes the following recommendations:

First, that the Department of Defense and the Navy adopt a more cautious approach as they make funding decisions and prepare for the operational testing of the Super Hornet;

No. 2, that the Department of Defense direct the Secretary of Navy not to approve contracting of additional F/A-18E/F aircraft beyond the first 12 for the first low-rate production phase until the Navy demonstrates through flight testing that these deficiencies that we are talking about are corrected; and,

No. 3, that the Navy not begin operational testing and evaluation of these planes until the corrections are incorporated into the aircraft used for operational testing and evaluation.

These GAO recommendations seem reasonable. Even DOD has agreed in part with the first two recommendations. But DOD resists agreeing to anything that could delay the development process. They are so adamant in ramming this program through that they decided to cut out valuable data-gathering requirements so they could still maintain their test schedule. As our first chart shows, the new report quotes the Navy's Program Risk Advisory Board, which states that the current F/A-18C is actually better than the E/F in some performance areas, including some acceleration and maneuvering. What that means is the current plane, the one the Navy says we have to switch from, from the current plan for the Super Hornet, actually may do better in some of these areas than the plane that would come in the future.

The report also states that the Navy will likely exceed the \$4.88 billion development cost cap on this program. This report falls on the heels of an-

other GAO report on this subject in late 1996 which concluded that the only marginal improvements of the F/A-18E/F are far outweighed by the much higher cost of the E and F planes as compared to the C/D planes. The revelation in these reports force us, the President, and the buyers of this aircraft to cast a wary eye on the Super Hornet program.

Let me back up for a minute to put this recent series of recommendations by the GAO into context. The Super Hornet, the F/A-18E/F, is just one of three costly new fighter programs that the Department of Defense has on the drawing board right now. In addition to the Super Hornet, there is the Air Force's F-22, and also the Joint Strike Fighter.

The Joint Strike Fighter is intended to perform virtually every type of fighter aircraft mission in today's force structure. The Joint Strike Fighter is expected to be a stealthy strike aircraft built on a single production line with a high degree of commonality of parts and cost. The Navy plans to procure 300 JSF's, with a projected initial operational capability beginning around the year 2007. Demonstration studies indicate that the JSF—this is as compared to the Super Hornet—will have superior or comparable capabilities in all Navy tactical mission aircraft areas, especially range and survivability, at far less cost than the Super Hornet or any other existing or planned carrier-based tactical aircraft.

The Navy's JSF variant is expected to have longer ranges than the Super Hornet to attack high-value targets without having to use external tanks. Unlike the Super Hornet, which would carry all of its weapons externally, the Navy's Joint Strike Fighter will carry internally at least four weapons for both air-to-air and air-to-ground combat. That, of course, would maximize its stealthiness.

Finally, the JSF would not require jamming support from the EA-6B Prowler aircraft as does the Super Hornet in carrying out its mission in the face of integrated air defense systems, and, while the Joint Strike Fighter is expected to have superior operational capabilities as compared to the Super Hornet, it is expected that it can be developed and procured at far less cost than the Super Hornet. However, there are few who look at this whole picture of how much we are talking about for all three of these new planes and who can honestly say we can afford all three tactical fighter programs.

This chart that we have up now shows the total estimated cost for all three of these planes—the F-22, the Super Hornet, and the JSF. That total figure is an astonishing \$397 billion.

That is enough to pay for the fiscal year 1998 appropriations for the Department of Defense plus Veterans Affairs plus Housing and Urban Development plus Treasury plus Energy plus Military Construction and the Legislative Branch Appropriations thrown in