

that the high crimes and misdemeanors does not necessarily have to be an offense that is written into the law. It is not to import the standards of good behavior into high crimes and misdemeanors, but to indicate that serious infractions of good behavior, though less than a great offense, may yet amount to high crimes and misdemeanors in common law.

What he is saying is that judges ought to act like judges and they ought to rule on the Constitution, as you and I both agree on, and that is all we are trying to say.

Mr. SKAGGS. Amen.

Mr. SAM JOHNSON of Texas. I thank the gentleman from Colorado [Mr. SKAGGS], and I thank the gentleman from Florida [Mr. SCARBOROUGH].

HUMANITARIAN AID CORRIDOR ACT

The SPEAKER pro tempore (Mr. ROGAN). Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, today I received very disappointing news from the State Department. The President determined today to permit assistance under the Foreign Assistance Act and the Arms Export Control Act to the Republic of Turkey. This is in spite of the fact that Turkey is maintaining an illegal and downright cruel blockade of the Republic of Armenia.

Mr. Speaker, for the past 2 years, the Foreign Operations appropriations legislation has contained a provision known as the Humanitarian Aid Corridor Act which prohibits U.S. economic assistance to those countries blocking delivery of humanitarian aid to third countries. While this provision is not country-specific, it clearly applies to Turkey, which for more than 4 years has maintained a blockade of neighboring Armenia. While the people of Armenia are struggling to build democracy and reform their economy according to market principles, the blockade imposed along their border with Turkey disrupts the delivery of vitally needed humanitarian supplies.

The Humanitarian Aid Corridor Act, unfortunately, lacks enforcement teeth since it grants the President the power to waive the provisions on very vague national security grounds. In order to make the Corridor Act mean something, last year this body approved an amendment to the Foreign Ops bill, sponsored by the gentleman from Indiana [Mr. VISCLOSKEY], that would limit the Presidential waiver authority to provide U.S. economic assistance to countries that violate the Humanitarian Aid Corridor Act. More than 300 Members of the House voted for this amendment, which would have essentially given the Humanitarian Aid Corridor Act some teeth and not allowed the Presidential waiver in most cases. Unfortunately, the amendment was stripped in conference and the gen-

tleman from Illinois [Mr. PORTER] included language instead that required the President to provide a justification for determining that it is in the national security interests of the United States to provide the economic assistance despite the fact that the recipient country, in this case Turkey, is in violation of the Corridor Act.

I want to commend the gentleman from Illinois [Mr. PORTER] for putting that language in, because we did at least get a semblance of a justification from the State Department. But I have to say that the justification issue today was not very convincing.

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Mr. Speaker, this action by the administration comes at a particularly bad time. Next week marks the 82d anniversary of the beginning of the genocide against the Armenian people which was perpetrated by the Ottoman Turkish Empire. This genocide, which the Republic of Turkey has refused to acknowledge, ultimately claimed the lives of 1.5 million Armenians. Another 500,000 Armenians were deported.

Many Members of this House will take part with me in a special order next Wednesday to commemorate this solemn occasion. To have made this determination at this time I think is very inappropriate.

Mr. Speaker, I bear no ill will to the Turkish people. I am simply saying that maintaining good relations should not entail turning a blind eye to the outrageous actions committed by the Turkish Government. Given the generosity the United States has shown toward Turkey it is inappropriate, or I think I should say in this case it is appropriate for us to attach conditions, particularly such a basic condition as allowing the delivery of aid to a neighbor in need. I think most Americans would assume that a condition for U.S. aid should be that that country allows other U.S. aid to go through its country or its borders to another country that needs the aid. People, I think, in this country would be shocked to know that such a provision is not already a requirement on the recipients of U.S. assistance.

I want to say in conclusion that Armenia is a very small landlocked nation, dependent on land corridors from neighboring countries for many basic goods. Armenia has been one of the most exemplary of the former Soviet republics in terms of moving toward a Western-style political and economic system.

I traveled there earlier this year and can report that the blockade is having a devastating impact. The Armenian people respect and admire the United States. There are more than 1 million Americans of Armenian ancestry here. The bonds between our countries are strong and enduring, but the people of Armenia face a humanitarian crisis which is not the result of any natural disaster, but a deliberate policy of its neighbor to choke off access to needed

goods from the outside world. We believe the exertion of U.S. leadership can play a major role in these intentions in promoting greater cooperation among the nations of the Caucasus regions, but the Humanitarian Aid Corridor Act is an important part of this component. If we do not adhere to the Humanitarian Aid Corridor Act and if the administration and the State Department continue to allow it to be waived, I think in the long run it is going to be detrimental to peace and better cooperation between Armenia and the other nations of the Caucasus and the United States, and I think this is a mistake that the State Department continues to exercise this waiver.

REAL LIFE EFFECTS OF NAFTA

The SPEAKER pro tempore (Mr. ROGAN). Under the Speaker's announced policy of January 7, 1997, the gentleman from Michigan [Mr. BONIOR] is recognized for 60 minutes as the designee of the minority leader.

Mr. BONIOR. Mr. Speaker, I thank my colleague, the gentleman from New Jersey [Mr. PALLONE] for his remarks with respect to Armenia, and I thank my colleague, the gentleman from Oregon [Mr. DEFAZIO] for joining me this evening to talk about the North American Free Trade Agreement.

Four years ago in this Chamber and around the Nation, we had a major debate on NAFTA, the North American Free Trade Agreement, and it really was a debate about our economic future and the economic future of Canada and Mexico as well. In many ways it was based more on theory than on reality. We had all sorts of studies and projections and promises and claims, and now we have had nearly 40 months to see exactly where we are, how this has worked, how it has not worked. Today we know about the real-life effects of NAFTA. We have the trade data, we have the job data, we have the environmental data. But just as importantly we have personal real-life stories from thousands of people telling us how NAFTA has affected them, what it has done to their jobs and their wages and their environment and the communities that they live in. And it is a story, a cautionary tale, that we have to start telling America about today, because today this debate is moving into a new phase.

Now supporters of NAFTA want to expand it to new countries, and to do that they need a procedure that is known as fast track, and let me tell you what it is. Basically fast track allows the administration to negotiate trade agreements with other countries and then to submit them to Congress, and we are required here in the Congress to expedite the passage or rejection of that agreement without any opportunity to change the agreement. We are locked into either a "yes" or a "no" on what this negotiated.

So we need to think long and hard before we make and grant this authority. It is an awesome authority in its

scope and its dimensions. It is far reaching. It affects every man, woman, and child in this country. It affects wages. It affects job protection. It affects your environment. It affects the things that our fathers and mothers and grandparents worked so hard to get into law to protect you and them during eras when the free market went wild and greed was rampant.

So we need to think long and hard before we make this authority, because as a practical matter it may be our final opportunity to reflect on what kind of results fast track produced for NAFTA when it was negotiated more than 4 years ago.

Mr. Speaker, most of my colleagues were not yet Members of the House the last time this House debated fast track authority. One thing that those of us who have seen fast track know is this. If it does not require, and I emphasize require, the trade negotiations to address important labor and environmental issues and make those issues on par with tariff cuts and investment rules, make them enforceable by sanctions, then we are not going to get a good trade agreement. We know that because NAFTA and the fast track for NAFTA did not include strong and necessary labor and environmental components. It did not include any in the core agreement, and we will discuss what this NAFTA model has done to workers and the environment both in the United States and Mexico.

Expanding NAFTA now would be like building a new room onto your house when your kitchen is on fire and your roof is collapsing. It just does not make any sense.

Over the next few weeks we will be discussing the many aspects of NAFTA, but today I want to focus on just two: jobs and wages. Let us look at this first chart, "Jobs Lost Under NAFTA."

Before NAFTA, NAFTA supporters claimed 200,000 new jobs would be created by 1995. That was their claim. Oh, they came to the floor and they said 200,000 new jobs, 200,000 new jobs. They said it over and over and over again during that debate that lasted for months. NAFTA proponents practically guaranteed we would have 200,000 more new jobs. But by using their own formula, which is based on the number of jobs created through a certain dollar amount of trade, we have lost anywhere from 250,000 to 600,000 jobs since NAFTA took effect. And by using the very narrow definition by the Labor Department which includes only those workers who have applied or been certified for NAFTA employment benefits, more than 110,000 Americans have lost their jobs.

Now not all workers qualify for these benefits, and even though their jobs may have been shifted to Mexico, workers in more than 1,400 factories in the 48 States have applied for this NAFTA job retraining program. Three years after NAFTA, more than 110,000 U.S. jobs, U.S. workers, have already

been certified under NAFTA unemployment program. Thousands more have filed for benefits; and using the formula of the proponents of NAFTA, anywhere between 250,000 and 600,000 people have lost their jobs. Sixty-five percent of the workers who were laid off ended up with lower paying jobs, two out of three. Two out of three. They did not get the high-tech, high-wage jobs as the theory suggested. They got lower-paying jobs. And when we debated NAFTA, many corporations stepped forward to say that jobs in the United States depended upon NAFTA passage. They promised to create jobs in America.

Let me show you another chart. Broken promises under NAFTA. Ninety percent of the companies failed to deliver on their promises to create U.S. jobs if NAFTA passed. Public Citizens Global Trade Watch. Ninety percent of the companies promised to create jobs, and even worse, in many cases they have moved jobs to Mexico.

In nearly every State and in too many communities these broken promises have let factories shut down and hard-working men and women without paychecks. These giant corporations who spent millions to help get NAFTA passed, who said their workers would be better off, let down their workers, let down their communities in which they operated and did what they said they would not do. And these jobs come from every region in the country, from nearly every type of manufacturing, from industries like footwear and growing tomatoes and consumer electronics where companies are moving wholesale to Mexico, to shifts in sourcing and assembly by the big three automakers. These jobs are leaving in droves.

Now here are just a couple of examples of these broken promises and job losses, and I want to lay them out for you here this afternoon. I want to focus on the television and electronics industry because just a few weeks ago I joined our leader in touring the maquiladores and colonias that are growing rapidly along the border, specifically in Tijuana.

Tijuana now produces more televisions than any other place in the world. More than 10 million TV sets are assembled in Mexico annually; most of these are in Tijuana. In fact, there are nearly 25,000 workers in Tijuana who make televisions, and these workers make no more than \$50 per week.

There has been a massive unprecedented shift in TV production in Mexico since NAFTA took effect, and this trend will continue. The electronics industry is expected to grow by 400 percent over the next 4 years in Mexico. But if you had listened to what these TV companies were saying 4 years ago, you would not have believed that any of this would have happened.

Let us take a look at Zenith. For example, here is what Zenith said in 1993 during the NAFTA debate:

Contrary to numerous reports that companies like Zenith Electronic Corporation will

transfer all of their production facilities to Mexico as a result of NAFTA, the NAFTA offers the prospect of more jobs at the company's Melrose Park, Illinois facility.

That is what Zenith said.

And here is what Zenith did. Zenith announced late last year that it is laying off 800 of its 3000 workers at Melrose Park in Illinois and, in addition, 510 workers have been certified for NAFTA trade adjustment assistance at Zenith's facility in Springfield, MO, and Chicago, IL. Zenith, who promised its workers prosperity, gave them pink slips instead, and that is just the tip of the iceberg.

In February, according to the Journal of Commerce, Thompson Consumer Electronics announced it would cut more than 1,800 jobs in two Indiana factories and shift that production to Mexico. Thompson is the company that makes RCA televisions. Also in February, Sylvania, which makes fluorescent lamps at Danvers, MA announced that it is shifting that production to Mexico, costing 160 workers their jobs.

And finally, General Electric's record would enact the biggest supporters, GE. Their record shows us why we should be skeptical about job promises. During the NAFTA debate GE said its sales to Mexico could support 1,000 jobs for GE and its suppliers. "We fervently believe that these jobs depend on the success of this agreement". Well, as it turns out, GE jobs did depend on NAFTA, but in a very different way. According to the Department of Labor, GE has shifted 2,300 jobs to Mexico since NAFTA took effect. This includes workers in Fort Wayne, IN; Rome, GA; Erie, PA; and Hickory, NC. Instead of selling our televisions to Mexico, we are now buying them from Mexico. Thousands of jobs have been lost in this sector.

Now here is the real kicker. As terrible and as disgusting as it is with respect to the job losses, especially by companies who said that they would create jobs rather than moving their companies to Mexico, what has even been more omnipresent, suffocating for the American worker, has been the downward pressure on wages, and I want to show you another chart that illustrates what I am talking about.

NAFTA puts downward pressure on U.S. wages. A study that was done by Cornell University for the Department of Labor found that 62 percent of the companies, 62 percent of companies are threatening to close plants rather than negotiate with the union or recognize the union.

□ 1630

These companies either explicitly say or implicitly suggest that they will move their plant to Mexico or another low-wage Nation. Take, for example, Connor Rubber near Fort Wayne, IN. In the midst of the union's first contract negotiations the company decided to close the plant and move to Mexico. In the wake of this closing, the same

union pulled an organizing petition at a neighboring subsidiary of Connor Rubber. The union official who was organizing this subsidiary said that wages were lacking, their benefits were lacking, but they also wanted a job.

This is having a dampening effect on wages in America. Fifty percent of Americans now say their purchasing power is now worse than it was before NAFTA.

So in conclusion, before I yield to my friend from Ohio [Mr. BROWN] and my friend from Oregon [Mr. DEFAZIO], I want to say that we still believe that NAFTA can be a force for some progress. We still believe we can create a consumer market in Mexico, but before we even think about expanding NAFTA to other countries we need to fix the flaws in it.

We need to give workers the same kind of health protection that we give companies for things like intellectual property. We need to include labor and environmental standards in the core agreement, not in some side agreement. We need to raise Mexico and other low-wage nations up to our standards, not lower ours to theirs. We need to make noncompliance subject to sanctions, not just consultations. We need to remember that this is not just about markets and trade barriers, this is about jobs and living standards and communities and people's health, it is about human rights and human dignity.

Both sides of the border have workers that are mistreated by multinational corporations and indifferent governments, but they remain brave and they remain hopeful, and until they have a voice to fight for themselves, we have to be their voice. There are more people in this Congress who voted against NAFTA 4 years ago than voted for it, and many who voted for it said they would never vote for it again. Before we expand it, let us fix it. We can fix it. We indeed can fix it if we have the leadership and the guts to do so.

Mr. Speaker, the multinational corporations in America today and abroad, the transnational corporations, are moving through economies in developed and undeveloped nations alike like a great green reaper in the field, just plowing ahead and moving over fence rows and moving over all of the built-in protections that people in legislatures and congresses and parliaments have adopted for the last 100 years. The 40-hour work week, the 8-hour day, labor and safety and health protections, pensions, health care, you name it, I could go through a long list, all were as a result of the excesses and the greed of the multinational, transnational corporations at the turn of the century and during or just prior to the New Deal.

Because there was no force, countervailing force to counteract this, a force was developed. There was a force of people who came together who really cared about community, about family, about localization, not necessarily

globalization, and they went to work and they formed a coalition. These were led by labor unions, but they included religious organizations, environmental organizations, people who cared about justice, and they said to this rapacious free market sense of greed that was out there, there are limits, there are limits to your greed.

We are living today in a world economy, in a national economy where our CEO's are making 200 times more than the average worker. In 1960, when we were young men, the gentleman from Oregon and I, the difference between what a CEO made and what a worker made was about 12 to 1. In the 1970's it moved up to 35 to 1, then 180 to 1. Now it is 200 to 1.

We are finding that 80 percent of the American workers in this society have wages that basically have been frozen or have declined since 1979. The top 20 percent are doing very well, but most Americans are struggling to make ends meet. Most Americans have everybody in their home working, therefore less time with their kids, less time to be with them at their ball games, at their PTA meetings, and then the whole cycle of social maladies increases in our society.

It all starts with a good job and a good wage. It all starts with the respect and dignity for the people who produce. These trade agreements, whether they are NAFTA or they are GATT, are robbing us slowly each day, each week, each year, each cycle of the protections we had to build a stable foundation for our families. An 8-hour day, 40-hour work week, severance pay, overtime pay, health and safety protections, you name it. That was all put there to give people a base, and now the multinationals are taking our jobs and moving them overseas, downward pressure on wages, and we are seeing that same cycle repeat itself in history in this country.

I thank my colleague from Oregon [Mr. DEFAZIO], who has been strong and vigilant and caring and tough on this issue, and I thank him for joining me this afternoon.

Mr. DEFAZIO. Mr. Speaker, I thank the gentleman again for his extraordinary leadership for this so far discouraging debate and battle to bring sanity to the trade practices of this country.

I think the study the gentleman just mentioned is something that the American people need to know about. Of course, they have not really heard about it, even though their taxpayer dollars paid for it.

The study the gentleman referenced which points to the extraordinary use of NAFTA by the largest corporations in America to drive down the wages of their workers, with threats of moving their jobs to Mexico, to prevent unions from forming by threatening to close the plant and move to Mexico if the union is formed, to drive down the benefits for those working people and their families, put extraordinary pressures

on them. That was all very well-documented in a study paid for by our tax dollars, but strangely enough, it has not been published.

I would think, having been a Democrat for a number of years, that I was dealing with a Republican administration that would repress such a study, but no, I find out that the Clinton administration, that the Department of Labor is repressing a study, a documented study by a well-known academic economist from Cornell University, that documents how destructive NAFTA has been beyond the job laws, beyond the destruction of the environment.

It has hit average Americans who still have their jobs in this country, driving down their wages, while their CEO's, as the gentleman mentioned, see their bonuses and stock options rise to the sky. This is extraordinarily discouraging. I would call on the administration to release this. Let us have a full and fair debate over the impact of NAFTA. Do not try and hide it, do not try and hide reports that point to the problems.

Like my colleagues say, if we are going to consider NAFTA or extensions of NAFTA, let us fix it first.

The gentleman mentioned also the fast track. I think a lot of people say, fast track, what does that mean? What it really means is to get an agreement through the Congress with no scrutiny, no change allowed by your elected representatives, and no accountability. That is how we got NAFTA, that is now how we got GATT, and that is how they want to extend NAFTA. What does that mean?

Well, the administration goes out and negotiates this agreement, of course privileged between the administrative branch, the executive branch, and the executive branch of another nation, and what they tell us is these agreements are so delicate, of course these nations are desperate to have these free-trade agreements with the United States, but it is so delicate that they will get upset and take their marbles somewhere else if we allow the elected representatives of the people, the Congress assembled, to make a single change in a single period, a crossing of a T, let alone a substantive change to those agreements. That is fast track. That is what the administration and the Republican leadership want to foist upon us in the very near future in an attempt to extend NAFTA even further into Latin America.

I am no rust belt Congressman, no offense to my colleagues from the middle part of the country with a proud industrial tradition. I come from what is supposed to be the brave new world of free trade, the West Coast of the United States, Oregon.

I have been one of the few who stood and questioned these so-called free-trade policies. I was shocked to find out just today, I said to myself, I am going to go down and speak on NAFTA, it has been a while, give me some updated statistics, to find that my State,

the great bastion of so-called free trade is fifth out of the 50 States on the list for companies who have filed for trade adjustment assistance, fifth. We are not talking about declining, old plants; we are talking about one of the fastest growing States in the union losing jobs across the wide variety.

Wood products, plastics, computer products, ship repair, natural gas, shirts, coats, clothing, sawmill machinery, circuit boards, trailers, and related mushrooms, we are losing the mushroom business to Mexico. Air crew training, natural rubber, latex gloves for nuclear plants, computer integrated information systems.

These are not the declining jobs that we heard, well, there might be a little dislocation, but all of those workers will get better jobs in these new industries. These are many of the new industries we were told that would bring jobs and prosperity to America, to Main Street, America, under NAFTA, and instead, they brought disaster, dislocation, and a loss of hope on the part of many of my constituents and others across the country.

There are some Members of Congress listening, and we are going to try and stop the fast track and we are going to demand a review of NAFTA as it stands now, and some accountability. Let us go back to those promises, let us look at a bill we introduced called the NAFTA Accountability Act.

Let us compare the promises to the reality, and if they do not match up, which they do not, as my colleague has pointed out, then let us ask the President to go back and renegotiate the agreement in a way that we can achieve the goals and the promises that were first rendered to us when NAFTA was jammed through this Congress on the last fast track experience we had.

Mr. Speaker, I yield back to my colleague if he has a comment on that. I see our colleague from West Virginia is here, if he would care to comment.

Mr. BONIOR. Mr. Speaker, let me just make one quick point and then I will yield to my friend from West Virginia [Mr. WISE] or my friend from Oregon [Mr. DEFAZIO] if he wishes to continue further.

This is the debate about the future and the past. I would submit to you that the proposals that have been offered vis-a-vis GATT and NAFTA are the past. The proponents of these treaties want to take us back to a day when there were no protections for our workers, when there were no protections for our environment, when property rights were much more important than worker rights and human rights. Those were things that we have overcome, hurdles that we have overcome for the past 100 years, and the proponents want to take us back to the 19th century, masquerading that they are taking us to the 20th century, masquerading that they are taking us to the 20th century in order to create this greed.

What we are about is taking us into the 21st century to deal with very human needs of workers. That is really where the center of this debate has to crystallize for the American public to understand what has been going on. So I thank my friend from Oregon for giving us a picture of what has happened in a West Coast so-called trade State. It is not very rosy, to have him elucidate on the floor of the House just how many people in his district and State are affected.

I yield to my friend from West Virginia.

Mr. WISE. Mr. Speaker, I was very struck by the gentleman from Oregon in that statement, because he is correct, those of us from the Midwest and the so-called rust belt and traditional mining and manufacturing areas assume that we bear the brunt of it, and of course we look to the West Coast and the silicon valleys of the world, the start-up industries, and if anybody benefits from these type of free-trade agreements, and yet I think you have illustrated very well what the problems are.

I believe that those who negotiate these treaties for the most part are operating in good faith, I believe are operating in good faith. I think they honestly believe that the marketplace, if left alone, totally alone, will produce the greatest justice for the greatest good. I do not think it always works that way, and I do not think that the human, the human content, the human problems and the human ramifications are taken into consideration adequately enough.

I have not seen too many NAFTA proponents come out in the last 2 years to talk about all of the good that NAFTA was to do. I have not seen anyone stand in the well, as you two gentlemen are standing right now, and tick off goals announced when NAFTA was put forward, goals achieved. If my colleagues remember, the goal was that our trade surplus would at least be the same, if not greater. Of course we are billions of dollars in the red in trade deficits.

Mr. BONIOR. Mr. Speaker, we had a \$2 billion surplus going into NAFTA, going into the negotiations, and the United States had a \$2 billion trade surplus. Today, 40 months later, we have a \$16 billion trade deficit with Mexico.

□ 1645

Mr. WISE. Exactly. There were to be several hundred thousand jobs, good-paying jobs, to be created, was the quote. We have not seen those jobs. We have an economy happily that has been growing, but at a minimalist rate, 2.3, 2.5 percent. That sustains about the level of unemployment, the current level of employment, better said, but it is not a growth economy. It is not an economy that helps.

The gentleman from Michigan was talking about this a little earlier, it is not an economy that sustains and helps

middle-income people truly stay middle income and get ahead.

So that is my concern as well. Now I hear talk of a whole new wave of free-trade agreements that may be coming to this Congress. Whether you call it fast track, whether it is with Chile, whether with Mercosur, whether with some of the other countries, and we have the North American-Free Trade Agreement, NAFTA, Southern Hemisphere Area Free-Trade Agreement, that turns into SHAFTA, and I think that is exactly what we are looking at if we keep going down this path.

I happen to believe that there are a number of areas we can negotiate true free-trade agreements. But I think we have to take into context, into consideration, the economic situations of the countries involved, the political situations; and the differentials: the labor differentials, the economic differentials, the environmental differentials, the health and safety standards.

Mr. BONIOR. Mr. Speaker, that is a very good point. When the European Union came together and Portugal and Greece wanted to join the European Union, they were told, you have to meet certain standards. If you meet these standards you can come in, we will embrace you, we will have a trade relationship that is comparable to what we do with each other, with what the French do with the British, what the British do with the Italians. But we are not going to let you come in until you provide certain labor standards, certain environmental standards, certain standards. You have to reach a certain level.

We had an opportunity to do that during NAFTA with Mexico. With Canada we have comparable standards in these areas, but with Mexico we do not. You cannot form a labor union there, you cannot assemble an independent union. You get thrown in jail.

I was just down in Mexico. I saw and talked to people who tried to do that, who worked in factories where the line was moving so fast that members of their families and neighbors were losing their fingers and hands. They put on a demonstration to stop work at this plant one day, to get the attention of the company to deal with this problem, and the people who organized that were fired. Then they tried to form their own independent union and they were thrown in jail. That goes on all the time. There is no sense of justice; economic justice, certainly, let alone other types of justice, in Mexico today.

So what we are saying is, well, until you harmonize upwards and provide people the right to organize and assemble and collectively bargain for their sweat and labor, and until you provide a decent environment where people can bathe without worrying about toxins and fumigants and everything else getting into their children's bloodstream, we are not going to deal with you.

The American Medical Association just recently called the border, the Mexican border along our United

States border, a cesspool of infectious disease. This is 4 years almost, after NAFTA, when we were told it was going to get cleaned up.

So we are asking that these countries, and they have great people and wonderful workers, they just need some leadership out of their government, and some responsibility out of these transnational, multinational corporations, to do what they should do naturally, help these people lift themselves up and provide a decent quality of living for them, so they do not have to face these environmental degradations.

The gentleman is absolutely right.

Mr. DEFAZIO. Mr. Speaker, if the gentleman will continue to yield just a moment, this is a common misunderstanding, because the administration and the Republican leadership made a great show of adding environmental protections to the original NAFTA agreement, because they saw in fact that we probably were going to beat the NAFTA fast track agreement on the floor.

But it was all cover. It was not in the agreement. It was not in the annexes. It was not in any part of the North American Free-Trade Agreement. It was in fact a nonbinding side agreement by administrative rule by the President. It was basically to do nothing except to provide cover to some of our weak-willed colleagues, who were torn between the opposition of people concerned about the environment and other things with this agreement and the pressure from some of the largest industries and some of the largest employers in their district, who were going to become smaller employers in their district real soon after this passed.

So this was all cooked up. In fact, there is no binding environmental agreement. We have seen the conditions along the border deteriorate dramatically. It is going to continue to accelerate and get worse. In fact, I do not want to bring in too many side issues, but there is the recent problem with the strawberries. This is a problem of lack of environmental safeguards in Mexico. Americans are threatened with hepatitis because of some strawberries snuck in here in violation of the standards which control our school lunch program, but in any case, labeled as an American product, sold to children, to schools, fed to children, infected with hepatitis because, again, there are no enforceable environmental laws in Mexico. Yet we are opening our border to these goods coming across. This is an incredible threat.

Mr. BONIOR. The gentleman is absolutely right. Let me tell my colleague, when I was down in Tijuana we visited a battery recycling facility. A couple of Americans came over, established this recycling facility for lead batteries in Mexico. They would take the batteries apart.

We visited a field probably the size of a third, maybe a half of this Chamber,

that was covered with white lead, exposed, a field of it, where dogs ran through it; very toxic, very dangerous. Dogs were running through it, kids were running through it. And not 5 yards from this exposed battery field of lead was the largest dairy farm in that state of Mexico. When it rained and the wind washed this lead and the cows ingested it, of course the cows died, and of course they have had a huge increase of cancer and other problems in this area. That is the type of a situation we are dealing with here, that type of uncaring and lax concern.

I could tell the Members other horror stories, but believe me, we have not made any progress on the environment down there. We had this thing called an ad bank that our friend and colleague, the gentleman from California ESTEBAN TORRES, worked very, very hard on, but we have not had one significant major loan to deal with the cleanup yet. There are some getting ready to be done, but we have not made any progress there at all.

Mr. WISE. Mr. Speaker, if the gentleman will continue to yield, one of the points that I think all this brings out is if we are talking about trade agreements, because we are, we ought not to be looking at free-trade agreements. First of all, we find out they are not free, we end up paying a whole lot for them. We ought not to be focusing on free-trade agreements, we ought to be focusing on regional trade agreements in which the goal is to up lift a region.

We uplift a region not just in sheer dollars and cents, the fact that you can move a product across a State or country line with a minimum of tariffs, no tariffs, and trying to compete in a race to the bottom as far as living standards. No, a regional trade agreement says we want to uplift the whole region.

We recognize that open trade is the best way to do it, but we also recognize, as the gentleman was talking about with the European Union, we also have to bring in a whole host of other factors as well. In order to participate in this regional trade agreement, then you have to bring labor, health, safety, environmental standards up.

A West Virginia worker can outproduce, I think, anybody else in the world. We are very proud of what we make, whether it is glass, whether it is chemicals, the coal mining that goes on, and now a whole host of new industries. In fact, West Virginia is now, as I recall, the fifth largest exporter per capita in the country. So we compete and we compete well.

But our plants and workers have trouble competing. Even though wages may be higher, they will be more productive, but at the same time if they are having to bear the environmental costs of installing the latest environmental equipment, which the world needs, if they are having to bear health and safety costs that nobody else

bears, a whole lot of other things that weigh against them, then that is not free trade and not fair trade. Indeed, you have not benefited people in Mexico either, or wherever else you want to negotiate these treaties.

Mr. BONIOR. Mr. Speaker, that is really the other real tragic and sad piece of all of this, is that the people who are really exploited are the Mexican workers, who are caring, who produce well, who work hard, but yet are paid a pittance.

We were told during the NAFTA debate, my friend, the gentleman from West Virginia [Mr. WISE] and the gentleman from Oregon [Mr. DEFAZIO] will remember, we argued these folks were paid \$1 an hour. We were told, they were not going to be paid \$1 an hour, they are going to get paid more than \$1 an hour. They are not paid \$1 an hour today, they are paid 70 cents an hour.

The other side will argue the reason they are paid 70 cents an hour is because the peso was devaluated. We told them that the peso was overvaluated, that this was going to happen. So it is these folks who work these extraordinary hours, they are very productive, and they make \$4 and \$5 a day at the plants I visited. They are struggling to make ends meet for their family, living in dire and abject poverty.

Many of these corporations that are hiring them are folks we have right in our district. They are headquartered here. You would think they would be interested, the corporations, in paying them a decent wage so they could buy some of the products, the TV's, the automobiles, that these people produce.

If we go to an automobile plant on the border, we do not see any parking lots, because people working in those plants do not have cars. Many do not have televisions, and they assemble more television sets there now than I believe anyplace else in the world, certainly in North America.

That old principle of paying people not only a minimum wage but a liveable wage, so they can purchase what they make and you can create a middle class, and when we create a middle class in Mexico, they have one, they have about 100 million people there, and maybe 20 million are middle class, but the rest are not. But when we create a larger and expanding middle class, then they can purchase some of the things we make here. But until then, we are going to continue to see escalating and growing trade deficits, as we have seen.

Mr. WISE. If the gentleman will yield, Mr. Speaker, I would also note if there are those who are going to bring this kind of legislation to the floor, whether it is the fast-track agreement or free-trade agreements or whatever, please be aware that I think that this time there are a lot of people who have had the benefit of seeing NAFTA in application, and that there will not be the automatic hard sell possible that

was done then, as people look at these other factors.

Or if Members are going to bring it to the floor, please have it in those kinds of standards that are so necessary to truly make it a competitive and the often-used phrase is level playing field.

Mr. DEFAZIO. If the gentleman will continue to yield, Mr. Speaker, if we could just return, again to my surprise, that Oregon, so-called free trade, high-technology, a growing State, is No. 5 on the list for applications for people's jobs having been exported or dislocated.

I would just like people to be aware of the other States. No. 4 is the State of Washington, again, looked at as another vital, growing, exporting, high-technology State, dominated, of course, by Boeing and Microsoft.

Then, you know, we get to States that, well, again, Texas, I do not think too many of us have thought in the past about Texas as being one of the them. Actually they are No. 2. No. 1 is Pennsylvania, and No. 3 is New York, and No. 2 is Texas. So what we have pointed out here is that there has been extraordinary job loss.

There are those, as the gentleman pointed out, who would say that this could not have been anticipated. Well, who could have anticipated the decline of the peso? Mr. Speaker, the bottom-line truth here is that this agreement was never intended to create a market for American products. This agreement was always about protecting the movement of United States capital and manufacturing resources to Mexico to exploit the cheaper labor, the lack of enforcement of safety standards, and the lack of enforcement of environmental laws.

The key part of this agreement was something that protected United States capital and set up an independent court of claims in case any of it was expropriated, because United States industry was looking back to the days when, in Mexico, the oil industry had been expropriated. That was the barrier we are talking about.

What they did is opened up the floodgates for capital that is needed in this country to update equipment and productivity, so we can compete in world markets, to move to Mexico with impunity, to exploit their people and the conditions in that nation.

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We also opened the floodgates for other foreign nations to move their capital into Mexico in order to obtain access to our markets. It was never about Mexican workers earning a dollar an hour buying the Dodge Ram trucks that they are building. That was an impossible equation. It was never a reality.

In fact, the total purchasing power of all the people of Mexico, if they had spent every peso before devaluation on United States goods, would have been less than the purchasing power of the people of New Jersey. Tell me that in

the United States we would enter into an agreement and allow New Jersey to wipe out environmental laws and its labor protections and all that so that we could just gain access to their markets because it was going to boost our economy so much. No offense to the people of New Jersey, the Garden State, a great State.

The point is, this was a blip, even if every peso spent in Mexico could have been spent in this country, that was never the intention. In fact, this agreement has worked out very much the way that its principal proponents intended.

United States capital has fled to Mexico. United States jobs are seeing downward pressure on their wages. United States jobs are fleeing to Mexico. The people of Mexico have seen actually a decline in their standard of living and a decline in their environmental conditions. Now they want to extend this to other countries in Latin America, the great new frontiers where maybe labor is even cheaper than Mexico and maybe they will let us despoil the environment even more than they will in Mexico.

Mr. BONIOR. Mr. Speaker, Mexico was created to be an export platform, an export platform where countries from around the world would come, exploit the cheap labor, inexpensive labor. The reason it is inexpensive is because the government will not let workers come together and bargain collectively for their sweat. They disallow that. You get thrown in jail if you try to do that.

So you have got a situation where the government specifically is trying to create an export platform country, keeping the wages low for its workers. And it is not just U.S. corporations. It is Japanese corporations, corporations from Korea, all over the globe who are coming to Mexico and using their labor, people who get paid less than a dollar an hour, and then exporting those products right back here to the wealthiest and the most productive and the most sought after market on the face of the earth, into the United States.

We, in turn, have nothing to sell to Mexicans because they do not have the money to buy it. We have lots of wonderful products, but when you have a society with people, the vast bulk of the people are not working or, if they are working, they are earning a buck an hour or less, they are not going to be able to purchase them. It is a no-win situation for everybody except the multinational corporations and the elites in the Government who back them up and the elites, I might add, in the media who are part of the corporations who are engaged in this type of activity because it is all intertwined.

So the gentleman is absolutely correct. It is a tragic, tragic situation what has occurred here. It is taking us back to the 19th century instead of moving us forward to the 21st century. And it is just terribly tragic.

As my colleague from Oregon says, now they want to extend this to all the rest of Latin America and who knows where else where there will be continued downward pressure on wages.

Mr. DEFAZIO. I saw a cartoon once that basically the punch line was that I always wondered where we are spending all this money on the space station, and this one economist looks at the other and says, well, I know somewhere way out there there may be someone who will work for less than 10 cents an hour.

So I mean in part, I mean what are these brave new frontiers. Of course, we are having some contention over China and other countries that are even more oppressive or repressive than Mexico. It is an extraordinary race to the bottom.

Ultimately it will undermine the strength of our Nation, which was created in part by the spirit of capitalists like Henry Ford who said, I am going to build a product that the people who work in my plants can afford to buy. And for many years there was a wonderful linkage between the owners of capital and the managers of the corporations and the working people, which was to say, if you produce more and do better, we will all go up together.

And now, for whatever reason, they have decided to break that link, to both use agreements like NAFTA to push down wages in our country. In the heartland of our country, we are seeing people who are getting hardballed in negotiations. It was either Delco or Packard Electric, and I do not want to misspeak, but it was a producer of electrical components for automobiles and wiring looms and all those things. When the agreement came up, the company said, look, it is real simple, you take a 50-percent cut in your wages or all your jobs go to Mexico. There was nothing else in the community. And ultimately the workers had to accede to those demands.

Mr. BONIOR. And that happens every day in America, in many places every day at the bargaining table. Sixty-two percent of the employers threaten to close plants rather than negotiate or recognize a union, implying or explicitly threatening to move jobs to Mexico or to other countries if they did not take a cut in pay, if they did not take a cut in health benefits, if they insisted on recognizing a union to bargain, 62 percent. It is a phenomenal number.

If I might say something here about labor unions, because they often get a bad rap. Let me tell you, labor unions, I was driving the other day and I saw this banner that was hanging over a railroad trestle and it said, Labor unions, the people who brought you the weekend.

It reminded me of what they did. They did bring people the weekend. They did bring them their vacation. They did give them wages. They did a lot of things to build the middle class. They moved people into the middle

class in this country. And when labor unions were strong, when they had about 35 percent of the workers in this country, they are down to about 10 percent now in the private sector, when they had that percentage, people's wages were up there. They were up there.

When they had 35 percent of the work force in this country, they were getting a comparable amount of the productivity in wages. But when they started to slide and decline in their numbers in the 1960's and the 1970's and the 1980's, what they were able to get for their workers, as it relates to the productivity that the workers were creating, was less and less and less to the point now where they get about a third of the productivity that they performed, their workers.

So the labor unions are an important ingredient. Whether they are here in this country or in Canada or we saw them go arm in arm in Korea recently to demand justice and they won. We saw Parisian workers and German workers march arm in arm in Paris, metal workers, for their rights. They won.

Workers have to come together in solidarity with church groups, with other workers to form a countervailing force to stop this type of activity against working people both here and abroad.

Mr. DEFAZIO. Another point, I have a lot of small business in my district, not a lot of large manufacturers. It came to some of the small businesses and the Chamber of Commerce in my hometown of Springfield, when what had been a profitable door and window manufacturing company was bought out by a nonunion firm from out of state. And they came in with the intent of busting the union, and it did not take very long for the business community, the small business community in this small town in Oregon to figure out, you know, if the people who work at Morgan Nicolai see their wages go down by 50 percent, which was what was being proposed in the busting of the union, they will not have the money for the dry cleaning or the restaurants or the new televisions and the other things.

Actually the workers got support from the traditional community. The small business community in many cases has not yet made that linkage. But it is their livelihood that is also being threatened by this downward trend. It is just not people who work for wages in factories. It is not just union members in the public or private sector. It is everybody who they patronize.

And as we drive down wages in this country, we are ripping the heart out of all of middle-class America. Particularly disheartening to see it happening in this case where not only have the workers in Mexico seen their standard of living go down, but America workers are seeing their standard of living decline, while CEO's in this country go to

200 times average wages of manufacturing employees. What are they doing with all that money? They should not be so greedy. It is just extraordinary to me. It is a recipe for disaster, a recipe for disaster.

Indeed, it is. And we are creating a hollow shell under this economy of ours; and some day it is going to collapse, and when it collapses, it is going to come down with a thud that is going to shake the boots off of people in this country.

Too many folks in America are making money on money, not enough making it on manufacturing and building things that are important for our economy and for our communities.

And when this wage issue continues to erode, as it inevitably will with these trade agreements, I think it does not bode well for our children and grandchildren. And I am very, very concerned about it and I am very disappointed about this tragic turn that many of our colleagues have bought into with respect to trade like we have to do this because it is the only way that we can compete.

It is nonsense, it is crazy, and it is driving the living standards of a lot of our families into the ground.

I thank my colleague for coming.

Mr. DEFAZIO. I thank the gentleman for his leadership.

Mr. BONIOR. And I appreciate his taking the time this afternoon to speak on this issue. We will be joined by others of our colleagues to discuss this issue as we move closer to talking about additional trade agreements as they come to this floor.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 400, 21ST CENTURY PATENT SYSTEM IMPROVEMENT ACT

Mr. MCINNIS (during the special order of the gentleman from Michigan, Mr. BONIOR) from the Committee on Rules, submitted a privileged report (Rept. No. 105-56) on the resolution (H. Res. 116) providing for consideration of the bill (H.R. 400) to amend title 35, United States Code, with respect to patents, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF MOTIONS TO SUSPEND THE RULES

Mr. MCINNIS (during the special order of the gentleman from Michigan, Mr. BONIOR) from the Committee on Rules, submitted a privileged report (Rept. No. 105-57) on the resolution (H. Res. 117) providing for consideration of motions to suspend the rules, which was referred to the House Calendar and ordered to be printed.

THE BUDGET

The SPEAKER pro tempore. Under the Speaker's announced policy of Jan-

uary 7, 1997, the Chair recognizes the gentleman from Oklahoma [Mr. COBURN] for 60 minutes.

Mr. COBURN. Mr. Speaker, I have two charts that I would like for the American public to see because I think they very importantly make some cases for where we are today; and I have committed that I will spend the time that is necessary to communicate to the people in my district and people throughout this country what is really happening to us in terms of our budget.

We hear a completely different rhetoric today than what we heard just 2 years ago. And the question that comes to my mind is, Why has the rhetoric changed? And I think the rhetoric has changed because people are fearful for their jobs.

It was not that the rhetoric was wrong. The rhetoric was right, but the results of not communicating the importance of what our job is and not communicating exactly where we are.

I would want people to look at these two charts. One is from 1972, and the other is for this fiscal year, 1997. And they really show the heart of the problem that this country faces with its budget.

If we look at 1972, what we realize is that our entire Federal budget was \$231 billion. Whereas, in 1997, we are going to spend \$1,632 billion, which is a significant, 700-percent increase, in a mere 25 years in the amount of dollars that we actually spend.

Critics will say, well, that is not real dollars. But it is a significant increase in real dollars to the 700 percentage points.

When we look at the total, the other thing that we first notice is that, of the interest payments that we made on the national debt in 1972, that it was a mere \$16 billion, that, in fact, we were spending about 7 percent of our budget on interest; and now we spend 15 percent of our budget on interest, and no small number whatsoever, \$248 billion, which is more than the entire amount that we spent on ourselves in 1972.

The other thing that these pie charts show is they show the fix that we are in unless we have the courage to make the changes in the programs that are driving the budget deficit.

We have three choices. As the yellow portion shows that, in 1972, discretionary spending, the things that your Representative truly gets to make a choice on every year and vote on, accounted for 55 percent of the budget. Today, as we can see, it accounts for 34 percent. In the year 2002, it will account for approximately 20 percent.

So what is happening is, the areas where your Representative can make a difference in terms of the discretionary budget is slipping every year in terms of both total dollars and in terms of the percentage of the budget.

The other thing to note is that the interest portion of that has risen 1,600 percent. So if we go to the red area and we see that in 1972 mandatory spending was 38 percent and it is now 51 percent