

But there are other causes, varying from our neglect to aggressively market, to our weakness over the decades in trade negotiations. The latter deficiency is caused in part by not having a cadre of professionals handling our negotiations, particularly when compared to Japan. Too often it has been long-term professionals against changing teams of U.S. negotiators, and I don't mean that disrespectfully to fine, competent people of both political parties who have been thrust into these positions of responsibility.

The firm stance of President Clinton and Trade Ambassador Mickey Kantor in negotiating with Japan on automobiles and car parts is sound. I am optimistic that the problems can be satisfactorily resolved, but we should not be too eager. It is also worth noting that our firmer stance with Japan on trade matters has come since Japan has been a declining factor in purchase of our treasury notes. It is difficult to get tough with your banker.

The United States also must build products that can accommodate the cultures of other nations; we must learn to sell in their languages, not ours; and tens of thousands of U.S. corporations that do not consider marketing in other nations must change course.

We are gradually getting better, but it can hasten the process, we will reduce the trade deficit that troubles the international currency markets.

But any serious look at trade policy must return to fiscal policy. Last month, Judith H. Bello, former general counsel to the U.S. Trade Representative, wrote in the *Washington Post*:

The United States will continue to run trade deficits, no matter what happens in trade negotiations, so long as we run federal budget deficits. If Japan and every other trading partner opened their markets completely, we would still run a trade deficit if our savings rate remained inadequate.

There is little that trade negotiators can do about a trade deficit. The power to reduce the U.S. deficit lies with Congress and those within the administration responsible for the federal budget. No matter how many markets any trade representative opens, the effect on the U.S. trade deficit in isolation is peripheral.

U.S. trade negotiators have relatively little power to affect the weakness or strength of the U.S. dollar through their market-opening negotiations. As long as the United States remains heavily dependent on foreign capital to fuel our economic growth, and fails to save more and spend less, the dollar is likely to be relatively weak despite our fundamental competitiveness.

Third, our savings rate must be increased. Again, the biggest impediment to our savings rate is the deficit. But it is more than that.

The United States culture is not dramatically different from that of Canada and other Western industrialized nations, but our savings rate is significantly lower. We save only 4.8 percent of our gross national product, Canada saves 9.1 percent, Germany 10.7 percent, and 19.7 percent in Japan. Because of the low savings rate, the

United States is much more dependent on others buying our debt paper.

By making some changes in our Tax Code, we can reward savings rather than debt. Our Tax Code, for example, rewards businesses that create debt to finance growth, rather than financing growth through savings or equity financing. A corporation that buys another corporation by borrowing money can write off the interest payments even through the debt may create hazards for the purchasing company. But if that same corporation more prudently issues stock, the dividends are not deductible. If we changed the tax laws to permit 80 percent of interest to be deductible and 50 percent of dividends to be deductible, the net result would be a wash in Federal revenue, but many corporations would have a more solid base, and our corporate debt base would decline. Similarly, we should create tax incentives for individual Americans to save that would not add to our Nation's debt but would add to our productivity by making investment capital more available. Our people do not have the incentives to save that citizens of many nations have.

Shifts in our culture will not be brought about quickly, but we must work to bring about change.

Fourth, we must do more long-term thinking and face our deficiencies frankly. The fiscal deficiency is an example I have already discussed. We have ducked telling people the truth because it is politically more convenient to duck.

But there are many more examples.

Can we expect to build the kind of a nation we should have if we continue to have 23 percent of our children living in poverty? Can we expect to build a nation that can lead and compete in the future if we continue to neglect the need for quality education in all of the nation?

Financial markets look at our deficits and worry about long-term inflationary pressures. When our fiscal policy does not address the deficits, the Federal Reserve Board is forced to look at the long-term implications of inflation. That is why the quality of appointments to the Federal Reserve Board are so significant. If we in Congress and the Clinton administration addressed our long-term fiscal problems more directly, the pressure would be removed for Federal Reserve Board action.

Germany and Japan are far ahead of the United States on nondefense research—and probably even further ahead of us in applying their research to productive purposes.

Governmental America tends to live from election to election and, even worse, from poll to poll. Corporate America too often lives from quarterly report to quarterly report. Unless we do more long-term planning and acting in both the public and private sectors, our future performance as a nation will be less than outstanding.

Others understand this about us. We must understand this about ourselves.

If we were to address these four areas with courage, not only would the dollar continue to rebound, our hopes and spirit would rebound also. The cynicism and negative attitudes that concern many of us are not caused only by the haters and those who see only the worst in our Government and public officials. The depth of public concern that results in hostility rather than activity is also caused by good, decent public officials of both political parties who do not have the courage to face our fundamental problems or who see an opportunity for partisan advantage rather than an opportunity to lift the Nation.

Yes, we can save the dollar.

We can also save the Nation.

Mr. President, if no one else seeks the floor, I question the presence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. 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. DOLE. Mr. President, I understand morning business has ended?

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has closed.

#### COMPREHENSIVE TERRORISM PREVENTION ACT

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

The legislative clerk read as follows:

A bill (S. 735) to prevent and punish acts of terrorism, and for other purposes.

The Senate continued with the consideration of the bill.

Mr. DOLE. Mr. President, can I just indicate to my colleagues on both sides, I thank the managers of the bill. They have been spending the last hour or so trying to work on some amendments. They are ready to accept a number of amendments. There will probably be a vote on the amendment about to be offered by the Senator from Connecticut. We hope to get a short time agreement on that amendment and finish all the amendments, except the habeas corpus amendments, tonight. So there will be votes tonight. I advise and urge my colleagues, if they have to leave the Capitol, to take their beepers so we can notify them when the votes will occur.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, as I understand it, I believe there is a Senator Robert Kerrey amendment pending; is that the pending business?