

an increase on this side, the question is what do you add to it to get it passed?

Mr. FORD. The only question I was concerned about is that originally we had four or five individual votes and then that would have been included in a total package, with the coupling of maybe a poison pill or two there, that the President may not particularly like and said he would have to veto that with that pill. If we get the House bill and then that is a stand-alone, and we get the amendments and let the Senate work its will, I think we are getting very close to an agreement on minimum wage. I thank the majority leader.

Mr. DOLE. I will be happy to take it up with the leadership on my side and, hopefully, be able to go to the Democratic leader and the Senator from Kentucky with some proposal to be accepted.

I yield the floor.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 1 p.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

Who seeks recognition?

The Senator from Louisiana.

WELFARE REFORM

Mr. BREAUX. Mr. President, I think our Democratic leader is on his way. I will certainly yield to him at the time he comes for any remarks he would like to make. But I would like to just take some time in his absence to comment on one of the comments made by the majority leader, Senator DOLE, regarding welfare and welfare reform.

I think there is a growing consensus on behalf of both sides of the aisle that a welfare reform bill is achievable. It is achievable in this Congress this year. I think we are getting very, very close. The President of the United States has said some favorable things about the welfare plan that has been proposed by the Republican Governor of Wisconsin, Senator Thompson. I think the President made it very clear on the previous bill, the so-called Dole-Gingrich welfare reform bill that the President vetoed, that he vetoed it for a very specific reason. He vetoed it because it did not provide for adequate health care for children and he vetoed it because it did not provide for additional child care funding for children of welfare parents.

The President's stated position on welfare reform is that it should be tough on work but also should be good for children. I think that is the right approach. I do not think there is anyone in America who wants to be tough on welfare who wants to be tough and unfair to innocent children who did not ask to be born into this world.

Yes; be tough on the parents. Yes; put time limits on welfare. Yes; cut

able-bodied parents off of welfare if they refuse to work. But let us make sure that this Nation, as great as it is, takes care of innocent children who did not ask to be born.

So I think the President made it very clear he would support his understanding of what was in the Wisconsin plan if it, in fact, took care of children by providing Medicaid or health care for those children and also additional child care funding. That is why he vetoed the previous welfare bill that had been sent to him, because it simply did not provide for those two major ingredients.

If the Wisconsin plan meets those standards, I think it is one that can be signed. I think the comments of the President yesterday while he was in Wisconsin really said exactly that, that he would support a welfare reform even if it's a Republican plan, or a Democratic plan; it doesn't make any difference who has authored it. But he also said, "So, what I say, if this is Senator DOLE's plan"—meaning a plan that provided for health care for children and for child care funding for children, that, if that is in the plan, "I think what he ought to do is pass his plan through this Congress before he leaves the Senate and I will sign it." That was a statement that I agree with, that, if a plan is presented that provides medical care for innocent children and if it is a plan that provides for child care funding so the parents can go to work, then it is a plan that, indeed, the President would want to sign.

So I think we are close. I commend the latest plan that I saw coming from our Republican colleagues for the closeness that it allows the two bodies to get together on an agreement. What I point out is that my review of what they are trying to do with their plan is, I think, very positive, in the sense that it does some things in the direction of providing more for child care, a very positive thing; it has tough new work rules in the Republican proposal, and that is good; it has a larger contingency fund for States in an economic downturn, and that is good. So there are a number of really good things in the new Republican plan that moves it closer to what we as Democrats have been trying to get accomplished.

But there are, I think, some deficiencies. I think these deficiencies are not such that they cannot be corrected, but the deficiencies, I think, are significant. For instance, they provide no vouchers for children after the parents have been cut off of welfare assistance.

What do you do, I would say to our colleagues, when you tell a parent you are not going to get any more assistance after 2 or 3 years—what are you going to say to a 2-year-old child, a baby, an infant, or a child that has no way to support itself and gets sick? Are we not going to have any help for innocent children? I think that is wrong.

Be as tough as we possibly can on parents and make them go to work and

say, "If you don't go to work, you are going to lose your benefits," and say, "There is a certain time limit that you have to get to work if you are capable of doing it." But, unfortunately, there are going to be some who do not meet those standards and unfortunately they are going to be some children who are going to be innocent victims unless we find a way to take care of them. I suggest if we do not take care of them in the short term we are going to be spending a great deal more money in the long-term taking care of medical problems.

So I suggest that we ought to bring up the welfare bill as soon as we can. Do not tie it down with other things that are still in dispute, like Medicare or Medicaid or other controversial issues. Let us face it. If we can get an agreement on welfare, let us do it and let us quit arguing about who will get the credit. There is enough credit for everybody. Everybody will win if we come to an agreement that makes sense. But everybody loses if we continue to fight it from a political standpoint and not address it from a humanitarian standpoint. Let us be tough on reform, but help children.

I am encouraged we are getting closer on welfare reform. I will again say the new proposal from the Republican side is a very positive step. This allows us to sit and negotiate over just a couple of items and be able to say, "Yes, we can produce a bipartisan welfare plan which will be good for the country."

I hope we can do it very quickly. I think it can be a product this President will sign very quickly. So what if you have a signing ceremony and Senator BOB DOLE comes down and President Bill Clinton comes down and signs the same piece of legislation. Is that not good for this country? Is that not why we are supposed to be here? I think the answer is yes.

Mr. President, I yield the floor and suggest the absence of a quorum, since no one is apparently waiting to speak.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative 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. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I see no colleagues on the floor today. We do not have record votes. I expect there are very few Senators here. I know we are in a period for morning business with a 5-minute limitation. I ask unanimous consent to be allowed to speak for 20 minutes in morning business.

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

Mr. DORGAN. If the minority leader or others come and need to take some time, I will be happy to accommodate them.

UNITED STATES TRADE RELATIONSHIP WITH JAPAN

Mr. DORGAN. Mr. President, I want to come to the floor of the Senate today and talk a bit about trade. The Senate last evening passed a budget, and there was a lot of discussion about deficits. Actually, we had three budgets considered by the Senate, none of which balances the budget in the year 2002, despite the fact it was alleged that all of them did. That is because the only way any of them—whether it was the President's, the centrist's, or the GOP budget—portrayed a balance in 2002 was by using the Social Security trust funds.

We do have a fiscal policy deficit, and there is reason to talk about that. But that deficit has been coming down and coming down rather substantially for a number of reasons. There is another deficit in the twin deficits we face in this country that no one talks about. Virtually no one talks about the trade deficit. I do not quite understand why no one talks much about this, but it is every bit as serious a problem for this country as the fiscal policy deficit. It relates to jobs and opportunity that are lost in this country. It relates to jobs moving from our country to other countries.

So I want to spend a little time talking about the trade deficit. Previously I did talk about it more generally. Today I want to talk about one portion of it. That is the portion of the trade deficit that relates to our trade with Japan. In future presentations I will talk about trade with China, Mexico and Canada and other aspects of the trade deficit as well. I want to talk today about the trade deficits we have had generally in our country and specifically about the largest deficit that we have, which is with the country of Japan.

This chart shows the merchandise trade deficit in our country, and it shows in 1995 it set a record of \$175 billion. All of this is red ink. This is what the chart shows, massive quantities of trade deficits year after year. They are not accidental. They are the result of a trade strategy that is not working and a trade strategy that bleeds economic opportunity away from our country.

As I begin, I want to say the Clinton administration has been better than the previous two administrations in dealing with this issue, but it does not solve the problem. They are more aggressive with China and they have been more aggressive with Japan, but the fact is our trade strategy has not been working, under Republican or under Democratic administrations.

Here is what our trade deficit looks like. Our merchandise trade deficit hit \$175 billion last year. The fact is, we need to take a look at our trade relationships. We need to develop long-term trade policies that make sense for our entire economy—business, labor, agriculture and industry. We need to bring new and, in my judgment, innovative approaches to this problem to

try to figure out how do we eliminate these trade deficits.

The fact is, our Nation's trade deficit cannot be solved by a one-size-fits-all solution in the global economy. If we are going to solve this problem, we have to understand what causes these trade deficits. We need to understand the bilateral relationships we have with the other countries that make up these deficits.

I want to talk specifically about the largest trade deficit we have in the context of these trade deficits. It is our trade relationship with Japan.

Japan is our second-largest trading partner, but we have the single largest merchandise trade deficit with them. This issue is not just about theory. It is about baseball bats. It is about apples. It is about rock-and-roll music. It is about automobiles. It is about VCR's. It is about computer chips and about fair trade between us and Japan.

As the world's two economic powerhouses, the United States and Japan trade with each other. We have a joint responsibility to bring about some kind of economic balance between us. Trade and growth ought to be two-way streets. They are mutual, and they are reciprocal. Our trade relationship with Japan has not been mutually advantageous.

No Nation can benefit from a trade strategy in which you have recurring consecutive deficits year after year. Our trade balance looks like this: 37 percent of the merchandise trade deficit in our country comes from our relationship with Japan, nearly a \$60 billion trade deficit.

The bottom line is that we must change that circumstance. Our country cannot continue to have a trade relationship with Japan that has these kinds of deficits. The only other country that approaches that is our deficit with China. We have a fairly large deficit with Canada and Mexico combined: over \$30 billion. This cannot continue.

The next chart shows the yearly trade deficits with the country of Japan. If you take a look at this sea of red ink in our trade relationship with Japan, you can only conclude that our trade relationship with Japan has not been mutually beneficial. 1995 was the 31st consecutive year of trade deficits that we have had with the country of Japan. In fact, the last time we had a trade surplus with Japan was 1964.

This chart shows that last year was the third highest trade deficit we had with the country of Japan. This will not go away by wishful thinking. Oh, some months there is a story in the paper that says it has improved; some months there is a story saying it gets a little worse.

This chart shows exactly what our trade relationship with Japan is. It is a one-way relationship that substantially benefits them and hurts us by draining jobs and opportunity and economic growth in our country.

Our country cannot continue to have this kind of a structural trade deficit

with Japan year after year after year. In the past 5 years alone, we have racked up a quarter of a trillion dollar trade deficit with one country.

You can make a case on the fiscal policy of the budget that is money we owe to ourselves. Really, that is only partially true. But, you cannot make that kind of case on the trade deficit. Any trade deficits we have in the aggregate are going to be paid for by a lower standard of living in America.

The next chart shows the trade flow between us and the country of Japan. This past year our imports from Japan include automobiles, vehicles, machinery, electrical equipment, VCR's, television sets, manufactured articles. \$123 billion has been sent to America from Japan in the past year. That is right: \$123 billion.

What are we sending back? We are sending grains, cereals, meats, food, wood, mineral fuels, coal, some oil, and some aircraft. There was \$64 billion of goods shipped from America to Japan. So we purchase \$123 billion from Japan, and they purchase \$64 billion from us.

The important part of this relationship is that most of what we are purchasing from Japan represents manufactured goods, high-technology goods, the kinds of things that relate to jobs. Much of what they consume from us is not the product of manufacturing.

We appreciate very much the fact that they buy our grains, and I want them to buy a lot more. They have an obligation to buy a lot more. I appreciate that they buy our steak, our beef, our pork. They ought to buy more T-bone steaks and send it to Tokyo. The fact is, there is more demand for beef in Japan than can be served by the quantity of beef they now allow in.

But the fact is, we need some more balance in both the overall trade flow and also the kinds of goods that are moving between our countries. We need to also be sending to Japan the product of our manufacturing goods.

The next chart shows the market share that the United States has of selected industries in Japan. It is pretty interesting. It shows our market share in the world as a United States producer and then our market share in Japan. None of this is accidental.

Paper and paper board: We have a 14 percent world share; we have 2 percent of the Japanese market.

Aerospace: We are better than most, we have a 69 percent world share; 44 percent in the Japanese market.

Automobiles and vehicles: We have a 16 percent share of the world market; a 1 percent share of the Japanese market. Is that an accident? While we are driving Hondas and Nissans and Toyotas, is it an accident that we only have 1 percent of the Japanese market? No. I am going to talk about why that is the case. It is a deliberate restriction on American products going into Japan.

Machine tools: 6 percent of the world market; 1 percent of the Japanese market.

Pharmaceuticals: 27 percent of the world market; 7 percent of the Japanese market.

Office machines: 29 percent of the world market; 10 percent of the Japanese market.

The point from this chart is that the Japanese systematically keep from their marketplace the kinds of things that we are shipping around the rest of the world because they want to restrict what they buy from us. Yet, they want to continue to expand the amount they sell to us. What does it mean? It means that we have a very large trade deficit with the country of Japan.

The next chart reviews a little about the trade agreements that we have had. Some say, well, we have all these trade agreements. We have GATT, we have bilateral agreements, we have all kinds of agreements that are going to be opening up segments of the Japanese market.

During the past 3 years the Clinton administration has been very aggressive. They have negotiated 21 separate agreements with Japan. Included in these are two of the general framework agreements, and a variety of industry-based agreements with Japan. They contain everything from intellectual property to medical technology, from autos to auto parts and air cargo.

The purpose of these agreements is to try to make consistent and measurable gains in getting American products into the Japanese marketplace. I think President Clinton has been aggressive on this. I appreciate that. Former Ambassador Mickey Kantor has been the most aggressive of all of our trade ambassadors.

But at the same time, we ought to understand that this progress is painfully slow and terribly inadequate. We are not solving the problem. This was especially evident to me, at least, in a statement made by Japan's Vice Minister of International Trade and Industry about a month before President Clinton recently went to Japan. Yoshihiro Sakamoto told the Foreign Correspondents Club in Tokyo:

It is no longer relevant to negotiate and have an agreement on issues related to global industries in a limited bilateral context between Japan and the United States. The era of bilateralism is over. Any such friction from now on will have to be solved in accordance with the World Trade Organization . . .

In other words, he is saying about this big surplus they have with us, or our big trade deficit with Japan, that the days are over when we are going to negotiate with them to get more of our cars into Japan or more of our electronics equipment into Japan. Now he says we are going to be dealing with the WTO under GATT.

The fact is, the World Trade Organization simply does not even address or relate to the kinds of barriers that we face in getting American products into Japan. I can understand why Japan really wants to deal through the World Trade Organization rather than bilateral negotiations. They have decided

that it is the best route for them because we have painted ourselves in a corner with this thing called the General Agreement on Tariffs and Trade.

The WTO, the World Trade Organization, primarily deals with tariffs and quota barriers. The problem is that Japan has a whole range of non-tariff barriers that keep American products out. I am going to describe a few of them. These barriers have nothing to do with the WTO and GATT. We cannot solve them through the WTO and GATT. But nonetheless, Japan keeps a wide range of products out. It restricts dramatically a wide range of American products going into Japan.

Perhaps a couple of Japanese agricultural tariffs will best illustrate the circumstances that I am talking about.

Beef. I do not know if many have been to Japan. The Presiding Officer has been to Japan. If you go to Japan to buy a T-bone steak in Tokyo. It costs you \$28 to \$30 a pound. Why? Because there is not enough beef in Japan.

We negotiated with Japan to get more American beef into Japan. You would have thought when it was over you that we had won the Olympics. You had people doing cartwheels and praising Hosanna and doing feasts and fiestas. What a wonderful thing it was that we would get more American beef into Japan.

We have such low expectations of the trade relationship with Japan. When you strip away what is actually in the agreement, you find that there is a 50-percent tariff on all the beef that goes into Japan. In other words we were successful in getting them down to a 50-percent tariff applied to American beef going into Japan. And, there is going to be a reduction, they say, of that 50-percent, down 2 percent a year.

But, if you have 120 percent growth in the volume coming in the reduction does not happen. So, you still have a 50-percent tariff on beef going into Japan. All the folks that did cartwheels about the major breakthrough should take a second look. This was on the front pages some years ago as a major breakthrough in beef going to go into Japan. Guess what? We still have a 50-percent tariff on American beef going into Japan. Despite that the cattle organizations think it is great we are sending more beef to Japan and so do I.

But, what low expectations we have if we believe it is fair for a trading partner like Japan to say to us, "You want to ship us hamburger or T-bone steaks, guess what? You have a 50-percent tariff." That is exactly the kind of thing they have done to us over and over and over again. It is exactly why our trade deficit with them has grown.

I will not describe the situation with pork but it is almost exactly the same thing. The implication was that we have solved a problem and we get more pork into Japan. Yet the fact is they put up a nontariff barrier.

In my judgment it is a fundamentally outrageous trade policy to say to us,

"We want to ship you all our cars, we want to ship you our VCR's, ship you what we produce, but when you want to send American goods to Japan we want to narrow your market and restrict your opportunities."

The next chart shows some of these foreign trade barriers. I have a copy of the booklet put out by the U.S. Trade Representative offices showing trade barriers. It shows the trade barriers we face when American producers and workers try to send their products to Japan. This book says:

Whereas previous administrations had reached bilateral and multilateral agreements with Japan, long-term access to Japan's markets for foreign goods and services has remained elusive. While Japan has reduced its formal tariff rates to imports to very low levels, invisible non-tariff barriers such as nontransparency, discriminatory standards and exclusionary business practices maintain a business environment protective of domestic companies and restrictive of the free flow of competitive goods into the Japanese domestic market.

That says we are losing American jobs and sapping America's economic strength. Our jobs are going overseas. Why? Because Japan is sending their manufactured products here and we cannot get enough of our manufactured products into Japan.

The next chart shows the barriers to getting the products into Japan. There are many of them. The intricate trade and customs bureaucracy that stalls products when they get to Japan. Then there is overregulation and excessive inspection, restrictive standards, discriminatory pricing and procurement, state trading authorities, and something called the Keiretsu system. Most Members of the Senate understand that this Keiretsu structure in Japan would be illegal in the United States. It is a whole series of integrated business relationships and cross ownership that simply prevents us from getting into and competing in the Japanese market.

There are plenty of examples of that. Automobiles, for example: If you do not have dealers or existing dealers who are licensed to sell your cars, you cannot get sell your cars. The nontariff barriers of getting goods into Japan is legendary even for companies constantly trying to do that.

I mentioned apples. It took us 20 years of negotiation and study and review before Japan would accept apples from Washington State—20 years. When it comes to accepting the international phytosanitary standards on fruits and vegetables the best the USTR can say is, "Progress has been slow." That radically understates the circumstance, when it takes 20 years to get an apple into Japan.

Go to Japan today to Tokyo, and see some kids play on a high school playground. See if you see an aluminum baseball bat. You hear the ping of aluminum baseball bats in America these days. It seems a lot of the kids want aluminum bats rather than wood, but do you hear that sound hitting a softball or baseball. You will not hear it in

Japan because in Japan if a Japanese high school wants to buy a baseball bat, the bat has to have the Japanese Industrial Standard seal of approval.

While there are no formal prohibitions on aluminum baseball bats, no one has been able to get the Japanese Industrial Standard seal of approval on an aluminum baseball bat. That means there are no aluminum baseball bats in Japanese high schools. It does not relate to tariffs or quotas. It relates to something called the Japanese Industrial Standard seal of approval.

Now with all the international intrigue in all of the high-level negotiations, we run up a massive trade deficit with Japan and we are told, "Well, our marketplace cannot accept enough T-bone steaks or any aluminum bats, or it take 20 years to get an apple through to be eaten by a Japanese consumer."

Japanese do not recognize the copyrights on sound recordings made outside of Japan prior to 1971. Now, the Presiding Officer, being from Montana, knows that the best music in our country came in the 1950's and 1960's. Because of the circumstances of the non-recognition of copyrights on sound recordings in Japan, none of this good old rock and roll music is protected in the Japanese market. All of it is available to be used for nothing. That is another example of a circumstance of doing business in Japan.

Even earthquakes do not seem to shake their resolve to prevent outside interests from coming in with goods and services. The Kobe earthquake prompted some Swiss dogs to be sent to help find people buried in the rubble. Those Swiss dogs were held up at the airport in quarantine. Special emergency equipment was delayed in customs to respond to the Kobe earthquake and foreign teams of emergency doctors came to Japan to help and could not practice because they did not have Japanese licenses. That is the kind of bureaucracy that we face in trying to get foreign goods and services into the Japanese markets.

Next, finally, I will talk about some myths about the United States trade deficit with Japan. The first myth is this is something we do not have to talk about and that it is self-correcting. It will go away.

It is not going away. It is getting worse. It is a deliberate managed trade strategy by Japan to enhance their economy at our expense. It means fewer jobs in our country. It means economic opportunity lost. It means a lower standard of living in America.

The second myth is that the trade deficit can be solved through the World Trade Organization. Anybody that believes that needs to go find some bridges to buy this afternoon. It will not happen. The World Trade Organization is not going to solve this problem.

Another myth is that bilateral trade deficits do not matter. It is only the aggregate that matters. That would be true for some other country that would have equal trade surpluses to offset against such a deficit. That argument has no relationship to this. We have a

constant recurring trade deficit that is hurting this country and the largest deficit is with the country of Japan. It is deliberate. It is not getting better. It is getting worse.

It does not matter what we trade with Japan, some say. Nonsense. Japan is one of our largest trading partners. As I have indicated, for over 30 years, every single year, we have had a trade deficit. More importantly, they are sending us finished products, the product of labor and manufacturing and good jobs, and all too often they are unwilling to buy from us the product of our manufacturing. They are interested in buying our coal and other things that are not a product of manufacturing and do not create as many jobs in our country.

Another myth is that the deficit can be solved by macroeconomic policies. The deficit is not going to be solved by macroeconomic policies. Our trade deficit with Japan is a structural problem, and the imbalance in our economies is a result of a continuing trade deficit, not a cause of it.

We have cut our Federal budget deficit substantially in recent years. Yet, we have still seen a massive surge in Japanese imports during these years.

Some say, well, it is the currency exchange rate that caused the deficit. That is simply not true. As the currency exchange rate moved in one direction or another, our trade deficit has frequently moved exactly the opposite direction that you would expect. This trade deficit is not going to be solved by macroeconomic policies.

Some say that the Japanese market cannot absorb more American goods. That, of course, is the biggest myth of all. This is another version of the myth that we cannot compete in the Japanese marketplace because we do not understand the Japanese market. The fact is that the American products produced here do well whenever they are available to Japanese customers. The problem is getting into the Japanese marketplace to make them available to the Japanese customers.

Now, it is true that, on a per capita basis, the Japanese import as much from the United States as the United States imports from Japan. But that is one of those statistics that conceals rather than reveals. If we turn this around, we would find that, on a per capita basis, Japan exports four times more to the United States than we export to Japan. That is a statistic that just confounds an issue rather than clarifies an issue.

The fact is, whenever the Japanese market has been opened up to an opportunity to trade more and import more from the United States, the United States has experienced a substantial growth in sales to Japan. Our problem is that opportunity has not existed very often with Japan, and that is the reason for our recurring trade deficit.

The final chart talks about solving our trade deficit with Japan. What do we have to do to resolve this? First of all, you stop ignoring it. Do not have

200 days of discussion on the floor of the Senate about the fiscal policy deficit and then completely ignore a trade policy deficit that is even higher than the fiscal policy deficit. Don't ignore one that will inevitably be repaid some day by a lower standard of living in this country. This is another part of the twin deficits that hurt our country, and we have to deal with it.

We have to continue and expand bilateral framework talks with Japan, and push them hard. We have to say to Japan: You have a responsibility to us. A trade relationship is a two-way relationship, and we will no longer countenance a relationship in which you do well at our expense. We will not continue, in the next 30 years, a continuing trade deficit with Japan.

Second, we must monitor market access and enforce agreements, and do it aggressively. None of this talk and fluff. Go at this aggressively and insist on market access, demand market access for American workers and for the products of American businesses in Japan.

We need to involve and aggressively represent U.S. business, agriculture, and labor interests in trade disputes. We have been wallflowers in our trade relationship with these folks. We sit around and twiddle our thumbs and act nervous and sweat all day wondering what we can do. It is very simple.

What we say to countries like Japan is: We enjoy your products, Americans deserve to have opportunity to purchase your products, but we demand, as a part of that, that you open your markets to us. If you are saying to us, "We want to ship our cars, VCR's, and television sets to America to sell, but we will not allow American products into Japan in any significant quantity," then we say, "Sell your cars in some other country. Sell your cars in Kenya. See how many cars you sell in the Kenyan market."

If you want to sell in this market, you are welcome to. Then we hold up a mirror and say, "Treat us as we treat you. If you want access to our market, you will have it on the condition that we get access to your market." Anything short of that, in my judgment, is unacceptable to this country.

We also have to work with our trading partners to open Japanese markets. Other countries suffer the same problems. We have to work with them to respond.

We need to require full reciprocity and full market access. That is the mirror approach, saying, if you want to be in our markets, we expect and demand to be in yours.

Finally we have to make solving the trade deficit a national priority. I intend to offer, next week, a piece of legislation that would establish a commission to move quickly to develop national recommendations on how we aggressively involve ourselves in resolving this trade deficit and bringing this

trade deficit down. We need balanced trade, not just with Japan but with China, Mexico, Canada, and other countries as well.

I am not saying, in any way, that Japan is not a valued trading partner of ours. I am saying that our trade relationship with Japan has not been mutually beneficial. It is not helping this country. It is hurting this country. We ought to decide, as a country, that we want to have a strong manufacturing base that helps create good jobs here in our country. We ought to decide we do not want to put a wall around us. We want to be willing and able to compete with anybody who wants to ship their goods into our country, provided they are produced with a living wage paid somewhere else, produced under circumstances that do not pollute the environment, do not exploit child labor, and so on. Even while we do that, we as a country ought to insist that other countries allow us the same access to their markets.

It is interesting, if you go back to the Second World War and chart the 50 years since the Second World War, you will find that 25 years after the Second World War we won everything economically. And, we did it with one hand tied behind our back. Our trade policy was a foreign policy, and nobody made any bones about it. It was designed to help other countries. But we could beat other countries without any problem. We were the biggest, the strongest, the most, the best. We could outcompete and outsell and beat any country in the world on almost any level economically.

As a result, during those 25 years, American wages continued to rise and workers benefited from our economic opportunities and the economic strength that we had. In the first 25 years, wages went up like that. Then in the next 25 years, in that second half of the 50 years, wages began to stagnate for most Americans. What happened? What happened was that those we used to treat with a trade policy that was really a foreign policy have become tough, shrewd economic customers and tough competitors—Japan, Germany, and others.

What has happened was we began to bleed strength out of this country with these kinds of trade deficits that we have seen. These were recurring, consistent, yearly trade deficits that sapped this country's economic strength.

Our trade policy should no longer be a foreign policy. They ought to be economic policies that say to other customers and other trade partners in other countries, who are tough competitors, that we will give you certain access to our marketplace because we want to have a free and open marketplace. It should say we want to give consumers access to a wide range of products from around the world. But all of you—Japan, China, Germany, and others—have a responsibility in return. This responsibility finally is

going to be one that America insists upon. The responsibility is to allow the American worker and the American producer into your marketplace to compete on the same basis as you compete in our country. We expect it, and, more importantly, we demand it, and we are going to do things necessary to enforce it.

I come from a State that requires that we find foreign homes for a lot of what we raise. I understand that. There is our grain, beef, and a lot of agricultural produce which move overseas. I appreciate the fact that we have trade relationships with countries that are willing to purchase these commodities. But it is not gratuity that suggests to me that Japan and China ought to buy more agricultural products, not less, from us.

When we run up trade deficits, or when Japan and China run up a trade surplus with us and then go elsewhere to buy grain or shop elsewhere to buy airplanes, there is something fundamentally wrong with our trade relationships. I hope that we will decide that this kind of trade strategy that we have had under Republicans and Democrats for three or four decades is robbing our children of the kind of economic future they ought to have in our country. It has been shifting our Nation from a high-wage nation to a low-wage nation. It has been a major contributor to our fiscal policy deficits because it has zapped our economic strength and it has slowed our economic growth.

I hope all of us will decide to do something about this. As I said, I want to introduce some legislation next week to form an emergency commission to try to deal with recommendations on how this country confronts this trade deficit. I am going to make presentations similar to this on our trade deficit with China, which is \$34 billion a year and growing, and on our trade deficit with Mexico and Canada, which combined is also nearly \$34 billion a year and growing.

I hope, perhaps at the conclusion, all of us will have some more information and some more facts about a problem that I think is a serious problem for our country and one that literally begs for attention. It demands a solution if we as a country are going to remain an economic power in the world in the decades to come.

Mr. President, I yield the floor.

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

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

THE BUDGET

Mr. PRESSLER. Mr. President, I rise to say a few words about the budget

that this body enacted last evening. I voted with pride for the Domenici-Dole budget because it places our budget in balance by the year 2002.

This budget is the first real budget, with real numbers in it that will lead us to a balanced budget, that has been passed since I came to the Congress in 1974. We finally have passed a real budget with real numbers in it that will lead us to a balanced budget.

Also, this budget contains welfare reform, real welfare reform, that will lead us to workfare following the Wisconsin plan. We passed the same thing last year. It was vetoed twice by the President. But even he now says he has endorsed most parts of the Wisconsin plan. So even though our budget last year was not enacted, it has had some dramatic results. Even the liberal Democrats are now talking about a balanced budget for the first time. They are at least pretending to be interested. The President gave his radio address on the need for welfare reform following the Wisconsin plan which, under Republican Gov. Tommy Thompson, has become a model to get people onto workfare.

So this is very, very important for our country. In fact, a balanced budget is the most important thing we can do because it will provide for low interest rates and a stable dollar, and that will help us export more. A balanced budget will help college students who have student loans because it keeps interest rates down and the payments can be less. It helps homeowners who have home mortgages in terms of their interest. It helps small business people because of lower interest rates and a stable dollar for exports. It helps agriculture. In fact, it may be the most important farm bill.

I supported the freedom-to-farm bill with pride, and I was a part of the leadership team that brought us the freedom to farm bill. But if we can export, commodity prices will take care of themselves. In fact, we have some of the highest commodity prices in history.

Mr. President, we have a serious problem with cattle prices at this time. I just finished a conversation about the need for the Clinton administration to enforce the antitrust actions and the price-fixing actions if American consumers are not getting the advantages of lower beef prices—and they are not. Some people say we need more investigations and studies. We do not need more investigations and studies. We need action by the Clinton administration and the Justice Department to enforce the antitrust laws and the price-fixing laws that we have in this country. That will help beef prices. That will help our cattle.

Mr. President, I grew up on a farm, and I used to raise cattle. We would go out to western South Dakota and buy 400-pound feeder calves and bring them back to eastern South Dakota, feed them for a year, and sell them. I kept records on my 4-H beef cattle, and I