

that were very low in revenue. Hence, the cooperative effort of the rural electric.

I think cooperation is necessary and will be here in the area of universal coverage. We need to provide with certainty that there will be telephone communications, and that is part of this bill. At the same time, we need to open it to full access in competition. So many things are happening, so many things are changing, so many things that will bring to a State like mine the opportunity to have all kinds of communications, indeed to conduct the kinds of businesses in Wyoming that you could not conduct without entry to an information network, without the kinds of things that will be provided here.

This bill is designed to remove restrictions on competition. I think that is what it should be all about. It is designed to create opportunities for investment and growth, not only in the communications system in this country but certainly global communications.

I do not want to take a great deal of time but I do rise in support of that concept. I think this bill does the things it is designed to do. I know there are differences of view. That is as it should be. There are great debates in this place. They are designed to show there is more than one alternative, otherwise there would not be a great debate. I am one who thinks, if we can set forth here the conditions that ought to be met in the case of local telephones before they expand, and long distance into the local, that is the way we ought to do it, and keep the substantive judgments of the Department of Justice at a minimum. The authority lies there, of course, to move in when there are unfair trade practices. That is as it should be.

So the result we look for, of course, is lower prices. We look for expanded options. We look for 1.5 to 3 million high-technology jobs that will be developed, and more exports. So this is a good step.

I look forward to supporting the bill. I look forward to the Senate completing its work this week so we can move on, then, to some of the other features.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

THE TELECOMMUNICATIONS COMPETITION AND DEREGULATION ACT

Mr. PRESSLER. Mr. President, we will be back on the telecommunications bill at 1 o'clock. I urge Senators to bring their amendments to the floor so we can begin to see if we can work them out. We are determined to press forward on the telecommunications bill this afternoon, and we will be starting at 1 o'clock. We invite speeches by Members as well as amendments.

This is a vast bill that will affect every household in the United States.

It also affects about one-third of our economy. We have been on this bill for 2 days and we will be going back to it at 1 o'clock. We invite amendments to be offered from that time onward.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I ask unanimous consent to speak for 10 minutes in morning business.

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

NAFTA

Mr. DORGAN. Mr. President, this morning I was going through some mail in my office and I received a letter from a young woman in Fargo, ND. I shall not use her name because I have not asked her if it is appropriate to use her name. But she is a young woman who described a whole series of troubles. She was left with two children as a single parent, no training, not many skills, and jobless. She described her journey through the social services system to try to find a way to get trained and get a job. The letter is an inspiring letter from someone who is now working full time—thanks, she says, to the training programs, thanks to the help that she received from Medicaid and elsewhere. So this is a person for whom a job is a way out, a job is a way to take care of her children. A job is, for her, substantial self-worth and respect.

You forget, sometimes, how important jobs are until you read a letter from someone like this who did not have a job and now does, thanks to a lot of help from a lot of people, but especially thanks to her determination.

I mention this letter about jobs because jobs are very important to the American people, and we have 10 million people out there—give or take a few—who are looking for a job today and cannot find one. We do not have enough jobs. We do not have enough good jobs that pay good wages in our country.

About a year and a half ago we debated in the U.S. Senate what is called NAFTA, which many people will remember, the North American Free-Trade Agreement. The contention was, if we would link our economy to Mexico's economy—and Canada's, too, but especially NAFTA was about Mexico—somehow we would have tremendous new opportunities in our country, or so we were told by the prophets of the day. We were told that linking the American economy to the Mexican economy would produce a burst of new jobs and new opportunity in our country.

Some of us did not believe that to be the case. Some of us believed that if you linked an economy like ours with an average wage of \$15 to \$17 an hour to an economy like Mexico, which still pays in many areas 50 cents or \$1 an hour—in other words, linking our economy to an economy whose wage base is

a fraction of ours—we felt it would tip the table so that jobs in this country would move south to Mexico. The jobs would move south because big producers, big corporations want to produce where it is cheap, and sell back into our country.

I know it may be a sore spot with some to start keeping score on the actual results of NAFTA. But after 1 full year's experience of NAFTA and after part of this year with NAFTA, I felt it was important to come to the floor of the Senate and describe what has happened with the United States-Mexico trade situation.

A new study has just been released by Robert Scott of the Center for International Business Education and Research at the University of Maryland. Robert Scott used to work for the Joint Economic Committee here in Congress, of which I was a member. He did some analysis and some work while on that committee with respect to NAFTA and has now completed an evaluation of NAFTA with respect to the job impact in the United States.

I want to commend to the attention of the Senate this study by Mr. Scott. It is interesting, thoughtful, and I think it is the only study I have seen that really looks at this in an appropriate way. Mr. Scott takes out the transshipments between the two countries. In other words, if Mexico receives something that is actually produced in another nation—for example, computers from Asia—and does not use the computers but re-exports them to the United States instead, those computers are not really Mexican exports and so they should not be counted in our measurement. Or, if another nation produces something and ships it to the United States but we do not use and simply transport it to Mexico, then it should not be considered an export from the United States to Mexico. These kinds of transshipments do not have a job impact of any significant nature between our two countries.

So, Mr. Scott takes out the transshipments and takes a look at what is produced in the United States versus Mexico and what is consumed in each country. The question is, What has happened as a result of the United States-Mexico trade agreement as a result of NAFTA?

Let me show you two charts. First, the United States-Mexico trade surplus, again taking out transshipments, we had a very significant surplus in Mexico. In 1992, it was \$5.7 billion. In 1993, when we had NAFTA passed, it was \$1.6 billion. Last year it shrunk to \$.5 billion. And, if the first 3 months of this year are any indication—and almost all economists say it is—we will have a \$15 billion trade deficit this year with Mexico.

Take a look at that and see which direction we are headed. Are those prophets who predicted these wonderful things for America now looking at their chart and saying, "Gee, this is wonderful"? I do not think so. We went

from a significant trade surplus with Mexico now to a very significant trade deficit.

What does that mean in terms of jobs? Mr. Scott's study shows what it means in terms of jobs.

What it shows is "The Promise." We have all kinds of studies ranging from 220,000 to 2.8 million new jobs if we would just pass NAFTA. That is "The Promise." The reality is last year we lost 17,000 net jobs in the United States as a result of NAFTA. This year we are going to lose about 220,000 jobs in the United States as a result of NAFTA.

If anyone has other figures and would like to debate these, I would love to do so on the Senate floor. I would be glad to take time to do it. These are the real numbers. Take all of the transshipments out, and take out all of the statistical nonsense and find out what the net effect of jobs is. The net effect of jobs is that in the United States we were promised massive new job creation. And what we have gotten is a massive loss of jobs as a result of the United States-Mexico trade agreement.

Mr. Scott's study also shows that the jobs that we have lost as a result of the imports coming into this country are good jobs, good-paying jobs.

What are we importing from Mexico? Is it items produced by unskilled workers? No. The top imports are electrical and electronic machinery, equipment and supplies, transportation equipment, automobiles, automobile supplies, and automobile parts. That is what is being shipped into this country from Mexico. Those kinds of products represent good, high-skill jobs. Those are the jobs this country is seeing displaced. Those are the jobs this country is losing.

We note that in Mexico there is an area along the border called maquiladora plants. The maquiladora plants are the creation of big companies, many of them United States companies, building manufacturing and processing plants just across the border to produce in Mexico and ship to the United States.

What have we seen along the border since NAFTA?

There were about 2,000 maquiladora plants in 1994, and recent news reports tell us that the Mexican authorities are approving applications for two to three new plants, new manufacturing plants, every single day. At this rate of approval, the number of factories in the maquiladora zone in Mexico will increase by 50 percent in 1995. These plants are not being built to produce for Mexico. These plants are being built to dramatically increase exports from Mexico to the United States and dramatically displace jobs in the United States.

Mr. President, I do not know how those who were paid for those elaborate NAFTA studies that predict massive numbers of new jobs for America can walk around holding their head up these days when they see what has happened with Mexico. Yes. Some of it is

because Mexico devalued the peso. I understand that. But we should never have a trade agreement with anybody under any condition that does not have an adjustment for currency fluctuations anyway.

But the point is, this country got with NAFTA what it got with the Canadian trade agreement, which is what it got with GATT—we lost in the trade negotiations; we lost in a way that hurts American workers and costs our country desperately needed good-paying jobs for the American people.

I hope that in the coming weeks, as a result of Mr. Scott's study, we can have a real debate again now about NAFTA and maybe renegotiate NAFTA. Maybe this trade agreement was not such a good idea. If "The Promise" was nirvana, massive numbers of new jobs and a bright promise for America, but the reality is massive loss of jobs, big corporations taking advantage of the American people under trade rules they wanted and they pushed for, going across the border to produce in Mexico and to ship back into this country, maybe, understanding all of that, it is time for our country to decide these trade agreements do not make so much sense after all.

Maybe our trade agreements ought to be trade agreements that represent the interests of our country, not just the interests of multinational companies who want to produce, yes, in Mexico, but also in Indonesia, Malaysia, and all around the world where they can get people to work for 12 cents an hour, 12-year-olds working 12 hours a day, to produce a product they can ship to Pittsburgh, Denver, or Detroit. That is not fair trade. That is not trade that helps our country. That is not trade that produces a vibrant, strong American economy.

Every time we have these debates, those who support these trade agreements that, in my judgment, have irreparably injured our economy and have put Americans into a circumstance where they are looking for good jobs and cannot find them. They say, "Well, the issue is we have to have competition. We have to compete. If American workers and American business cannot compete, then we are doomed in the international economy."

My response is: Compete with what? Do you really want the American people to have to compete with people working for 25 cents an hour or working in factories that are unsafe, working in factories that dump chemicals into the streets and pollution into the air? If that is what we should compete against, as far as I am concerned, count me out. That is not fair competition. It is not what we fought 50 years for in this country on the issue of decent living wages, good environmental standards, good work, and safety laws. That is not what we fought 50 years for in this country, to surrender all of that, to give all of that up, because the largest enterprises in the world want to construct an economic circumstance

where they can produce where it is cheap and sell into established marketplaces. Such a scheme consigns this country, in my judgment, to a future with fewer jobs, especially fewer good jobs and fewer good paying jobs.

I hope that soon we will see more aggressiveness and more activity on the issue of requiring fair trade.

Mickey Kantor and the President are confronting the Japanese on the trade issue, and it requires some strength and courage to do that. None of us want a trade war. We understand that. But this is the first time that an American President or a Trade Ambassador has stood up and said wait a second; there is a price to pay to trade with us and the price is fair trade. Our markets are open to you. You open your markets to us. That is what we call fairness in our country.

I support the President. I do not want a trade war. It will not serve anybody's interests. But I want all of our allies to understand this is no longer post-World War II economic aid we are talking about. That is what our trade policy was for 50 years. Our foreign competitors are now strong and tough. Now we want trade fairness, and we insist on it.

On the issue of NAFTA, let us keep score. I can understand missing the bull's-eye. I can even understand missing the target, we find a lot of folks do that around here, especially economists. But I cannot understand missing the bull's-eye, missing the target and shooting yourself in the leg instead and not have people in Congress decide maybe this was a bad decision. I hope all of us will rethink these issues and decide whether or not there is a different strategy or different approach that really supports good jobs in our country and does not give away our economic future with unfair trade strategies that do not work for the interests of America.

Mr. President, I intend to send to other Members of the Senate copies of Mr. Scott's work, which I think is original, interesting, and good work that ought to point us in a different direction on trade policy.

Mr. President, I yield the floor.

THE PRESIDING OFFICER. Does the Senator suggest the absence of a quorum?

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

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

PAYMENT OF BENEFITS TO ILLEGAL ALIENS

Mr. EXON. Mr. President, I rise today to address the issue of payment of benefits to illegal aliens and how it relates to the welfare reform bill that