

and ethical issues, medical issues, and scientific issues, and for social issues.

I will not belabor the commission, but want to come back to the concept and the concept is to have an appropriate forum to discuss the types of issues we are discussing today, which I have made the case that we have to act on today in response to proposals that have been made from the private sector and to have a better, a more appropriate, a more responsive, and a more representative forum to address such issues in the future.

Mr. President, I yield the floor.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I ask unanimous consent that I may speak as if in morning business.

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

THE PRESIDENT'S BUDGET

Mr. KERREY. Mr. President, there has been a lot of commentary before about the President's budget, and I would like to offer a little comment prior to talking about the proposals that I heard the distinguished Senator from West Virginia, Senator BYRD, make the other day having to do with the importance of ISTEA legislation.

My own view is that there is an awful lot that Congress needs to be proud of at the moment. We sometimes make it worse with our actions. And when we help make things better, it seems to be important for us to take stock of what we have done and to acknowledge our accomplishments.

I believe the last 7 years in the United States we have seen a dramatic transformation in the United States Congress from one of an expectation almost that the Japanese and other Asian nationals are going to overwhelm us.

I remember very well in 1991 the debate was: Will the U.S. currency be devalued in the end? Could our automobile manufacturers survive? Could our computer manufacturers survive? There were a lot of people who reached the conclusion that we would not be able to do that, and what we ought to do is adopt the Japanese model, to have the Government much more involved in the decisionmaking businesses, with a much closer relationship, and industrial policy was quite popular at the time.

We chose a different direction. We enacted in 1990, and in 1993 and again enacted in 1997, legislation that imposed fiscal discipline on the Federal Government. And as a consequence of that we are now finding ourselves debating what are we going to do about the surplus? We have reduced Government borrowing, and reduced Government borrowing just from the 1993 legislation by almost \$800 billion; and that coupled with tremendous accomplishments in the private sector, businesses and employees working harder, pro-

ducing more, being more competitive and especially paying attention to price and quality which is what the consumer increasingly is looking at before they will make a purchase.

Our goods are selling. Our cars and computers are selling. Our software and food is selling. Our products are selling. People throughout the world, where they have an opportunity to buy our products are saying that "Made in the U.S.A." is good again. It wasn't that long ago when people were saying maybe it is not so good.

So we need to congratulate ourselves. We have a surplus. The cost of the Federal Government is down to the lowest as a percentage of GDP than it has been in a long time. Crime is down in most major cities. There is a lot that we need to feel good about—not just as Members of Congress but as Americans for how it is that we have gotten to where we are today.

Mr. President, I think, as is always the case in any competitive operation, that it must be pointed out that there is a need to take advantage—not to say it is terrific and we are on the top of the heap and become complacent. That is when you get in trouble. I understand that there is uncertainty when you are having to compete. But in part that uncertainty means we are doing a good job because we are not asking anybody to provide us with an absolute guarantee of success. We are saying that we are prepared to get in the market and do what we have to do to be successful.

So I believe it is not the time in 1998 to say that it is terrific, and let's figure out how to spend the surplus, or let's figure out how to take an easy course of action. I think the President has outlined for us a tough course in setting Social Security as a top priority saying we have to have a discussion in 1998 about it besides in 1999 what we are going to do with the most expensive program that we have in Washington, DC, today. I applaud that.

All of us need, as we look at the Congressional Budget Office numbers, to be alert. And the distinguished Senator from Tennessee and I are both on the Medicare commission, and I presume that Medicare commission, which I think is going to have our first meeting sometime in March relatively quickly, I hope. Our big concern should be the year 2010, the year 2030, and the CBO numbers that we are given. All of us need to understand that it only extends out 10 years. The next 10 years looks pretty good. Over the next 10 years not a single baby boomer will retire. They start to retire; 77 million of them start to retire in the year 2010. And from 2010 to 2030, the number of retirees will increase almost 25 million while the number of workers only goes up 5 million. That is a demographic problem—not caused by liberalism or conservatism. It is a demographic problem, and my guess is that this year it will impose some sort of children's health fee on tobacco. My guess is that

the increased funding in NIH will go through. And my guess is that as a consequence of that and what other sorts of things there will be that the baby-boom generation is going to live even longer than what we are currently forecasting. And their demand for collective transfer payments both from Social Security and Medicare are apt to be larger than what we are currently estimating, not likely to be smaller.

During that period of time—2010–2030—the percent of our budget that is allocated to mandatory spending, presuming that we allow net interest to go down, which is by no means certain, if we allow the debt to be paid down so the net interest can go down, even with that scenario, at the end of the baby boom generation 80 percent of the budget will go to mandatory spending. All one has to do is take today's budget of \$1.7 trillion, subtract 80 percent, and ask yourself how you are going to defend the Nation with 20 percent, how you are going to build our roads, how you are going to maintain a law enforcement system, how you are going to do all the things that everyone wants to do with only 20 percent left.

That is the dilemma, it seems to me, we are going to face. So I hope in this moment of exuberation and exhilaration we understand now is not the time to become complacent. Now is not the time for us to just come to the floor and try to tee up things that are relatively easy. We have to get the tough things done.

INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT

Mr. KERREY. Mr. President, I was very disappointed, many of my colleagues down here, a lot of us were disappointed that we were not able to get the ISTEA legislation passed last year. For me the ISTEA legislation is one of the most important things with which this Congress deals. It creates immediate jobs, employs people in my State, but much more importantly, it adds to the productive capacity out in the future. It contributes to our capacity to be competitive. It enables our families to do what they want to do when they take their leisure time.

Our transportation system is enormously important, and it is one of the things we in America have to be proud of. It enables us to maintain our competitive edge and to be able to celebrate.

I was encouraged earlier last year when the majority leader indicated that he was going to make this a priority and bring it up right away. I have great respect for Senator DOMENICI, the chairman of the Budget Committee, who is asking that this legislation be taken up after we get a budget resolution, but that means we will have to get another 6-month extension. That means there will be contract uncertainty out there in the country. That means we may not get this thing done until next year.

All of us know there are bitter divisions about formulas, bitter divisions about how we are going to allocate our money: should it go out to the West, to the Northeast? All of these battles that typically do not break down by party line but by geographic line, all of those battles will have to be waged here in the Senate Chamber when the bill is brought up. If you delay it, not only do we risk not getting a 6-month extension, we risk not getting ISTEA passed until very late in the session, creating contract uncertainty, creating, it seems to me, problems none of us ought to be courting.

So I hope that the distinguished chairman of the Budget Committee and the majority leader will bring this legislation up before this budget resolution, will schedule it for debate as quickly as possible.

We need, on behalf of the American workers, on behalf of American businesses, to pass what arguably I think both Republicans and Democrats would say is apt to have the most immediate, positive impact in terms of our economy and in terms of jobs and productivity.

I have a letter from one of Nebraska's significant engineering companies pointing out, quite correctly, that there is an urgency to this legislation. There are jobs hanging in the balance, there is productivity hanging in the balance, there is safety hanging in the balance. There are lot of things that need to be done that we are not going to be able to do if this piece of legislation is delayed.

I voted yesterday to rename the National Airport in favor of Ronald Reagan. I am a Democrat. There were many of us who said, oh, my gosh, do we have to put a Republican name up on our airport? Ronald Reagan was one of the most important Presidents of this century. It was an important piece of legislation. But relative to ISTEA, it is not as important. When you size and scale these things in terms of the contribution they are going to make to keep our people safe, to give our kids a good education, to give Americans a shot at the American dream, ISTEA gives them that opportunity. ISTEA gives us jobs; it gives us a chance to maintain our competitive edge.

I hope there is some reconsideration given. I hope that the advice that was offered earlier by the distinguished senior Senator from West Virginia, Mr. BYRD, that this legislation be brought up sooner rather than later will be taken by the majority leader.

Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRASSLEY. 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. GRASSLEY. I ask unanimous consent to speak for 10 minutes as in morning business.

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

INTERNATIONAL TRADE INITIATIVES

Mr. GRASSLEY. Mr. President, as we start the second session of the 105th Congress I want to outline my priorities on international trade issues from my vantage point of chairman of the Finance Committee's International Trade Subcommittee. Some of these are legislative initiatives that began in the 1st session and others are things that we should be doing everyday.

The first thing we need to do is restore the United States to its rightful position of leading the world in liberalizing global trade. We can do this by granting the President new trade negotiating authority. The failure to pass fast track last year was harmful to American workers, American farmers and American consumers.

Why? Free trade not only creates new, high-paying jobs—it helps preserve existing jobs. When high trade barriers prohibit U.S. companies from exporting to a foreign market, the company will choose to relocate in that other country in order to sell its product.

The United States has one of the most open economies in the world. Our average tariff is about 2.8 percent. The world average is 12 percent. Fifty years ago it was 48 percent. Many other countries have virtually closed markets. According to the World Bank, for instance, China's average tariff is 23 percent, Thailand's is 26 percent, the Philippines 19 percent, Peru almost 15 percent, and Chile has a flat 11 percent tariff.

It can be difficult for American companies to export to a country like China, that places a 23 percent tariff on our goods. The tariff prices our goods out of the market. So these companies move their plant to China and avoid paying the tariff.

The preferred alternative—for American workers—is negotiating with China to lower its tariffs. Bring their tariffs down to our level. Then the companies can stay here—employ American workers—and export their goods to China. It's a "no-brainer."

But we can not negotiate these tariffs down without fast track authority. That is why fast track is so important. It leads to lower tariffs in foreign countries and the preservation of American jobs.

Fast track also leads to the creation of new jobs. Exports already support 11 million jobs in the U.S. Each additional \$1 billion in exports creates between 15,000 and 20,000 new jobs. These jobs pay 15 to 20 percent higher than non-export related jobs. And, in Iowa, companies that export provide their employees 32 percent greater benefits than non-exporters.

All of this is in jeopardy without fast track. And it is the American worker who will suffer.

Mr. President, what I am most concerned about is the vacuum of leader-

ship on international issues that is left by the United States relinquishing this traditional role. Ever since the first Reciprocal Trade Agreements Act of 1934, the United States has led the world in reducing barriers to trade. And we have benefitted greatly from this leadership.

American workers are the most productive, highest-paid workers in the world. American companies produce the highest quality products. And American consumers have more choices of goods and pay less of their income on necessities, such as food, than consumers of any other country. These are the benefits that we have enjoyed because we've been willing to lead on trade.

This leadership is now being questioned by our trading partners. They are moving on without us. They're forming regional and bilateral trading arrangements that don't include the United States.

What are the consequences for the United States? The European Union, Japan and developing countries will have a greater influence in shaping world trade policies. Should we trust Japan and the European Union to advance our interests? How hard will they push for opening markets?

I ask my colleagues who voted against fast track because of labor and environmental concerns, how hard do you think other nations will push for raising these standards? I ask my colleagues from rural states, do you trust the European Union and Japan to push for open markets at the 1999 WTO agriculture talks?

Only our President can advance our interests. Only the United States can influence other countries to improve their environment and labor standards, to improve human rights, and to embrace democracy through international trade. That is why the President should renew his effort for fast track authority and Congress should pass it this year.

Congress also included a reauthorization of the Trade Adjustment Assistance program in the Senate's fast track bill. This program assures that every American who loses their job due to a free trade agreement receives the job training and assistance they deserve. No American will be left behind by our participation in the global economy. My second initiative is to secure passage of the TAA this year.

MY third priority is to keep markets open the troubled Southeast Asian countries. I support IMF assistance of the nations in crisis. But as part of the economic reforms that the IMF requires, we must insist that the Asian countries open their markets to our exports.

Countries have a natural inclination to close their markets in time of crisis. But this only accelerates the downward spiral they find themselves in. For their own good, they should resist the temptation to raise trade barriers.

Also, some of these countries will attempt to increase their exports to our