

They would just cut the dollars. More and more people are growing old in this country. Some months—most months, in fact—we have 200,000 Americans in 1 month become eligible for Medicare. Why? Because America is growing older.

So as more and more people become eligible for Medicare, to cut the funding without worrying about how an elderly person gets health care is hardly a priority I think which stands the test of good sense. And if you say to a country that faces real challenges in its future that the way to face them is to make it harder for a kid to go to college and cut back on money for student aid, then you are not in my judgment investing in our future.

Why do that? We do that at least in part because some want to give a big tax cut to the most affluent in America. Again, I do not quarrel with the goal. I think the goal of balancing the budget is a goal we must march toward and meet. That is our challenge, and that is our test. I think there is substantial room to quarrel about the priorities at this point. There is a right way to do this and a wrong way to do it. And the right way to do it is to understand that the economic engine in this country is the working family. You do not help the working family in this country by doing the kinds of things that they are talking about in this budget. That is the wrong way.

I would say that maybe 50 or 60 percent of the budget recommendations brought out by the Budget Committee make a lot of sense, and I would sign up immediately for them. I support a lot of those proposals. A lot of them are good. I give Senator DOMENICI and other members of the Budget Committee great credit for some of those provisions, and I will support them in a minute and vote for them. But I am just saying that in the Contract With America in the House and also in the Senate, there are some provisions that reflect in a traditional way the difference in priorities.

We believe in education. Let us invest in education and not withdraw the help for those who want to learn, those who want to produce, and those who want to go on to become citizens who will help build this country. Let us not withdraw health care assistance from the elderly and the poor who need it. Let us not increase taxes for the low-income working families, which is also a part of this budget proposal. But there are many other areas where we can cut, and cut significantly, and cut much more than is now proposed by the Senate Budget Committee recommendation.

So I hope when we get this to the floor, I hope you will not hear one word from any Member of the Senate who quarrels about the goal. We must balance the budget by 2002. It is doable. It is doable without the greatest of effort by Members of the Senate. But it ought to be done right away, investing in the right things still for this country, even

as we cut those things we no longer need, those things that waste money and those things that are extravagant.

TRADE WITH JAPAN

Mr. DORGAN. Mr. President, I want to turn to one other very brief subject, and that is the issue of trade with Japan.

I intend to provide a discussion tomorrow at some greater length about our trade situation. But I noticed that the Trade Representative has announced potential sanctions in the future against Japanese trade with the United States if Japan does not open its market further to United States goods.

The fact is the trade situation in this country is serious. We talk a lot about the Federal budget deficit, but we have another deficit that is serious and troublesome. We have a trade deficit that is the most significant trade deficit in this country's history. The merchandise trade deficit last year was \$166 billion, and I have a chart that shows our trade picture in this country. I would like to hold it up.

This chart shows with whom we have trade deficits and those with whom we have trade surpluses. We have almost no surpluses, and those countries with whom we have a surplus, it is a very, very minuscule surplus, but you will see what is happening with respect to deficits.

All of our major trading partners are countries with which we now have a trade deficit, and that now includes Mexico, for all those who said we were going to have all these new jobs and bountiful trade with Mexico. What a bunch of nonsense that was. We have turned a trade surplus with Mexico into a very significant trade deficit. Most experts suggest the deficit with Mexico will turn out to be anywhere from \$12 to \$16 billion. It was the last remaining major trading partner we had with which we have had a surplus, and we have turned that into a deficit, unfortunately, with NAFTA and the subsequent devaluation of the peso, and so on.

But you will see in this line a growing, escalating trade deficit with Japan even as the dollar was weakened against the yen, even when you would expect the trade circumstances to move in the other direction. Our trade deficit with Japan is unsustainable, and it is not fair. The Japanese expect their products to come into the American market unimpeded, and they do. We have a wide selection of brand names from Japan in virtually every area of consumer products. So they access our marketplace. And what happens when we try to access theirs? We find impediment after impediment after impediment, and we cannot get American goods in any significant quantity into the Japanese marketplace.

I have a very small chart I would like to show on auto parts and on cars and

trucks, and I hope that this can be picked up. But this shows the percentage of auto parts by country, and I wish to show you the import share. The United Kingdom has 60 percent—60 percent of the auto parts in the United Kingdom are imports; 32 percent in the United States; 49 percent in France; 16 percent in Italy; 2.4 percent of the auto parts in Japan are imported—2.4 percent. All the rest are produced in Japan.

Now, is that an accident? No, it is not, because they keep auto parts out of Japan. You cannot get them in. They can move them to the United States, but we cannot move them to Japan.

How about cars and trucks? Mr. President, 4 percent of the cars and trucks sold in Japan are imports. And you look at the rest of the countries: 35 percent in Italy; 54 percent in the United Kingdom; 30 percent of the cars and trucks sold in the United States are imports; 4 percent of the cars and trucks sold in Japan are imports.

Now, is that because no one has figured out a way to sell in Japan? No. It is because Japan keeps them out. Japan has a one-way trade strategy that says we want Japanese producers to be able to sell in your markets, but when your producers want to sell in Japan, we want to keep them out.

This President, to his credit, has begun to stand up to other countries, including Japan, saying we are sick and tired of one-way trade relations. When we have these trade deficits, it means lost jobs in America—lost jobs, lost income, lost opportunity, and lost hope. The President is saying we expect and demand reciprocal trade policies. Japan, we want you to open your markets.

We are not saying we want to shut off access to Japanese goods in the United States. That is not the point. The United States has demonstrated for many, many years that we want our consumers to have the widest possible choice of goods, including goods from around the world. But it is long past the time when our country should accept a trade relationship that is unfair to our people, unfair to our country, unfair to our wage earners.

This President is saying to Japan, we are going to hold up a mirror. We treat you well. Our borders are open to you. You move your goods here in increasing quantities. We expect your borders to be open to us. We expect American producers and the product of American workers to have access to the consumers in Japan. And he is the first President for some long while to have the nerve to stand up and to have the nerve to confront the Japanese on these issues.

It is not just the Japanese. We also have to confront the Chinese, whose \$30 billion trade surplus with the United States is growing at an alarming rate. We must be able to penetrate those markets and have fairness in the world and world trade.

Ambassador Kantor and the President, I know, are embarked on a nervous time, and I know it is very controversial. But I would say, whether it is a Republican or a Democratic administration, this country needs to stand up for its economic interests. It needs to stand up for jobs and opportunity here. I think President Clinton, in calling the Japanese on these trade policies, is beginning to do that on behalf of this country.

I do not want a trade war. A trade war will not benefit anyone. It will hurt the world. But by the same token, we cannot have a post-Second World War trade strategy which is essentially only a foreign policy by which we pay and everyone else wins. That is a strategy that continues to weaken our country. We ought to say our borders are open but yours must be, too. We believe in reciprocal trade policies. We believe in open trade and free trade, yes, but we, most importantly, insist on fair trade. It is long past the time when our country needs to stand for that. I am pleased that President Clinton is taking some action to confront the Japanese and now next it will be a number of other countries that treat us in exactly the same way.

Mr. President, with that, I yield the floor.

VETO OF THE RESCISSION BILL

Mr. GRAMM. Mr. President, President Clinton announced today that he is going to veto the rescission package. President Clinton is going to veto our effort to reduce Government spending by \$16 billion. President Clinton, who continues to talk about deficits, is going to veto a bill that cuts more spending than any rescission bill in the history of this country.

Why is he going to do that? He is going to do it because he is committed politically to the special interest groups who stand to lose from our putting the Federal Government on a budget like everybody else. I think Bill Clinton should start representing the public interest and not the special interests that support the Democratic Party.

I think it is outrageous, when we are running a \$175 billion deficit, when the deficit is heading toward \$350 billion, and the President, to defend things the way they are in Washington, DC, is going to veto a bill that cuts 16 billion dollars' worth of Government spending.

The President should sign the rescission bill. He should join our effort to put the Federal Government on a budget like everybody else. Ultimately, we have to make a decision. Are we going to change the Government in order to bring back the American dream, put the Federal Government on a budget, let families keep more of what they earn, or are we going to continue to support business as usual in Washington, DC?

When Bill Clinton vetoes a \$16 billion cut in Government spending to protect

a few pet programs, he is putting the political interests of his administration and his party in front of the interests of the people of America. I do not think the American people are going to like it; I think they are going to react negatively to it; and I think they should.

President Clinton can stop us on the rescission bill. He can get Democrats to vote and sustain his veto. I think it is important that we pass the bill, that we challenge him, and that we try to override this outrageous veto. But for next year, beginning in October, we are going to be writing the appropriations bills, and so the President is not going to have the ability to veto bills unless he wants to shut down Federal departments.

I think we are fast coming to the moment of truth. Are we serious about dealing with Government spending? Are we serious about putting the Government on a budget like everybody else? Or are we committed to the same old special interest groups that have dominated American Government for 40 years?

By vetoing an effort to reduce Government spending to protect special interest programs, President Clinton is saying he is willing to protect business as usual in Washington. I think this is something that we have to fight because I think we are down to the basic principle on which the American people cast their votes in 1994, and I think they expect us to stand up, speak out, and fight for putting the Federal Government on a budget like everybody else.

I yield the floor.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

SPECIAL INTERESTS

Mr. PRYOR. Mr. President, I wonder if my friend from Texas would answer a question if I were to propose a question?

Mr. GRAMM. I might. I would like to hear it first.

Mr. PRYOR. Yes.

I read in the Washington Post this morning about the \$5 million Republican fundraiser that was held last evening. I want to congratulate the Senator from Texas for putting this enormous fundraiser together. It may have been the largest of its kind in history.

I wonder if the Senator from Texas would be so kind as to answer this question of the Senator from Arkansas: Were there any special interests represented at this fundraiser?

Mr. GRAMM. Let me first respond by saying, I appreciate your generosity in suggesting that I might have put on such a grand fundraiser. In fact, I am no longer chairman of the Republican Senatorial Committee. I did attend. We had a lot of people there from all over America.

Mr. PRYOR. Were there any special interests there at the fundraiser?

Mr. GRAMM. Clearly, many of them were there. They came to the event. Each individual group represents a special interest.

But let me tell you the difference. What we told them we were going to do there is put the Federal Government on a budget. We were not promising to give anything away last night. We were promising to stand up for the vital interests of this Nation and, remarkably—maybe it is not true in your party, but in my party when you stand up and fight for America, there are people that are for you.

I am proud of the fact, as my colleague, I am sure, knows, that in the last election cycle, when I was chairman, the average contribution to the Democratic Senatorial Committee was 10 times as large as the average contribution to the Republican Senatorial Committee because we have grassroots support.

And, given the President's veto, given the President's veto of our effort to control spending, I can see why we have grassroots support and the Democratic Party does not.

Mr. PRYOR. Mr. President, I appreciate my friend from Texas and neighbor trying to answer that question.

I am going to ask him another question.

Were there grassroots supporters there at this \$5 million fundraiser last evening?

Mr. GRAMM. They were from all over America. In fact, I saw a lot of them from Arkansas.

Mr. PRYOR. That is right.

And how much was each ticket for the fundraiser, if I might ask?

Mr. GRAMM. It varied, depending on whether it was individual money or whether it was—

Mr. PRYOR. Whether it was grassroots or special interest, is that the case?

Mr. GRAMM. No. It varied on whether it came out of your checking account or out of the checking account of your company or your organization.

You hold similar events every year, but, because the American people no longer support your agenda, your attendance is falling off. Ours is rising. But I do not feel sorry for you.

Mr. PRYOR. Oh, no, do not feel sorry for us yet. You know, we still have a few kicks left in the dog here.

But I would just like to ask my friend from Texas, the special interests you referred to that support President Clinton, would you please be so kind as to enumerate those special interests?

Mr. GRAMM. I certainly would.

The Legal Services Corp., the Corporation for Public Broadcasting, the broad-based coalition of people who are riding in the wagon as opposed to the people who are pulling the wagon in America.

Our objective is to try to put the Government on a budget, so we can let working people keep more of what they earn, so that we can have decisions made not by Washington but by American families.