have spanned the globe in recent months: China, Europe, Africa, Latin America and a number of other countries. But I have yet to see a single policy benefiting American agriculture resulting from his continuous globe trotting while, on the other hand, Chairman BOB SMITH of the House Committee on Agriculture has been successful on several different trips abroad in selling American farm products to the country that he has visited.

Our farmers need strong leadership in both good times and bad, and this administration has failed them miserably. Congress, the President and the Federal Government made a commitment to farmers just over 2 years ago. We can provide our farmers the help we need without turning our backs on that commitment. Only the Republican agricultural relief proposal accomplishes both, and I encourage my colleagues to do the right thing for American farmers and support this relief measure.

A PICTURE OF FREE TRADE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, tomorrow Speaker GINGRICH has promised that he would bring the fast track legislation to the floor of the House of Representatives.

Some years ago, this Congress passed the North American Free Trade Agreement, a disastrous trade agreement that has led to more problems on the Mexican border, more unemployment in this country, more problems with food safety, more problems with truck safety, more problems with drug trafficking, and, ultimately, a bill that swelled, that took a trade surplus with Mexico of $2 billion and turned it into a trade deficit of $20 billion.

The so-called fast track legislation which Speaker GINGRICH is presenting to the House tomorrow is basically a procedural issue that will allow the extension of the North American Free Trade Agreement to the other countries of Latin America.

For those of us who voted against the passage of NAFTA in 1993, we are particularly disturbed at the idea of expanding this failed trade agreement, the North American Free Trade Agreement, to another couple of dozen Latin, Central and South American countries.

About 12 months ago at my own expense I traveled to the Mexican border. I flew to McAllen, Texas, rented a car with a couple of friends and drove across to Reynosa, Mexico. I went to the home of two auto workers, two people that worked at a large American auto plant in Mexico. Each of these workers, husband and wife, made 95 cents an hour. They brought home about $40 a week, each of these two workers. They lived in a home with no electricity, no running water and lived in a home with dirt floors. Right behind their shack was a ditch which had some kind of effluent running in it, certainly not clear, clean water, some kind of waste from some industrial plant or some sewage treatment or whatever, and there were children playing nearby in this ditch and nearby this ditch.

On the other side of this ditch was another shack where a young woman worked who was expecting her first child. She was in her early twenties. She and her husband lived in this tiny shack. She was working at another large American company. She was making about 90 cents an hour. She had no electricity, no running water. She had a plywood floor, a little bit better conditions. She had over in the corner of her little shack a stove that you might buy at an American department store for $250 to $300 that was run by a generator. This lady was paying for this stove through her company, through her employer. They were taking $10 a week from her $40 a week paycheck, and she was paying for this stove for 52 weeks which you could have bought in this country for $250 to $300.

Her brother-in-law, who lived in the other half of her shack separated by a cardboard, couple of pieces of cardboard stuck together, worked in another American factory; and he was suffering, his doctor said, at the age of about 25 or 26, from some kind of neurological damage, some kind of brain damage because he every day worked in a solution where he dipped his hands into a lead-based solution, and over time that lead solution caused him damage to his central nervous system. That same company in the United States makes the same product but does not use lead in its process. Why? Because the U.S. Government will not let that company have workers work in that lead-based solution like that.

When you look at NAFTA, you look at fast track, that is the picture of the future, that is the picture of free trade according to Speaker GINGRICH and according to the leaders of the other body. That kind of picture of the future: very low wages, weak environmental laws, nonenforced worker safety laws, problems with truck safety, problems with food safety, problems with more drugs coming across the Mexican border into the United States.

Later that day, we traveled to Laredo, Texas, and stood at the border between Nuevo Laredo and Laredo. That is the port of entry where the most trucks enter the United States, about 2,500 a day.

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Governor Bush, the Governor of Texas, has done virtually nothing to guarantee truck safety at that checkpoint. There was one scale there, a set of scales provided by the State of Texas, which had been broken for three months.

There was one Federal truck inspector there who was in charge of inspecting these 2,500 trucks a day. I asked him how many trucks he inspected per day, and he said 10 to 12. I asked him how many of those trucks he took out of service because they were unsafe; he said 9 to 11.

Clearly the problems of truck safety, the problems of food safety at the border, the problems of drug smuggling coming into the United States, with more and more congestion and as more and more traffic is coming into the United States, clearly all those problems have been exacerbated by the passage of the North American Free Trade Agreement. Drug smugglers in Mexico, drug kingpins, have bought up legitimate trucking and shipping and freight operations and warehouse operations along the border, and are using those legitimate operations to bring more and more drugs into the country.

Mr. Speaker, NAFTA has failed miserably; Fast Track will bring more problems. We should tomorrow defeat Fast Track.

REVAMPING THE MONETARY SYSTEM

The SPEAKER pro tempore (Mr. BASS). Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

Mr. PAUL. Mr. Speaker, Mr. Speaker, I would like to call the attention of fellow colleagues to the issue of three things that have happened in the last couple of days.

Today it was recorded in our newspapers and it was a consequence of a meeting held last night having to do with a company that went bankrupt, Long-Term Capital Management. I believe this has a lot of significance and is something that we in the Congress should not ignore.

This is a hedge fund. Their capitalization is less than $100 billion, but, through the derivatives markets, they were able to buy and speculate in over $1 trillion worth of securities, part of the financial bubble that I have expressed concern about over the past several months.

But last night an emergency meeting was called by the Federal Reserve Bank of New York. It was not called by the banks and the security firms that were standing to lose the money, but the Federal Reserve Bank of New York called an emergency meeting late last night. Some of the members of this meeting, the attendees, came back from Europe just to attend this meeting because it was of such a serious nature. They put together a package of $3.5 billion to bail out this company.

Yesterday also Greenspan announced that he would lower interest rates. I do not think this was an accident or not coincidental. It was coincidental that at this very same time they were meeting this crisis, Greenspan had to announce that, yes indeed, he would inflate our currency, he would expand the money supply, he would increase the credit, he would lower interest rates. At least that is what the markets interpreted his statement to mean. And the stock market responded favorably by going up 257 points.

On September 18th, the New York Times, and this is the third time that that has come about in the last several weeks, the New York Times editorialized about why we needed a worldwide Federal Reserve system to bail out the countries involved in this financial crisis.

Yesterday, on the very same day, there was another op-ed piece in the New York Times by Jeffrey Garten, calling again for a worldwide central bank, that is, a worldwide Federal Reserve system to bail out the ailing economies of the world.

The argument might go, yes, indeed, the financial condition of the world is rather severe and we should do something. But the financial condition of the world is in trouble because we have allowed our Federal Reserve System, in deep secrecy, to create credit out of thin air and contribute to the bubble that exists. Where else could the credit come from for a company like Long-Term Capital Management? Where could they get this credit, other than having it created and encouraged by a monetary system engineered by our own Federal Reserve System?

We will have to do something about what is happening in the world today, but the danger that I see is that the movement is toward this worldwide Federal Reserve System or worldwide central bank. It is more of the same problem. If we have a fiat monetary system, not only in the United States but throughout the world, which has created the financial bubble, what makes anybody think that creating more credit out of thin air will solve these problems? It will make the problems much worse.

We need to have a revamping of the monetary system, but certainly it cannot be saved, it cannot be improved, by more paper money out of thin air, and that is what the Federal Reserve System is doing.

I would like to remind my colleagues that when the Federal Reserve talks about lowering interest rates, like Mr. Greenspan announced yesterday, or alluded to, this means that the Federal Reserve will create new credit. Where do they get new credit and new money? They get it out of thin air. This, of course, will lower interest rates in the short run and this will give a boost to a few people in trouble and it will bail out certain individuals.

When we create credit to bail out other currencies or other economies, yes, this tends to help. But the burden eventually falls on the American taxpayer, and it will fall on the value of the dollar. Already we have seen some signs that the dollar is not quite as strong as it should be if we are the haven of last resort as foreign capital comes into the United States. The dollar in relationship to the Swiss frank has been down 10 percent in the last two months. In a basket of currencies, 15 currencies by J.P. Morgan, it is down 5 percent in one month.

So when we go this next step of saying, yes, we must bail out the system by creating new dollars, it means that we are attacking the value of the money. When we do this, we steal the value of the money from the people who already hold dollars.

If we have an international Federal Reserve System that is permitted to do this without legislation and out of the realms of the legislative bodies around the world, it means that they can steal the value of the strong currencies. So literally an international central bank could undermine the value of the dollar without permission by the U.S. Congress, without an appropriation, but the penalty will fall on the American people by having a devalued dollar.

This is a very dangerous way to go, but the movement is on. As I mentioned, it has already been written up in the New York Times. George Soros not too long ago, last week, came before the Committee on Banking and Financial Services making the same argument. What does he happen to be? A hedge fund operator, the same business as Long-Term Capital Management, coming to us and saying, ''Oh, what you better do is protect the system.''

Well, I do not think the American people can afford it. We do have a financial bubble, but financial bubbles are caused by the creation of new credit from central banks. Under a sound monetary system you have a commodity standard of money where politicians lose total control. Politicians do not have control and they do not instill trust into the paper money system.

But we go one step further. The Congress has reneged on its responsibility and has not maintained the responsibility of maintaining value in the dollar. It has turned it over to a very secretive body, the Federal Reserve System, that has no responsibility to the U.S. Congress. So I argue for the case of watching out for the dollar and argue for sound money, and not to allow this to progress any further.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

(Mr. CONYERS addressed the House. HIs remarks will appear hereafter in the Extensions of Remarks.)

GLOBAL CREDIT CRUNCH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HINCHEY) is recognized for 5 minutes.

Mr. HINCHEY. Mr. Speaker, we have crossed the threshold of uncertainty and we are now entering upon a new economic dimension. In fact, we have been in that dimension for some time now.

Recalling the global economy, it is an area that is fraught with dangers and difficulties for us and other economies around the world. In fact, we have already seen its expression in East Asia, Russia and elsewhere, and the impact of the global economic decline is going to impact on us very soon and we need to prepare ourselves for it.

The Federal Reserve in that regard should have lowered interest rates a year ago when the Asian crisis first became a threat. Chairman Greenspan has told us many times that it takes a year or more for changes in monetary policy to express themselves and become workable in the real world.

In the meantime, things have only gotten worse. Economies all across Asia are depressed. Russia has collapsed, and Latin America looks like it will be the next region on the planet to contract this economic contagion.

The first signs of trouble are showing up on our shores: Lower corporate profits, a rising trade deficit, a decrease in exports, layoffs in the manufacturing sector, sinking commodity prices, and, now, a looming credit crunch.

Banks and securities firms the companies that were the biggest beneficiaries of the emerging market boom, are shaping up to be the biggest losers as these markets go bust.

Our largest financial firms gambled trillions of dollars on these economies in a daisy chain of derivative transactions that were essentially placing highly leveraged bets on everything from exchange rates to interest rates to government bonds in a variety of countries.

When the Russian government devalued its currency and defaulted on its obligations, it set off a global selling frenzy as these financial firms struggled to meet margin calls from their counterparts. Some of our biggest banks have announced losses of $1 billion or more in these transactions.

Just yesterday, the New York Federal Reserve Bank orchestrated a multi-billion dollar bailout of a sophisticated hedge fund. These were not armchair investors who got in over their heads. This fund was run by the former head of a leading investment bank, two Nobel Prize-winning economists, and a former vice-chairman of the Federal Reserve Board. It is amazing to think that losses of this magnitude could happen in a market that is essentially unregulated. It is even more amazing that some of my colleagues in this Congress would tie the hands of the one regulatory agency, the Commodities Futures Trading Commission, that is looking into this situation.

The end result for the American people is that our banks are dipping into their reserves to cover these losses in these speculative derivatives transactions. This is money that will not be loaned to local businesses to financial local growth at home because it will not be there. This is money that will not help entrepreneurs with their start-up ventures. This is money that people will not be able to use to finance new homes, cars or other major purchases, because it will not be available.