

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, non-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

market in order to help their economies. If that's the case, they have a moral obligation to open their markets to our exports. And I will work to make sure that happens.

Last week I joined with 19 of my fellow senators on a letter led by Senators ROBERTS and BAUCUS requesting a meeting with Treasury Secretary Rubin to discuss the pervasive trade barriers that remain in the Asian countries. Hopefully, that meeting will lead to a cooperative effort between Congress and the administration to remove these barriers.

The fourth area I will be focusing on in 1998 persuading our trading partners to live up to the commitments they have made in prior trade agreements. Getting a good agreement is one thing. But we must demand compliance with our agreements on a daily basis. Many markets we thought we had opened are still closed.

I will monitor our existing agreements and strongly urge the administration to bring enforcement actions when necessary. Trade agreements aren't worth the paper they are written on unless we put some force behind them.

The last two initiatives I will pursue in 1998 involve agriculture trade, which is so important to my state and many others. Exports now account for over 30% of farm income in this country. Take away foreign markets, and we'd have to idle one-third of America's productive cropland.

In recognition of the importance of foreign trade to the agriculture economy, last year Senator DASCHLE and I introduced S. 219 a bill creating a "Special 301" process for agriculture. This new 301 procedure requires the U.S. Trade Representative to identify and remove the most onerous barriers to U.S. ag exports. It will put other countries on notice that we are serious about gaining access to their markets.

This bill was made part of the fast track legislation that was on the floor of the Senate at the end of last year. It is my intent to move this bill again as a part of fast track legislation or independently, if necessary.

Finally, agriculture is preparing for another round of market access negotiations at the World Trade Organization beginning in 1999. These talks will lay down the rules on agriculture trade for the next century. I pledge to work with the administration to ensure the United States sets the agenda for these talks.

Our trading partners do not necessarily want to remove their barriers to our ag exports. Because our farmers produce the highest quality products at the lowest cost. So American farmers will gain access to new markets only if the United States leads these negotiations and persuades other countries to open their markets.

Mr. President, free and fair trade creates good, high-paying jobs. It raised the income of our farmers and the standard of living for our workers and

consumers. Trade has contributed significantly to our strong economic growth and record low unemployment. I will continue to pursue an agenda of free and fair trade through this Second Session of the 105th Congress.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. Mr. President, the majority leader had programmed a short talk but I don't see him, so I will go ahead with mine, if I may.

Mrs. BOXER. Reserving the right to object, may I ask my friend if he, in his request to speak, would add that I may speak for no more than 5 minutes following his remarks?

Mr. FAIRCLOTH. Is the request you may speak following my remarks? It's absolutely fine with me, but as I said, the majority leader was supposed to speak for 5 minutes. But if he's not here, that's fine.

Mrs. BOXER. If you want to amend it so he can, if he does arrive, speak before I speak, that's not a problem at all. I will then withhold until he completes and take my 5 minutes at that time.

Mr. FAIRCLOTH. Thank you.

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

ATTORNEY FEES AND THE TOBACCO SETTLEMENT

Mr. FAIRCLOTH. Mr. President, I rise to say a few words about attorney fees and the proposed Senate bill, S. 1570. The Public Health Funds Preservation Act, which is better known as the Tobacco Settlement Act, limits attorney's fees, and only if there is a tobacco settlement. It limits their fees, the bill that I have introduced, to \$125 per hour plus court-approved expenses. This is not something that we came upon. This is the same rate that Congress set for lawyer fees in suits filed against the Federal Government. So this is an accepted and nationally known attorney fee, \$125 an hour.

For trial lawyers, this debate is not about public health, it is about private greed. It is about creating instant billionaires. It is about using the public funds to create instant billionaire trial lawyers. It's a huge pot of money, billions of dollars, and it is wanted to fund frivolous lawsuits far into the 21st century. As long as you pay lawyers, you will have lawsuits. At the rate these are being paid, we will have lawsuits into infinity.

Let me mention a few cases that reveal the real motive of the trial lawyers. This is a typical example of how this group works. The trial lawyers negotiated a \$349 million settlement with the tobacco companies in the so-called "flight attendants case."

These were flight attendants who said they had been affected by secondary smoke. They won the \$349 million: \$300 million went to a new research foundation, and the lawyers took \$49 million. Not one dime did a single flight attendant get because of

the lawyers in the suit—not a dime. The entire amount went to lawyers and the research foundation. It is clear what happened—lawyers, \$49 million; clients, \$0, and that is the way the score usually turns out.

The litigation machine grinds on and on, long after settlements. More lawsuits, more billable hours and more attorney's fees. It goes on into infinity.

The flight attendants' own lawyers sold them out for a quick buck—\$49 million to be exact.

This is not an isolated case. The Texas Attorney General agreed to pay lawyers close to \$2.2 billion, 15 percent of the settlement that Texas was able to negotiate with the tobacco companies—\$2.2 billion to the lawyers.

The lawyers involved in the settlement of the Florida suit claimed \$2.8 billion, 25 percent of the entire settlement. The settlement was \$11.3 billion, the lawyers want \$2.8 billion.

The judge in the Florida case said that their demands were "unconscionable." Certainly they are. They are unreasonable. But that didn't stop the trial lawyers. They were not going to let a judge stand between them and \$2.8 billion. They could see the red meat. That didn't stop the trial lawyers. They filed a lien to prevent the State from collecting its first \$750 million payment until they were paid. If they couldn't get the big money for themselves, neither did they want the children of the State of Florida to have it.

One Mississippi lawyer is busy lining up a \$1.39 billion payment. He admits that he spent at most \$10 million on the case. This lawyer says that the fee might seem a little obscene. These fees have simply gotten out of control.

Mr. President, this is a pillaging spree and nothing more. These trial lawyers rival Genghis Khan or any other raider that ever went after a pile of money.

The trial lawyers are intent on plundering. They are now stealing from the public health trust. That is exactly what they are doing if this Tobacco Settlement Act comes about. They are simply stealing from the trust that we will be putting up for the public health and for the children. After all, some of them have already filed liens to prevent the public health payments until they have been paid.

Mr. President, I say it is time to stop. This bill will do that. The tobacco settlement is a settlement to ensure medical care and future help of people who might have been affected by tobacco. It is not a lottery for trial lawyers. My bill makes sure the focus stays on children and not on lawyers. The trial lawyers want to play "Wheel of Fortune" with our money. Well, I say, no, it is not their money. Let's stop the scrambling for dollars and the greed. Public health versus private greed—let's get on with the public health part of it and put some restraints on the private greed. That is where we should draw the line.

Mr. President, I thank you, and I yield the floor.