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House of Representatives

The House met at 10:30 a.m. and was called to order by the Speaker pro tempore [Mr. KIM].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 23, 1995.

I hereby designate the Honorable JAY KIM to act as Speaker pro tempore on this day.

NEWT GINGRICH,

Speaker of the House of Representatives.

MORNING BUSINESS

The SPEAKER pro tempore. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Oregon [Mr. DEFAZIO] for 5 minutes.

THE TRADE DEFICIT

Mr. DEFAZIO. Mr. Speaker, at the end of last week, we got the first quarter's trade numbers for the United States, with its trading partners. The news was grim. We are continuing to pile up record deficits with virtually all of our trading partners around the world.

As everybody knows, a little earlier this year, in part those record trade deficits led to a plummeting of the value of the United States dollar versus the yen and the German mark. The dollar has recovered a bit but still is at near post-World War II historic lows. A

lot of the responsibility for this has to be put at the doorstep of those who continue to mindlessly follow a trade policy which came to maturity under the leadership of Ronald Reagan in the early 1980's, following the dictates of an economist who has been dead for 200 years, Adam Smith, a man who never saw an airplane, never even saw a steam engine. Yet this man dictates the trade policy of the United States of America.

Only two countries in the world follow Adam Smith's trade theories. We are both international basket cases: the United States of America and Great Britain. In fact Great Britain is the only country, major country we are running a trade surplus with. And it is time to revisit and review these policies. You cannot run a trade deficit every year, year after year, any more than you can run a national deficit every year, year after year without having someday to pay the horrible price. We are paying that price today.

There was a \$160 billion trade deficit last year, according to the Commerce Department. That means we lost 3.2 million American manufacturing jobs. And now the North American Free-Trade Agreement, the latest example of the extension of this disastrous policy, for the first 3 months of this year the United States ran a \$3.8 billion trade deficit with Mexico, at the same time that we had to give them \$20 billion of our hard-earned money to bail out their economy. And this is considered a success. It is such a success that Speaker GINGRICH is calling for an extension of the North American Free-Trade Agreement to other basket case economies in South America and Latin America.

I quote:

Unequivocally, I strongly favor adding Chile to the North American Free-Trade Agreement and then continuing beyond Chile to step by step expanding our regional commitment because it is good for America and

it is going to create more jobs in the United States.

Wrong, Mr. Speaker. We are losing jobs today to Mexico, \$3.8 billion in 3 months according to our own Commerce Department. That means we lost 76,000 United States manufacturing jobs in 3 months to Mexico. We are headed more toward a loss of 250,000 or 300,000 jobs in 1 year to Mexico, and we are paying \$20 billion of taxpayers money for that privilege. And now we want to extend that to Chile and other countries in South and Latin America and we want to do it in such a way that Congress will not be allowed to work its will, will not be allowed a single amendment on the floor of the House.

Why would the Speaker of the House of Representatives want to give away the authority to amend a bill on the floor that has such a dramatic impact on the economy of the United States? Yet that is what he is advocating. He wants to give Bill Clinton, our President, a man who he constantly derides authority to bring forward a bill, negotiated in secret, which will extend these disastrous trade policies with no opportunity for amendment on the floor of the House or the Senate.

Why is he doing this? Because he is serving the same masters, the same masters that have been dictating the trade policy of this country for 20 years. That is multinational corporations, foreign corporations, and big business. They are doing well. They are doing very well, thank you very much.

It just happens to be a disaster for our economy because of the mounting trade deficits. A disaster for American workers because we are exporting their jobs, and now a disaster for the United States Treasury because we are even having to pay Mexico for the privilege of exporting our jobs there. And the Speaker wants to extend that policy because it is such a success.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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