I urge you to work to convince the Congress to strike Section 630.

MILLARD E. CARR, P.E.,
Director, Energy and Engineering.

EXHIBIT 2

[From the New York Times, May 22, 1997]

UNITED STATES TO RENOVATE FEDERAL BUILDINGS TO CUT ENERGY BILLS BY 25 PERCENT

(By Matthew L. Wald)

WASHINGTON.—The Federal Government, the Nation's largest landlord, will undertake a $5 billion renovation of its buildings to cut energy bills by about one quarter, and all the money will come from private companies, the Energy Secretary, Federico F. Peña, announced today.

Mr. Peña named five corporate teams that will do the first $750 million of work. When all the Government's 500,000 buildings are renovated, he said, energy costs will be cut by $1 billion a year from the current $4 billion.

''That is real money, even by Washington standards,'' Mr. Peña said.

An aide said the improvements, including better lamps, motors, air conditioning systems and heating equipment, were expected to save the Government $22 billion over their lifetime.

The Energy Department has tried the approach before, on its headquarters on Independence Avenue here and in other buildings, but has found it cumbersome, as contracts are bid building by building, officials said. Now the Government has a standard contract and a list of vendors and hopes to complete all Federal buildings by 2005.

The Government will invite an outside contractor to perform an ''energy audit'' and suggest improvements, stating a price for which it will do the work. If the Government accepts the bid, the contractor installs the new equipment at the contractor's expense, an approach taken by many private building owners.

The Government will pay the contractor part of the money that it saves on electric and fuel bills. The payments will continue for a fixed period, usually five years. For the contracts announced today, the maximum payments will be $750 million.

John Archibald, the deputy director of the Federal Energy Management Program at the department, said he believed that the contractors would invest about $500 million directly. In addition, officials said, the contractors' burdens include being paid back over several years, and the risk that the savings would not justify their improvements.

The buildings to be improved range ''from military posts to post offices, and from Federal monuments to memorials,'' Mr. Peña said. Most are office buildings, officials said. The contracts announced today cover all Federal buildings in Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon and Washington. Electricity prices in Washington and Oregon are among the lowest in the nation, making savings more difficult.

The work will be done by Honeywell, Inc., of Minneapolis, which helped devise the concept of contractor-financed energy improvements, Johnson Controls, of Walnut Creek, Calif., ERI Services Inc., of Brideport, Conn., and two corporate teams. One team comprises The Bently Company/BMP Team, of Walnut Creek, Calif., Puget Sound Energy, of Bellevue, Wash., and Macdonald Miller Company, of Seattle. The other team is Enova, which is the parent company of San Diego Electric and Gas, and Pacific Enterprises, also of San Diego.

EXHIBIT 3

EXCERPTS FROM THE ENERGY POLICY ACT OF 1992

SECTION 152(C)(2) (42 U.S.C. 8253(D)(1)(C))

Each agency shall take maximum advantage of contracts authorized under subchapter VII of this chapter, of financial incentives and other services provided by utilities for efficiency investment, and of other forms of financing to reduce the direct costs to the Government.

SECTION 152(F)(4) (42 U.S.C. 8256)

Utility incentive programs

(1) Agencies are authorized and encouraged to participate in programs to increase energy efficiency and for water conservation or the management of electricity demand conducted by gas, water, or electric utilities and generally available to customers of such utilities.

(2) Each agency may accept any financial incentive, goods or services generally available from any such utility, to increase energy efficiency or to conserve water or manage electricity demand.

(3) Each agency is encouraged to enter into negotiations with electric, water, and gas utilities to design cost-effective demand management and conservation incentive programs to address the unique needs of facilities utilized by such agency.

(4) If an agency satisfies the criteria which generally apply to other customers of a utility incentive program, such agency may not be denied collection of rebates or other incentives.

EXCERPTS FROM THE DEPARTMENT OF DEFENSE AUTHORIZATION, PUBLIC LAW 102–484 (10 U.S.C. 2865(D))

Energy saving activities

(1) The Secretary of Defense shall permit and encourage each military department, Defense Agency, and other instrumentality of the Department of Defense to participate in programs conducted by any gas or electric utility for the management of electricity demand or for energy conservation.

(2) The Secretary of Defense may authorize any military installation to accept any financial incentive, goods, or services generally available from a gas or electric utility, to adopt technologies and practices that the Secretary determines are cost-effective for the Federal Government.

(3) Subject to paragraph (4), the Secretary of Defense may authorize the Secretary of a military department having jurisdiction over a military installation to enter into agreements with gas or electric utilities to design cost effective demand and conservation incentive programs (including energy management services, facilities alterations, and the installation and maintenance of energy saving devices and technologies by the utilities) to address the requirements and circumstances of the installation.

(4)(A) If an agreement under paragraph (3) provides for a utility to advance financing costs for the design or implementation of a program referred to in that paragraph to be repayed by the United States, the cost of such advance may be recovered by the utility under terms no less favorable than those applicable to its most favored customer.

(B) Subject to the availability of appropriations, repayment of costs advanced under paragraph (A) shall be made from funds available to a military department for the purchase of utility services.

(C) An agreement under paragraph (3) shall provide that title to any energy savings device or technology installed at a military installation pursuant to the agreement vest in the United States. Such title may vest at such time during the agreement, or upon expiration of the agreement, as determined to be in the best interests of the United States.

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

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

Mr. DORGAN. Mr. President, I ask unanimous consent that I be allowed to speak for 20 minutes in morning business.

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

FAST-TRACK TRADING AUTHORITY

Mr. DORGAN. Mr. President, I want to visit today on the floor of the Senate about something that will come to the Senate, according to what I read in all the journals and newspaper articles, in the month of September. This will be a request from the Clinton administration to the Congress to give them something called fast-track trade authority.

This poster behind me will tell my colleagues of course how I feel about fast track. There will not be any great suspense by those who look at this poster to understand that I think fast-track trade authority is the wrong track for this country. I want to spend a little time talking about what fast track is. I expect most people in the country are unfamiliar with the term. What is fast-track trading authority? And why are we debating it?

Just the words ''fast track'' tell a story. We all come from towns that have understood what the word ''fast'' means. We have all had some folks come through our town with the modern-day equivalent of the old covered wagon and the fellow wearing silk pants and a silk shirt and a top hat, selling some sort of bottled medicine that cures everything from hiccups to the gout—the fast talker, fast-buck artist. We know about fast food and fast lanes.

This is fast track. What does fast track mean? Congress under the U.S. Constitution has the authority on trade issues. I will put up a chart which shows that authority in the Constitution. Fast track means that Congress will take its authority and essentially subjugate its authority to a process by which an administration will go out and negotiate a trade agreement and then bring it back to Congress with an understanding that there shall not be any amendments on the agreement. Fast track means that every Member of Congress will be prevented from offering an amendment to the trade agreement.

The Constitution of the United States in article 1, section 8 says, ''The

Congress shall have the power . . . to regulate commerce with foreign nations.'' Interpreted, it means that the responsibility for the issue of trade resides here in the Congress. We also have an executive branch and a President and an office of Trade Ambassador and others who go out and negotiate trade agreement with other countries.

Of course, it is a different world now than it was. We have much more commerce, back and forth across the oceans, country to country, and across national borders. So then the question is, who wins and who loses in this trade? Some would have us believe that everyone wins in every circumstance.

I was on an interview show last Thursday in downtown Washington, DC, with Jack Kemp. Jack Kemp has a view about trade, and he is a good friend of mine. I like Jack Kemp a lot, but his view of trade is, ''All trade is just fine, because everybody wins. Open it up and expand it and everybody wins.''

However, that is not the case in international trade. There are winners and there are losers. Yes, expanded, freer, and more open trade is good for the world. There is no question about that. But trade rules that are fair are required in order that one country is not winning at the expense of the other country that is losing. I want to talk a little about that today and how that fits with my concern about the issue of fast track.

Now, there are a lot of things that are right in this country at the moment. We have a country that tends almost inevitably to insist on talking about what is wrong. But, there are a lot of things right in this country. Our economy is growing. It has been growing for some long while. Unemployment is down, way down. Inflation is down, way down, 5 years in a row, and is almost nonexistent. The Federal budget deficit is down, and has been for 5 years in a row.

The fact is, there is some good economic news in this country. People feel better about the future. Our economy rests on a cushion of confidence. When people are confident about the future, they make decisions that reflect that confidence. They will buy a car. They will buy a house, buy a washing machine, or buy a television set. If they are not confident about the future, they make the opposite choice. They decide not to purchase that washing machine or that car or that house. So our economy rests on a notion of confidence.

Do people have confidence about the future? At this point they do have more confidence about the future than they had in the past. It is because most of the fundamentals about our economy are moving in the right direction with one exception, and that is the area of international trade.

People look to this country and say, well, gee, in international trade, America is remarkably successful. It is not. Two centuries ago, this country was known as a country of shrewd Yankee traders. We could outtrade anybody anywhere any time, the shrewd Yankee traders from that new United States of America. What happened?

What happened was that in the last half century, following the Second World War, our trade policy inevitably became our foreign policy. We did not have a trade policy; we had a foreign policy with other countries. That foreign policy drove all of the trade decisions we made—with Japan, with Europe, with all of our trading partners.

Our trade policy was driven by our foreign policy. At the time, of course, we were bigger, stronger, and had greater capability of dealing in international trade. We could whip almost any of these countries with one arm tied behind our back. That is how strong our economy was compared to a Japanese economy that was wrecked by World War II, a European economy that was wrecked by World War II and in tatters and trying to rebuild. We could compete easily. We could provide concessions to every one of those countries, even giant concessions at that, and we did. Despite the fact that we did that, in the first 25 years after the Second World War, we saw continual wage gains in this country up and up and up, and we did very, very well.

But then what happened was Japan and the Western European economies were rebuilt and became very strong. And, they became shrewd, tough, international competitors. Meanwhile, our trade policy with them was still driven by our foreign policy.

With Japan, we began to become accustomed to deficits in international trade relations every single year. In recent years these have amounted to $40 to $50 billion, and even $60 billion a year trade deficits with Japan, every single year. The same has been true with some of our other trading partner relationships.

Now in recent times we have had a series of trade negotiations, some of them under what is called the fast-track procedure. After every trade negotiation we have had days of feasting and rejoicing by those who negotiated them. They talked about how wonderful the agreements were for America, but at the conclusion of it our trade deficit kept growing and growing and growing.

There has been angst in this Chamber, an enormous amount of discussion about the other deficit, the fiscal policy budget deficit, and it is a very serious problem. Fortunately, we have made significant progress in dealing with it.

Yet, the deficit called the trade deficit does not provoke one utterance in this Chamber. No one talks about it, no one thinks much about it, and no one appears willing to lift a finger to do anything about it. I will show my colleagues and those watching these proceedings what has happened to the trade deficit. The merchandise trade deficit, that is, the imbalance or the deficit between what we ship into this country versus what we ship out, is this year 21 years old. We have had 21 straight years of trade deficits growing worse and worse every year. It is now of legal age, since we have had 21 years of trade deficits.

Last year, we had the largest merchandise trade deficit in this country's history. Does it matter? Some say it does not. Some say it just does not matter at all. It means that we are importing cheap goods from around the world and so someone else has the American dollars that we paid for those goods.

What will they do with these dollars? They will invest them in America. That is what they say. I suppose that suggests it does not matter who owns the productive facilities of our country or the real estate of our country or who owns much of the assets of our country. I don't happen to believe that, but I suppose some probably say it does not matter. There are those who believe it is an international economy, let the chips fall where they may, and if you cannot compete, you cannot compete.

The dilemma is this: The U.S. producer and the U.S. employer can compete with anyone in this world as long as the competition is fair. But no U.S. worker and no U.S. employer ought to be required to compete against someone who works 14 hours a day, is 14 years old, and makes 14 cents an hour. Yet this goes on all across the world, as I speak.

Is that fair competition? Should we expect someone in Toledo, Fargo, Denver, or Los Angeles to have to compete against 14-cent-an-hour wages? I don't think so. I don't think anyone actually believes that represents fair trade.

Should we be expected to compete against a country that insists on shipping its goods in wholesale quantity to our country but keeps its market closed to the goods produced by American workers? I don't think so. That is not fair trade.

Now, as a result of a number of those considerations, and others, we have a trade deficit that continues to grow. Fast track is a process that started back a couple of decades ago of negotiating trade agreements under a procedure called fast track so that no one could amend the trade agreement when it came back to Congress.

Look what has happened under fast track. There is nothing but a sea of red ink. Is it because of fast track? I don't know. All I know is that within trade agreements there are serious problems. For example, the one we have with Canada results in a massive, massive problem with a flood of Canadian grain coming into our country unfairly and we cannot do a thing about it. We seem powerless to deal with it.

I voted against the United States-Canada Free Trade Agreement because I thought it was negotiated in a way that was fundamentally unfair to our country. I thought the negotiators effectively sold out the interests of

American agriculture in negotiating that trade agreement. Now, we find ourselves now with a growing trade deficit with Canada, and an avalanche of Canadian grain flooding into our country, undercutting the price that farmers in our country received from an already weak grain market. Is that fair? I don't think it is fair.

Let's take a look at NAFTA, the United States-Canada Free Trade Agreement, the Uruguay round of GATT talks, the Tokyo round, all under fast track. What happens under fast track is that we negotiate a Tokyo round, bring it to Congress, shove it through the Congress, and say you have no right in Congress to amend it.

Now, Congress decided that it should have no right to amend it. That is what fast track is all about. There was fast track with the United States-Canada Free Trade Agreement. Shove it through Congress, with no right to amend it. None. Then there was NAFTA, the North American Free Trade Agreement, which includes Mexico—Congress had no right to amend it. I led the fight against fast track on this particular agreement when I was in the House of Representatives. We lost by about 30 or 40 votes. Then the Uruguay round comes to Congress. There was no right to amend it because fast track means that whatever they negotiate you have to accept up or down, with no amendments.

The bars on this chart represent the merchandise trade deficits that we have had since these trade agreements were adopted through the use of fast track. Can anyone in this country who has not had a fifth of Wild Turkey take a look at these and say that this is success? You have to be dead drunk to believe this is a success. This is an abysmal failure. Part of it, in my judgment, comes from fast track. This is a process that says to negotiators, go out and negotiate and do what you want to do and bring it back, and then we will have a procedure in place that prevents any Member of Congress from correcting a mistake you might have made. This is not success. This ocean of red ink represents failure.

Let me take a closer look at one of them in particular, the NAFTA agreement. The NAFTA agreement is a trade agreement that we negotiated with Canada and Mexico together. We already had the United States-Canada Free Trade Agreement. We rolled that into a broader agreement which included Mexico with NAFTA. Just prior to the time the NAFTA trade agreement was implemented, we had an $11 billion merchandise trade deficit with Canada and a $2 billion merchandise trade surplus with Mexico.

Look at what has happened to this country since this agreement was phased in: The deficit with Canada has gone from $11 billion to $14 billion to $18 billion to $23 billion. Success? You would have to be dead drunk to call that a success. That is not a success. That is a failure.

With Mexico, we had a $1 billion surplus in the first year of the trade agreement under NAFTA. The next year, we had a $15 billion deficit. The next year, it was a $16 billion deficit. In other words, we now have a nearly $40 billion combined trade deficit with both of our neighbors.

So what does it matter, some say. ''So what? Things are going fine. So what?'' What it means is that in the past 21 years, we have accumulated close to a $2 trillion account deficit that will have to be repaid with a lower standard of living in this country at some point in the future. So what? So it means that we are inevitably weakening the production and the manufacturing sectors of this country. No country will long remain a world-class economy unless it has a world-class manufacturing sector. If it does not have a strong manufacturing base, it will not retain a strong world-class economy. You cannot have a strong economy just selling hamburgers and insurance and so on, back and forth to one another; you must have a strong manufacturing base.

Now, let me describe a bit about what has happened with the free trade agreement. We were told that if the Congress passed something called NAFTA with Canada and Mexico that we would receive products that came from low-skilled jobs from Mexico. We were told that as a result of NAFTA, we would have more American jobs because of the trade agreement. Do you know that now, after a few years of NAFTA, we have more automobiles shipped into this country, produced in Mexico, than are shipped from America to the rest of the world?

Let me say that again because I bet most people don't believe that to be the case. Now that we have opened these borders and we have allowed the largest enterprises in this country to go find the cheapest labor they can find, we now import more automobiles from Mexico than the United States exports to the rest of the world combined.

Think about that. Why does all this matter? It matters because the manufacturing sector in this country is critical to an economy that is based on good jobs with good incomes. If we are going to produce shoes, pencils, automobiles, electronics products, and we are going to do that in Mexico, in Bangladesh, in Sri Lanka, in Indonesia, because we can hire a worker in those areas at a fraction of the cost of what it would require us to pay to hire a worker in the United States, what does that mean? It means production moves offshore. Our production moves overseas. What does that mean to the core of the economy in this country? It is weakened.

The central question I ask about these trade relationships is whether it is fair trade? Is it fair trade for a company to be able to just pole vault over all of the problems in this country that they have in producing? For example, the problem of having to overcome a prohibition against hiring kids. We say in this country that you can't go hire a 12-year-old kid and work him 12 hours a day. That violates the Child Labor Act in this country. We say, you can't produce a product and dump chemicals into the air and throw chemicals into the water because we have environmental laws that prevent you from doing that. So that company can say, fine, if you say we can't hire kids, we can't dump chemicals and sewage into the water and air, we will go to a country where we can. We will produce it there and ship it back to Fargo and to Buffalo and we will ship it to Dallas and put it on the shelves of the stores to compete with products made in the United States, where you have had to pay higher wages and you have had to obey child labor laws and you have had to obey environmental laws.

I question, is that fair trade? I don't think so. Yet, that is exactly what we are facing. Yes, we face it even close to our border, but especially in many other places around the world.

We have a trade deficit in which 92 percent of the merchandise trade deficit is with six countries: Japan, with nearly $50 billion; China, $40 billion; Canada and Mexico with another $40 billion; and Germany.

I was in China last November and met with the President of China and talked about our trade relationship. I have no idea whether I made any impact. He was a wonderful person. China has a terrific deal with this country. We talk a lot about most-favored-nation status here in this Chamber. We had a vote on it last week. I didn't think we should vote on that within an appropriations bill without any significant debate, so I voted against that amendment. But I specifically indicated that that wasn't a vote for me on the substance of the MFN issue. I think we ought to have a vote and a significant debate on most-favored-nation status for China.

But let me say this. We talk a lot about most-favored-nation status and about human rights. Certainly human rights is very important. The week I was in China, a fellow—I believe his name was Wang Dan—was sentenced to 9 years in prison for criticizing the government. Those human rights are important.

At the same there is something else that is also important. What about a country that is exponentially increasing its trade surplus with this country? We have become a cash cow for the hard currency needs of China. Again, it weakens us and strengthens them. They ship us their goods. In fact, almost half the Chinese exports come to the United States of America, and yet, we get so few goods into China.

We ought to say to China, to Japan, to Canada, and to others, that we expect and demand reciprocal and fair trade treatment, and if you don't give it to us, the United States marketplace

is not open to you. The U.S. marketplace is open to you if you treat us fairly. Yes, we are willing to compete. We should be required to compete. But the competition ought to be fair. If it is not, then we ought to have the nerve and the will to stand up to these countries and say it is not fair to this country. And, it is not fair to American workers and to American producers either.

In September, when we have a debate on fast track, I am going to be on the floor fighting as hard as I know how to fight to prevent us from granting fast-track authority for new trade talks. Do I support the trade officials? Yes, I want them to succeed. I want them to negotiate something that they can win for a change. I am really tired of us losing in international trade talks.

Let me give you some specifics. Last Saturday morning, in Minot, ND, I met with a group of grain producers. These are family farmers, who raise Durum and spring wheat. They have one problem. On the horizon of trade problems, is this big or significant? Probably not, on the whole horizon. But to them it is it big. You bet. In many cases, it is a question of whether they survive and do they make it.

Here is their problem. We had a fellow named Clayton Yeutter go to Canada and negotiate a trade agreement with the Canadians. I didn't vote for that. I said at the time that I thought it was a terribly flawed agreement. At that time, I didn't know of the side deal that had not been made public. That side deal that had been made with the Canadians was about how to compute whether or not there was a subsidy for grains. When that was made public, it just destroyed my faith in these kinds of negotiations.

So now we find ourselves down the road some years from the United States-Canadian Free Trade Agreement and here's what we have. We have a Northern border with wonderful people. They are good neighbors of ours. We share a lot and we have a lot of commerce back and forth.

However, in the area of grain, we have had a flood of grain coming across, especially Durum, since this agreement. For those who don't know what that is, let me explain. Durum is the wheat you grind into something called semolina flour and that is what you use to make macaroni and other pasta. Eighty percent of the Durum produced in America is produced in North Dakota. So if you are buying some noodles or elbow macaroni or spaghetti, you are likely buying something, if it is sourced in this country, that was raised somewhere in a field, or grew somewhere in a field in North Dakota. The Durum market is a very important market to our farmers.

Well, we passed the United States-Canada Free Trade Agreement and all of a sudden, a flood of Canadian Durum came into our country, a literal flood of Canadian Durum and, following it, other wheat and barley. But you can't get much grain into Canada. I have told my colleagues before about the time that I got in a little orange truck with Earl Jensen, and we took Earl's orange truck up to the Canadian border with 200 bushels of North Dakota Durum to try to get it into Canada. They said, ''No, you can't go across the border here.''

We had a woman from Bowman, ND, who lived in Canada. She married a Canadian and went home to Bowman for Thanksgiving, and she had a desire to bake some whole wheat bread. So she took a sack of hard red spring wheat—good for baking bread—and she couldn't take that back to Canada. This was at a time when over 50 million bushels of Canadian wheat was coming into our country. Truckload after truckload that were clogging our roads. This lady got to the border and wanted to take in one grocery sack full of wheat in order to make whole wheat bread. Guess where it ended up? Dumped on the ground because you can't take one grocery sack of wheat into Canada these days.

Are our farmers angry about this? You're darn right. Do they have a right to be angry? Absolutely. They have a right to be furious about a trade relationship that is fundamentally unfair to our side. Now, can we get someone to fix it? We are trying. Mickey Kantor, a former Trade Ambassador, took the first step. The fact is that it got better for a time. But once again, this flood of wheat is exceeding the limits we had agreed to with Canada.

I use that illustration only to say that this example is just but one of the examples of problems we have with trade issues that you can't solve anymore, because we pass trade agreements with something called fast track. Under fast track you can't fix them when they are here. You either have to vote yes or no, up or down, and the result is that these flawed agreements then become law. Those treaties or agreements are then wedded into American law and it prevents us from providing remedies for the trade problems that exist—yes, with Japan, with China, with Canada, with Mexico, and others.

I think it is time for us to decide to put a stop to it. I think it is time for us to say to negotiators in trade that you go negotiate just as all of the other negotiators do. When we send someone abroad to negotiate arms agreements, they don't do so under fast track. We didn't have fast-track authority to prevent any amendments on the floor of the House or Senate on the nuclear arms reduction treaties that we had. There was no fast track there. Why on earth, if we don't need fast track on arms control agreements, do we need it on trade agreements? Are our trade negotiators so weak, so inept that somehow they need fast track when others don't?

Last Friday, the Commerce Department released the statistics that describe what happened to our trade numbers for the month of May. It indicated that our trade deficit in goods, the merchandise trade deficit for the month of May, was $17 billion, just for the month of may. That is up from $15.5 billion in the month of April. The big news was that China's trade deficit exceeded Japan's trade deficit for the month, for the third time in history.

These monthly statistics demonstrate another failure in trade. Unfortunately, it is greeted with a series of yawns here in the Congress and in this town. Were someone to try to put an op-ed piece in, for example, the Washington Post about this issue, they would say, no, thank you, they don't do those kinds of pieces. You can't have a debate about trade issues in this town, because too many believe there are only two sides of this issue. On one side there are those who say we are for free trade, free, expanded, and open trade, and that is good for the world. And they say everyone who doesn't subscribe to that is somehow an uninformed xenophobic stooge who wants to put walls around America. Those are the two camps that you are put into. You are either for free trade, period, or you are some sort of xenophobic, isolationist stooge. That is just a thoughtless way to deal with what I think is a significant problem for this country.

This country needs to understand that our trade policy ought to disconnect from our foreign policy. Our trade policy in dealing with trade competitors who are savvy, tough, and shrewd, ought to be a policy that cares about the well-being of this country. I believe in open and expanded and more trade. I also demand that it be fair. If it is not fair, we ought to say to other countries, you either get it fair and allow entry to our products on a fair basis, or we are not going to continue this one-way relationship.

This is not going back to some Smoot-Hawley notion of how we should trade. It is not calling for higher tariffs; nothing of the sort. It is demanding of other countries that we stop being mistreated. It is demanding of other countries that those who believe they can continue to access our marketplace must understand that their marketplace will have to be open as a consequence of that, and the failure to open it means that we will impose reciprocal trade treatment on our trading partners.

Now, we are going to have a meeting in the next day or two with the United States Trade Ambassador and the Secretary of Agriculture to talk about the issues of United States-Canada grain. That is but one issue among these larger sets of issues, but nevertheless it is important. I hope that this issue doesn't continue to fester. I hope that this side, that this Government and this country, will say to the Canadians on the grain issue: You can't do that. We are not going to allow you to do that.

But my experience has been, regrettably, over many years, that standing

up for this country's interests has been the exception rather than the rule in trade issues. All too often our country backs away and says, well, we don't want to ruffle any feathers here. I am just a little tired of that.

When China wants to buy airplanes, guess what? China is a huge market with 1.2 billion or so people, and they need to buy airplanes. So I am told that China comes to our country and says to us, ''Well, we need to buy some airplanes, and we don't manufacture airplanes. But instead of buying it from you, what we want you to do is bring your technology and produce it in China.''

I don't understand that either. This country ought not be interested in that. When we have a country with a $40 billion trade surplus with us, or we a deficit with them, and they need something we have, then they ought to buy it from us off the shelf. China ought to buy more wheat from us. They ought to buy airplanes from us produced in this country with U.S. employees and from U.S. companies.

We ought not to continue to allow our trading relationships to be foreign policy relationships. They ought to be economic relationships with tough, shrewd negotiators working out relationships where the rules are fair, where our employees and our producers can expect fair treatment and fair ability to compete.

So, in September when the President brings to this Congress a request for fast-track trading authority, I intend to be on the floor of the Senate saying no. I have no idea how many of my colleagues will join me. I know for sure as I stand here today that those of us who do say no will be branded as some sort of isolationists. Those who do that are wrong and thoughtless, but they will do it.

But I will insist that finally this country have the nerve and the will to stand up for itself and its interests. I believe that my children will inherit, just as they inherit the budget deficit, a trade deficit that means we will have a lower standard of living in this country unless we take action to deal with it and deal with it effectively.

Let me conclude where I began. This country can compete on any terms anywhere in this world as long as the rules are fair. But we have not been able to satisfactorily conclude trade negotiations in recent decades in any reasonable way that gives us the feeling—or at least gives me the feeling—that we have succeeded.

Time after time after time our trade negotiators celebrate after they have lost. They don't understand they have lost. I am not even sure they do when they see the red ink pile up and the growing, record merchandise trade deficit that now exists in this country.

I hope that one day we can have a thoughtful and interesting debate about trade policy. It should not be between camps who think trade is good or bad. Everyone ought to believe that expanded world trade, provided the circumstances and rules of trade are fair, is good for this world. But everyone also ought to believe that when this country is taken advantage of with markets that are closed, rules that are unfair, and countries that employ child labor and pollute this Earth's environment, that is not fair trade and is not something we ever ought to have to subscribe to.

Mr. President, once again, I expect September will be an interesting month and a challenging month on the issue of trade largely because of the debate on fast track. I intend to be back often to discuss this subject.

Mr. President, I yield the floor and make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. KYL). Without objection, it is so ordered. The Senator has 10 minutes under morning business.

Mr. SHELBY. I thank the Chair.

(The remarks of Mr. SHELBY pertaining to the introduction of S. 1040 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, July 18, 1997, the Federal debt stood at $5,363,155,572,034.79. (Five trillion, three hundred sixty-three billion, one hundred fifty-five million, five hundred seventy-two thousand, thirty-four dollars and seventy-nine cents)

One year ago, July 18, 1996, the Federal debt stood at $5,168,794,000,000 (Five trillion, one hundred sixty-eight billion, seven hundred ninety-four million).

Twenty-five years ago, July 18, 1972, the Federal debt stood at $432,236,000,000 (Four hundred thirty-two billion, two hundred thirty-six million) which reflects a debt increase of nearly $5 trillion—$4,930,919,572,034.79 (Four trillion, nine hundred thirty billion, nine hundred nineteen million, five hundred seventy-two thousand, thirty-four dollars and seventy-nine cents) during the past 25 years.

Mr. SHELBY. I suggest the absence of a quorum.

The PRESIDING OFFICER (Ms. COLLINS). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1998

The PRESIDING OFFICER. Under the previous order, the hour of 3 p.m. having arrived, the Senate will now proceed to the consideration of Senate bill 1034, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1034) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for fiscal year ending September 30, 1998, and for other purposes.

The Senate proceeded to consider the bill.

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Madam President, I thank the Chair.

Madam President, with my distinguished ranking member, I am pleased to present to the Senate the fiscal year 1998 VA–HUD and Independent agencies appropriations bill. This bill is not perfect, as is usually the case with the measures that we present, and not everyone is fully satisfied, but, nevertheless, every attempt was made to achieve a balanced, fair bill which meets our highest priority.

While I am very grateful for the support of the appropriations chairman in the allocation process, it should be recognized that the allocation is slightly above the amount assumed in the budget agreement. Our job was made extremely difficult once again this year by an extraordinarily tight initial 602(b) allocation. I might add that we are awaiting final Budget Committee action, which I expect will be forthcoming shortly, to achieve the final allocation numbers.

The allocation represents a reduction of about $1.4 billion below the President's request in outlays. Clearly, fulfilling the President's request in many areas has been impossible under these numbers.

The bill totals approximately $69.4 billion in discretionary budget authority, plus an additional $21.5 billion in mandatory spending.

Our highest priority was adequately funding VA medical programs, which in the budget agreement took a $300 million cut. Protecting VA medical care meant that fulfilling the President's full request for EPA, for which a 12 percent or $850 million increase was requested, simply was not possible.

In addition, the subcommittee did not apply cuts totaling $230 million to the National Aeronautics and Space Administration or the National Science Foundation which were assumed in the budget agreement.

Finally, the budget agreement suggested that public housing, community development block grants, the HOME Program for local governments to assist in housing, and the McKinney