

The sense-of-the-Senate resolution I am introducing today, along with Senator GRASSLEY, urges the administration to pay much more attention to Japan in the next trade round than was the case in the past.

I want the administration to work overtime to ensure that Japan makes commitments that will genuinely open its markets. And the administration must then ensure that Japan meets those commitments. Paper agreements will not suffice. Agreeing to broad principles is unacceptable. Negotiations in the next trade round must lead to clear results in Japan. There must be meaningful, measurable change in the way Japan's markets operate.

Historically, the relationship between multilateral and bilateral trade commitments made by Japan, and then whether there is actual change in Japan's markets, has been tenuous, at best. The American Chamber of Commerce in Japan, in its report "Making Trade Talks Work", documented this problem of implementation and results.

In the Uruguay round, Japan did not have to make the kind of significant changes that were required of many other major trading countries. Including the United States. Even where Japan agreed to open its market, such as the rice market, the out-of-quota tariff rate is still in the range of 500 percent. That is not a misquote. It is Five Zero Zero, 500 percent tariff on rice coming into Japan from the United States. I am worried that in the next round, the Japanese Government will be able to minimize the commitments they make. And then, in a uniquely Japanese way, they will be able to minimize the implementation of those commitments and obligations. In earlier trade rounds, Japan agreed to the GATT Government Procurement Code. But the United States found that we had to negotiate special bilateral agreements with Japan in order to get genuine access to their government market. We negotiated multiple arrangements on computers, supercomputers, telecommunications equipment, medical equipment, and satellites. Even with these arrangements, access to Japan's market has still been a major problem in many of these areas. The GATT system has not worked well here. In the Uruguay round, we were so focused on other problems, especially in Europe, that we missed a lot of opportunities with Japan. I am concerned that the same thing may happen again. I certainly do not want to take away from the focus on agriculture and other priorities we have for the next round. But I want to be sure that we do not let Japan off again.

Japan seems now to be working overtime to protect its trade-distorting policies in agriculture, forestry, and fishing. The Advanced Tariff Liberal-

ization efforts would have been further along but for Japanese opposition at APEC. Now, Japan is trying to hide its protectionist policies behind the banner of the "multifunctionality" of agriculture. That is, they claim that farming plays an important role in a country's social and cultural fabric, trade liberalization cannot interfere. Of course, farming is integral to the social fabric of many nations, including our own. But that is not an excuse for trade protection and making other countries pay those domestic social costs.

At the same time, Japan is playing a leading role in criticizing United States trade laws and in working with other countries to challenge our anti-dumping and countervailing duty laws in the next round. Some speculate that this is just another attempt to undercut American initiatives in the new round. Japan could, and more important Japan should, take a leadership role in a number of areas. After all, few countries in the world have benefited more than Japan over the past half century from an open world trading system.

Japan could take significant steps to make its regulatory system more transparent and less burdensome. They could table a broad based services liberalization proposal that would encourage others to follow. Japan could lead the effort to put more transparency into the government procurement agreement. It could lead on electronic commerce. And, of course, it could deal with those agriculture policies that are at the top of the agenda.

This resolution calls on the administration to focus on Japan in the next round, to set out specific expectations for the changes desired in Japan, to ensure that Japanese commitments made in the round will truly lead to change in the Japanese market, to work with other major nations to ensure that these changes occur, and to consult closely with Congress and the private sector, including manufacturers, agriculture, service providers, and NGOs, throughout the negotiations.

I hope my colleagues will join me in helping ensure full participation by Japan in the round and in ensuring that we will benefit from Japan's commitments.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Under the previous order, the Senator from North Dakota is recognized for 15 minutes.

THE UPCOMING WTO TRADE SUMMIT

Mr. DORGAN. Mr. President, I am pleased to come to the floor today along with my colleague from Idaho, Senator CRAIG, to discuss objectives we have for the upcoming WTO trade sum-

mit in Seattle, WA. We want that trade summit, the initiation of a new round of trade talks, to be as productive as possible for this country and especially for this country's family farmers and ranchers.

In recent years, we have seen the results of our trade negotiators negotiating trade agreements in secret around the globe and developing the conditions under which we trade goods and services. Family farmers and ranchers largely have discovered they have been given short shrift and not treated very well. In fact, their remedies to attempt to confront unfair trade arrangements were taken away. They discovered that in many cases the competition they face in the marketplace for agricultural goods was unfair competition. They discovered foreign markets were still closed to them, with little promise of them being opened.

We decide this time that the round of trade talks that will begin with the WTO in Seattle would be different. So Senator CRAIG and I convened a caucus, the WTO Trade Caucus for Farmers and Ranchers. We called our colleagues in the House, Congressman Simpson and Congressman Pomeroy, and, with the four of us as cochairs, created an organization in Congress that has nearly 50 Senators and Congressmen, to try to establish, a set of objectives that will be helpful to family farm interests in this country for our trade ambassador and our trade negotiators to follow.

Mind you, we are not simply focusing on the issue of family farmers. We want our trade talks to be fruitful to our country and our economy as a whole. But we believe very strongly, representing rural States, that family farmers have been hurt by recent trade agreements and that ought not be the case. Trade arrangements and trade negotiations ought to help our producers, not hurt them. So our caucus—again, nearly 50 Senators and Congressmen strong—Republicans and Democrats working together, established a set of objectives. Those objectives we have used in meetings with the trade ambassador and with the Secretary of Agriculture and others, and many of us will in fact go to Seattle the first week of December and be present at the initiation of these trade talks, trying to press the case that this time family farmers and ranchers across this country must not be given short shrift in the trade talks.

I would like to go through a couple of charts that describe the seriousness of the situation we want to confront with this trade agenda. Here is a chart that shows what has happened to our trade deficit. We are beginning a new round of trade talks at a time our trade deficit is going through the roof, \$25 billion in a month in trade deficits. That is very serious. That is the highest trade deficit anywhere in history, by any country, any place, any time.

What is happening with imports and exports? This chart shows that imports keep going up, up, and up, while exports are basically a flat line. That is, of course, what is causing our trade imbalance.

Just on agricultural trade alone, in the last couple of years, we have had a very healthy surplus in agricultural trade that has shrunk, and shrunk, and shrunk some more. This is a chart that spells out the difficulties family farmers now face—the rather anemic ability to export to other countries. We are not exporting as much as we used to, and there is a substantial amount of increased imports in food products from abroad.

Finally, let me take it from the general to the specific, to say one of the burrs under my saddle has always been the trade with Canada. It is fundamentally unfair. This chart shows what has happened with our agricultural trade balance with Canada. The United States-Canadian trade agreement and NAFTA turned a healthy trade surplus with Canada in agricultural commodities alone into a very sizable deficit. That is the wrong direction. In durum wheat, in the first 7 months of this year compared with the first 7 months of previous years, which themselves are an all-time record, you will see once again we continue a massive quantity of unfair trade coming in from Canada.

I simply tell my colleagues this to explain that we have serious challenges in this trade round. The caucus that we have established created some objectives on behalf of farmers and ranchers, under the heading of Fair trade for agriculture at the WTO conference:

Expand market access. Too many markets around the world are closed to American farmers and ranchers who want to compete. Expand access, eliminate export subsidies. Those are trade-distorting.

The fact is, we are barraged with export subsidies in multiples of what we are able to do. We ought to eliminate export subsidies—the Europeans, especially, are guilty of massive quantities of export subsidies.

Discipline state trading enterprises. These are sanctioned monopolies that would not be legal in our country. The Canadian Wheat Board, especially, engages in unfair trade.

Improve market access for products of new biotechnology.

Deny unilateral disarmament; that is, do not give up the tools to combat unfair trade; and do not give up the domestic tools to support family farmers.

We have a substantial list on our agenda. Rather than go through all of this, I want to yield to the Senator from Idaho in a moment, but let me also say the Presiding Officer, the Senator from Wyoming, is also involved in this caucus, as are many others, Republicans and Democrats, working together for a common purpose, and that

common purpose is to say: Farmers and ranchers around this country work hard, and they do their level best. They raise livestock and grain and they do a good job. They can compete anywhere, any time, under any condition, but they cannot compete successfully when the rules of trade are unfair.

That, sadly, too often has been the case, and we intend this time in this WTO round to see that is no longer the case. We want these negotiations to bear fruit—bear grain, actually, now that I think about it, from my part of the country, but fruit for others. We want these negotiations to work for our family farmers and ranchers.

Bipartisan work in Congress does not get very much attention because there is not much controversy attached to it, but there are many instances in which we work together across the aisle. This is one. A bipartisan group of 50 Members of the House and Senate are working together for a common objective: to improve conditions in rural America as a result of the upcoming WTO round of trade talks. I am very pleased to have been working with my colleague, Senator CRAIG, from the State of Idaho. I yield to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I thank Senator DORGAN for outlining the intent of the effort underway by the Senator, myself, and 49 other colleagues. It was Senator BYRON DORGAN who approached me on the idea of creating a WTO caucus to elevate the interests of agriculture in this up-and-coming round of the WTO planning session in Seattle in December.

I thank him for that vision. It has been fun working with him as we have created what I think is—sometimes unique in the Congress—a bipartisan, bicameral effort where we are all standing together on a list of items and issues we know are key for American agriculture. The Senator has outlined those on which we came together in a consensus format that we think are critical, that we presented to our Trade ambassador and to our Secretary of Agriculture.

Market access—we know how critically important that is; export subsidies and how they are used or used against us; State trading enterprises and their ability to mask the reality of subsidies from products that enter the marketplace in a nontransparent way; nontariff barriers that are used to block the movement we want to see in certain trade efforts.

All of these are the issues we have presented and because of our effort collectively, we have caused the Secretary of Agriculture and the Trade ambassador to suggest that No. 1 on the agenda of America's negotiators at the WTO will be agricultural issues.

Why are we concerned about it? Here is an example. Even after the Uruguay

agreement which required tariff reductions of some 36 percent, the average bound agricultural tariff of WTO members is still 50 percent. In contrast the average U.S. tariff on agricultural imports is less than 10 percent—50 percent versus 10 percent on the average. Those are the kinds of relationships we have to see brought into balance and corrected.

The United States spends less than 2 percent, \$122 million a year, of what the European Union spends on export subsidies. They spend \$7 billion a year, buying down the cost of their product to present it into a world market. In fact, the European Union accounts for 84 percent of the total agricultural export subsidy worldwide. Subsidized foreign competition has contributed to the nearly 20-percent decline in U.S. agricultural exports, as Senator DORGAN so clearly pointed out on his charts a few moments ago. That dramatic reduction in the agricultural trade surplus from a \$27 billion surplus for us in 1996 to just \$11.5 billion this year says it very clearly. We have to do something on behalf of American agriculture to allow them a much fairer access to world markets.

Those are the issues we think are so critical as we deal with our world traders in Seattle. Nontariff barriers have become the protectionist weapon of choice particularly for the products derived from new technologies, as Customs tariffs are lowered. U.S. negotiators should prevent our trading partners from making crops and other foods produced with genetically modified organisms into second-class food products. Yes, we have to do a better job of convincing the world of our tremendous scientific capability. At the same time, they cannot arbitrarily be used as a target for nontariff barriers, as will be argued or debated in Seattle.

That is a collection of many of the issues with which we are going to be dealing. It is so important America recognizes the abundance of its agriculture and the unique situation we find ourselves in a world market today where we have had the privilege, through the productivity of America's farmers, to lead the world. We now do not lead when it comes to agricultural exports but we will search to cause it to happen, through the openness of the marketplace, through the fairness of competition we know American agriculture, given that opportunity, can offer.

Again, I thank Senator DORGAN for his cooperativeness and the ability to work together with our colleagues MIKE SIMPSON and EARL POMEROY from the House and, as Senator DORGAN mentioned, the Senator from Wyoming who is presiding at this moment. All of these are tremendously important and critical issues for our home States and for America at large. The abundance, the productivity of American agriculture hangs in the balance. To the

consumer who walks in front of a supermarket shelf every day to see such phenomenal abundance, that in itself could decline if we are not allowed the world marketplace in which to sell the goods and services of American agriculture.

Mr. President, I ask unanimous consent to print in the RECORD agricultural trade priorities for the WTO Conference.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WTO TRADE CAUCUS FOR FARMERS AND RANCHERS—AGRICULTURAL TRADE PRIORITIES FOR THE WTO MINISTERIAL CONFERENCE AND NEW ROUND OF GLOBAL TRADE NEGOTIATIONS

MARKET ACCESS

Expand market access through tariff reduction or elimination.

Negotiate zero-for-zero for appropriate sectors.

Strive for reciprocal market access.

Even after the Uruguay Round Agreement, which required tariff reductions of 36 percent, the average bound agriculture tariff of WTO members is still 50 percent. In contrast, the average U.S. tariff on agriculture imports is less than 10 percent.

EXPORT SUBSIDIES

Eliminate all export subsidies.

Reduce European Union (EU) subsidies to the level provided by the United States before applying any formula reduction. Negotiations must not leave the EU with an absolute subsidy advantage.

The United States spends less than 2 percent (\$122 million) of what the EU spends on export subsidies (\$7 billion). In fact, the EU accounts for 84 percent of total agriculture export subsidies worldwide. Subsidized foreign competition has contributed to the nearly 20 percent decline in U.S. agriculture exports over the last three years, and the dramatic reduction in the agriculture trade surplus, from \$27 billion in 1996 to just \$11.5 billion this year.

NO UNILATERAL DISARMAMENT

Combat Unfair Trade.

Restore and strengthen enforcement tools against unfair trade practices.

Improve enforcement of WTO dispute panel decisions, accelerate the process, and make it more transparent.

Support Family Farmers.

Preserve the flexibility to assist family farmers through income assistance, crop insurance and other programs that do not distort trade.

Retain the full complement of non-trade distorting export tools including export credit guarantees, international food assistance, and market development programs.

STATE TRADING ENTERPRISES

Establish disciplines on STEs to make them as transparent as the U.S. marketing system.

Expose STEs to greater competition from in-country importers and exporters.

Eliminate the discriminatory pricing practices of STE monopolies that amount to de facto export subsidies.

Export STEs like the Canadian Wheat Board and the Australian Wheat Board Ltd. control more than 1/3 of world wheat and wheat flour trade. Import STEs keep U.S. farmers and exporters out of lucrative foreign markets.

NON-TARIFF TRADE BARRIERS

Ensure that science and risk assessment principles established by the Sanitary and Phytosanitary Accord during the Uruguay Round are the basis of measures applied to products of new technology and that this process be transparent.

Assume that regulatory measures applied to products of new technologies do not constitute "unnecessary regulatory burdens."

Negotiate improved market access for products of new technology, including bio-engineered products.

Non-tariff barriers have become the protectionist weapon of choice, particularly for the products derived from new technologies, as customs tariffs are lowered. U.S. negotiators should prevent our trading partners from making crops and other goods produced with genetically-modified organisms into second-class food products that are the subject of discrimination in foreign markets.

Mr. CRAIG. I yield the floor.

Mr. DORGAN. Mr. President, I ask unanimous consent to add 10 minutes to the discussion. I want to ask the Senator from Idaho a question.

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

Mr. DORGAN. Mr. President, I listened to the Senator from Idaho, and one of the points he made is important. A lot of people do not understand that following the conclusion of the latest round of trade talks, there remains a 50-percent tariff on average in other countries. To the extent we can get our agricultural commodities into those countries, there is a 50-percent tariff on those goods.

In previous speeches I talked about eating American T-bone steaks in Japan and that there is a 40.5-percent tariff on every pound of beef going into Japan. That is actually a bit lower than the average tariff that is confronting our products going elsewhere in the world.

I think anyone would conclude it is a failure if we had a 50-percent tariff on an agricultural commodity coming into this country, and yet our producers confront it all across the world. In fact, those are the cases when we can get products in. There are many circumstances where we will not get products into a market at all or, if we get some products in, we cannot get sufficient quantity; is that not correct?

Mr. CRAIG. The Senator is absolutely correct. When we came out of the Uruguay Round, when the round was heralded to have significant improvements in overall tariff levels, the problem was that most tariffs in the world were very high and ours were very low.

So we negotiated everybody down equally. We took a reduction in tariff. They, the European community, and others, took a reduction in tariff, which brought the average, other than the tariffs of the United States, down to 50 percent; and ours were down in the 10-percent-or-less range. So it was this kind of gradual slide.

I do not call that fair or balanced. It would have been different if the rest of

the world had come down to a 20-percent-or-less range or properly on parity with the United States at 10 percent or less. That really is the way we should negotiate.

Thank goodness our Trade Representative, Charlene Barshefsky, agrees with us now and has agreed they will not negotiate from that position in Seattle, that clearly the European community and others have to bring that down to a near level area.

Mr. DORGAN. Mr. President, further inquiring, is it not the case that exactly the same thing happened on export subsidies? The Senator from Idaho described tariffs that exist in our country versus other countries and trade talks attempting to reduce those tariffs, except they left the tariffs much higher in other countries than in our country. If you go down 10 percent, and one country has a 50-percent tariff, that means you have taken their tariff down from 50 to 45 percent. If we have a 10-percent tariff, we go from 10 to 9. That does not make any sense to me.

Exactly the same thing was true with respect to export subsidies. So the European countries were left with export subsidies many times in excess of anything we could possibly use. That was probably fine in the first 25 years after the Second World War because then our trade policy was really foreign policy. We were trying to help other countries out of the trouble they were in. We could beat anybody else around the world in trade with one hand tied behind our back. It didn't matter very much. We could do a lot of concessional things.

That is not the case anymore. The European Union is a tough, shrewd economic competitor. Japan is a tough, shrewd economic competitor. The same is true of many of our trading partners. We must begin to insist that trade policy be hard-nosed economic policy, not foreign policy.

I inquire of the Senator from Idaho, is it not the case that the point we are making in these trade objectives is to say, on both market access—on tariffs, on export subsidies—and other items, that we do not want to be in a circumstance anymore when, at the end of the negotiation, we have made concessions to other countries that put our producers at a significant and distinct disadvantage?

Is it not the case that our producers, at the end of the previous rounds, were at a distinct and dramatic disadvantage, and our objective is to make sure that does not happen again.

Mr. CRAIG. The Senator is absolutely correct. In fact, let me give an example of the disadvantage we were in that caused great frustration.

The Senator's State and my State produce a variety of grains. And we produce them at high rates of yield. They are high-quality grains. Yet we found shiploads of grains, barley in

some instances, from foreign countries sitting at our docks, being sold into our markets at below our production costs.

How did that come about? That came about because the government of the producing country that sent the boatload of grain to the Port of Portland subsidized it down to a level that they could actually enter our market and compete against our producers who were getting 1950 prices for their 1998 barley crop.

How do you pay for a brand new tractor or a brand new combine with 1950 dollars in 1998? You do not. You run the old combine, you fix it up, or you go bankrupt. But that is exactly what was happening because our negotiators did not do the effective job of bringing down export subsidies in a way that would disallow the greatest grain-producing country in the world to accept grain at its ports from foreign nations at below our cost of production. That is the best example I can give.

Mr. DORGAN. If the Senator would yield, I think the Senator is describing, at least in one case, a barley shipment coming from the European Union to Stockton, CA. It pulled up to the dock in Stockton, CA, and was able to offload barley shipped over here from Europe at a price that was dramatically below the price that was received in this country by barley growers, at a time, incidentally, when our barley price was in the tank.

How could that be the case? The reason they could do it is they deeply subsidized it. In fact, they dumped it into our marketplace. When that ship showed up at the California dock, it represented legal trade. Think of that: A deeply subsidized load of grain coming into a country that is awash in its own barley, with prices in the tank, and that ship shows up, and it is perfectly legal. They can just dump it into our marketplace. They can hurt our farmers. It doesn't matter because it is legal under the previous trade agreement.

That describes why our farmers and ranchers in this country are so upset. They have reason to be upset. They ought to be able to expect, when our negotiator negotiates with other countries, that we get a fair deal. It is not a fair deal to say to other countries: We will compete with you, but you go ahead and subsidize; drive down the price. Dump it, if you like, and there will be no remedy for family farmers to call it unfair trade because we in our trade agreement will say it is OK.

It is not OK with me. It is not OK with the Senator from Idaho. It is not OK with many Republicans and Democrats who serve in Congress who insist it is time to ask that trade be fair so our producers, when they confront competition from around the world, can meet that competition in a fair and honest way. That is not what is happening today.

If I might make one additional point, the Senator represents a State that borders with Canada, a good neighbor of ours to the north. My State borders with Canada. I like the Canadians. I think they are great people.

But following the trade agreement with Canada, and then NAFTA, we began to see this flood of Canadian durum coming into this country. It went from 0 to 20 million bushels a year. Why? Do we need durum in this country? No. We produce more than we need. Why are we flooded with durum? Because Canada has the state trading enterprise called the Canadian Wheat Board, which would be illegal in this country but legal there.

They sell into this country at secret prices. It is perfectly legal. You can sell at secret prices. You dump and hide behind your secrecy, and no one can penetrate it. That is why our farmers are angry. It has totally collapsed the price of durum wheat. It is unfair trade. All the remedies that farmers and ranchers would use to fight this unfair trade are gone.

Ranchers have just gotten together in something called R-CALF. They have spent a lot of money and legal fees and so on and taken action against the Canadians. Guess what. The first couple steps now they have won. But that should not be that way. You should not have to force producers to spend a great deal of money to go hire Washington law firms to pursue these cases.

Trade agreements ought to be negotiated aggressively on behalf of our producers in order to require and demand fair trade. But I wanted to make the point about State trading enterprises, which must be addressed in this new WTO round, because the STEs have dramatically injured American farmers and ranchers.

My expectation is that Senator CRAIG has discovered exactly the same circumstance in Idaho in terms of his ranchers and farmers trying to compete against sanctioned monopolies from other countries.

Mr. CRAIG. The Senator is absolutely right. When he speaks of Statetrading enterprises, the Canadian Wheat Board and the Australian Wheat Board control over one third of the world's wheat and wheat flour trade. As the Senator just explained, those negotiations are kept secret. Those trading enterprises buy the grain from farmers at the going market price. Then when they sell it, they do not report it. If they are to sell it well below the cost of the market, to get it into another country for purposes of sale, they sell it, and they are subsidized accordingly. If they can make money, they make money. But the point is, those kinds of transactions are not transparent. They are not reported.

In my State of Idaho, you can get a truckload of barley out of Canada to an

elevator in Idaho cheaper than the farmer can bring it from across the street out of his field to that elevator. Why? Because that was a sale conducted by that particular trading enterprise, and it was sold well below the market, and, of course, that was not reported. You do not have marketplace competition. You cannot even understand it and compare figures, if you have no transparency in the marketplace. State trading enterprises are known for that, and we have asked our Secretary of Agriculture and our trade ambassador to go directly at this issue. Even the farmer of Canada now recognizes that this is also disadvantaging the producer in Canada, to have this kind of a monopolistic power controlling the grain trade of the world.

Mr. DORGAN. Mr. President, I have been pleased to work with Senator CRAIG and others in establishing this caucus. I will be in Seattle at the trade talks, as are many of my colleagues. We are determined this time to make sure that, at the end of these trade talks, we do better than we have done before on behalf of family farmers and ranchers.

Will Rogers said, I guess 60 years ago, the United States of America has never lost a war and never won a conference. He surely would have observed that if he had observed the trade negotiations that have occurred with Republican and Democratic administrations over recent decades. We are determined to try to change that. That is the purpose of this caucus.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, what is the pending business?

The PRESIDING OFFICER. Morning business is closed.

BANKRUPTCY REFORM ACT OF 1999—Resumed

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative assistant read as follows:

A bill (S. 625) to amend title 11, United States Code, and for other purposes.

Pending:

Grassley amendment No. 1730, to amend title 11, United States code, to provide for health care and employee benefits.

Kohl amendment No. 2516, to limit the value of certain real or personal property a debtor may elect to exempt under State or local law.

Sessions amendment No. 2518 (to amend amendment No. 2516), to limit the value of certain real or personal property a debtor may elect to exempt under State or local law.

Feingold (for Durbin) amendment No. 2521, to discourage predatory lending practices.