is 4, 4 millirems per year is available to be safe in drinking water in our country. The Nuclear Regulatory Commission says, well, we will up it a little bit, for a low-level nuclear waste site, you can be exposed to 25 millirems a year and still be healthy.

EPA again, under the waste isolation pilot project plant in New Mexico, where they are taking high level nuclear waste and treating it in storage there as a pilot project, they have got a whopping 15 millirems per year. An independent spent nuclear storage facility is estimated to have 25 millirems per year, and the interim storage exposure range is about 10.3.

Under 1270, H.R. 1270, all of those standards, the EPA standards do not have to be met. All of the safety guarantees that we have got environmentally around this country do not have to be met. In fact, they guarantee that they will exceed 100 millirems per year in the transportation of nuclear waste.

Mr. Speaker, absolutely incredible that we could have the American public be duped by the nuclear power industry into accepting this material.

Now, we have heard a lot recently about the site or the location where this material is going to be placed, in a mountain in southern Nevada. Theoretically it is dry, no problem with storing it there. After all, people only live miles away.

Mr. Speaker, let me tell you, from a scientific basis, after all, I think I am qualified inasmuch as I have a degree in mining geology, I have studied it. I have a master's degree. I understand some of the hazards with regard to geologic settings.

Yucca Mountain did not become a safe storage site unless you take the standards and you keep changing and reducing the bar and the acceptable level downward and downward and downward. Yucca Mountain did not get to be Yucca Mountain because of a stable geotectonic event. It became Yucca Mountain due to faulting and geologic volcanic activity which is currently active today. Numerous faulting in the area exists and has continued even today with 621 seismic events of a magnitude greater than 2.5 within a 50-mile radius over the last year. That is incredible. There are at least 33 known earthquake faults in Yucca Mountain itself, this little piece of land that they want to put this.

A National Science Foundation study showed that previous testing at the Nevada test site, located 20 miles away, had released plutonium into the surrounding dry rock during one of the underground testings. As a result, they wanted to study that plutonium, very dangerous, half-life much longer than uranium, enriched uranium, to see what the migration into the groundwater would be. Thinking that it would not have gone anywhere in the last 20 years, it has gone nearly a mile. It has migrated a mile. That is 5,000 feet.

Well, 10,000 feet below that is the water aquifer, a huge aquifer for all of the Southwest, including Las Vegas, a city of 1.2 million people, as well as other surrounding communities in the area.

This tells us one thing, that the standards by which they are judging Yucca Mountain are wrong. It is not geologically safe. It is not geologically stable. The transportation and migration of radioactive nuclides through the rock, through the soil and into the groundwater is more than just an expectation. It is an inevitability. It will occur.

We have today probably one of the greatest opportunities to stop this nuisance, to stop this nonsense, to change the policy of this country, to change the idea of sticking it in the ground and walking away from it.

As we talked earlier, the cost of transportation, seven times more expensive than storage on site where it is at. You pick the difference up. You pick up that $2.3 billion. It comes out of your pocket, takes away from your children's education, takes away from your highways, takes away from anything, the defense of this Nation. That is $2.3 billion out of your pocket just to move it versus 300 million that the industry itself could pay to store it for the next 100 years while technology is developed to change the hazard of this material so that we do not have to bury it.

They say they have built a storage site that will last. I defy them to answer me how they know that. We in this country have never built anything to last longer than 1,000 years. We have never been in existence for 1,000 years. The Egyptians built the pyramids 3,500 years ago. They are not lasting. What is it that they expect to see, 1,000, 2,000 or 5,000 years from now when they come across this cavernous Yucca Mountain site where they have buried this nuclear waste?

Who knows what we will find at that point in time, if it is accessible, if it has not erupted or some cataclysmic activity destroyed or changed the site itself. I wonder what the warnings will look like 1,000 years from now that say, do not dig here. We buried high-level nuclear waste.

What sort of paint will they put on the sign that will last for 1,000 years? Will they chisel it in stone and place it at the entry? Will 1,000 years or 2,000 years from now allow us to have that warning available to those people, if there are people, who may stumble upon that area? We do not know. And that is the question of the day. What do we know? We do not know what it will be like. We do know we have the ability to change the policy today, to ask that we go forward with research and development, that we go forward with science to change the hazard of this material.

H.R. 1270 is the transportation of nuclear waste across America. We talked earlier about the odds of an accident. River Front Times, June 12 through the 14, 1996 said it very clearly: No matter how slim the odds of an accident, the potential consequences of such a move are cataclysmic. Under the plan, tons of radioactive material would likely pass through the St. Louis area by either truck or rail a few times a week for the next 30 years. Each cask would contain the radiological equivalent of 200 Hiroshima bombs. Altogether, the nuclear dunnage would be enough to kill everybody on Earth.

Maybe a little bit eccentric, maybe a little bit exaggerative in terms of the cataclysmic event that might occur, but certainly not impossible, not far-fetched.

Whether it is a terrorist act on the railway transportation of this material or a simple accident along the highway or railway with this material, you, the Americans, are both at risk economically, environmentally, personally.

I think it is up to America to advise their representatives in Congress of their opposition to H.R. 1270, the Nuclear Waste Policy Act of 1997. We have a chance today to educate our Members through your phone calls, through your letters, requesting that they oppose H.R. 1270. Do not let this opportunity, do not let this time go by without taking advantage of that opportunity because your future, your children's future and the future of this country depend on your ability to see through the nuclear wool that the nuclear industry wants to pull over the eyes of America.

FAST TRACK TRADE AUTHORITY

The SPEAKER pro tempore (Mr. GILCHREST). Under the Speaker's announced policy of January 7, 1997, the gentleman from Massachusetts [Mr. FRANK] is recognized for 60 minutes.)

Mr. FRANK of Massachusetts. Mr. Speaker, I am going to talk today about why I am opposing the Presidential request for fast track legislation and, while I am not authorized to speak for anyone but myself, I think I reflect the views of many of my Democratic colleagues and some of my Republican colleagues, but particularly my Democratic colleagues who are opposing the request, even though for many of us the goal of more trade negotiated through fast track authority is ultimately something we want to support.

I want to take this time because of the absolutely central imperative that Thomas Jefferson urged on all of us engaged in the making of public policy when he wrote the Declaration of Independence, the decent respect for the opinions of mankind. It is essential that we be explicit about our reasons, especially since, as I said, expanded trade negotiating authority and the agreements that would result therefrom ultimately, I believe, are in the public interest, but not in the current context.

We are at a time in this country and in the world in which a combination of increased globalization of economies and the technological advances that

spur that on and are spurred and turned on by it are doing two things: First, they are increasing, I believe, the overall wealth of the world. Expanded economic activity among nations, the greater efficiency that comes from increased mobility of capital without artificial barriers, and certainly the technological changes that occur, those do allow us overall to produce more. Unfortunately, absent appropriate public policies, they result both in increased wealth and in increased inequality. That is especially true within the United States and other developed nations.

Mr. Speaker, I wish more people had read, and I will be submitting for the RECORD once again, because I have done this before, some passages from the world economic review in 1993 of the Economist magazine, a magazine very much in favor of free trade, devoted to free trade in its inception.

□ 1530

What they said in 1993, as we were in the midst of the NAFTA debate, was that some of their colleagues on behalf of free trade were not being fully intellectually honest. Because the argument was being made that free trade, specifically in this case NAFTA, was a good thing, and either implicitly or explicitly was being argued that it was, therefore, good for everybody; that it would benefit everybody and hurt nobody, or at least benefit a large number of people, benefit the totality and not have any negative consequences.

As the economists acknowledged, trade does not work that way, and they pointed out that the whole theory of comparative advantage, developed in the 19th century, which continues to be a major argument in favor of trade, the theoretical underpinning for much of the argument, assumes that some people will not do as well. The theory says that countries will do better in trade and increase their production in areas where they have a comparative advantage, but they will lose to some extent in areas where they do not have a comparative advantage. The overall will be to people's benefit.

In the United States that means that people who are technologically skillful, people who can take advantage in their work of globalization and technology will benefit greatly. Those people in our country who are in industries, where America does not have a comparative advantage, where the level of technology is not high, where trade factors will work to the benefit of others rather than ourselves will be worse off.

Yes; it is probable that overall we will be better off, certainly in the long run. But in the real world that people live in, some people will be hurt.

I see this in my own district, Mr. Speaker. I was given by the Massachusetts Legislature in 1992 a rather bizarre shaped district. They were not doing it particularly to help me or hurt me. The legislature had in mind helping one of my colleagues; the Governor wanted to hurt another. The result is a district, which I dearly love and am proud to represent, but it is rather oddly shaped on a map. It almost disappears at a few points.

Indeed, Mr. Speaker, under the current jurisprudence of the U.S. Supreme Court, I think if I were African-American my district would probably be held unconstitutional. But white people are allowed to benefit from extreme gerrymandering in America, only black people are not, so I continue to be lucky enough to represent the district and it is divided.

The northern part of my district has a number of economic activities that are beneficiaries of the new economic order. There are places where the world is now more of a market for them. There are places where technology is being used to great advantage, not just for the economic benefit of those who participate but for the benefit of the world. Software development; biotechnology, bringing great new products; medical care in general, because we get a lot of people coming to Massachusetts from other parts of the world and paying us for the first-rate medical care available there; financial services, where America has led the way and has been exporting our services, those are just some of the areas where we benefit. We have other industries, Raytheon and others, that benefit from exports.

In the southern part of my district I have other industries where people work very, very hard, sometimes in difficult circumstance, but without, up until now, a lot of technological aid at their disposal; in areas where other parts of the world have been able to compete, in areas where labor not as highly skilled as other parts of our economy is a very intensive factor, and these are people who are being hurt.

Garment and textiles are two industries that produced a great deal of the livelihood of many of the people in the southern part of my district. American trade policy has essentially presided over the substantial erosion of those industries.

So here is the problem that I and many of my Democratic colleagues confront: We are being asked to promote greater trade and greater globalization knowing that along with that will come an increase in technological innovation, because I think the two spur each other, and we know that this will benefit a great many people, and may benefit the country as a whole, but it will exacerbate the tendency toward inequality in this country. Some people will do very, very well; others will not do well.

And while there are debates about exactly how it has happened and why it has happened, the fact that income growth has at best stagnated for many, many people in the lower sectors of the economy is indisputable. Working people who do not have the advantage of great technological sophistication behind them have not participated nearly as much in the prosperity as other segments. We have increased inequality, and people in the lower half of the income sphere, in the lower three-quarters, have not done nearly as well as they should have.

What I and many others believe is that if we simply project current policy trends forward, if we do nothing but increase trade, we will exacerbate that tendency. Yes; many people will get richer, some people not now rich will get rich. That is a good thing. But other people will be left further behind. And I and many others will oppose increased trade negotiation powers to the President until we have public policies in place that see that the wealth that we will gain thereby is more fairly shared.

Now, let me acknowledge that people have said, well, trade is only a small part of the reason for some of the inequality. I have read the economists' analysis. Most of them agree that technology is even more important than trade. The point, of course, is that trade and technology reinforce each other.

What we have is the physical capacity, thanks to technology, increasingly to make anything anywhere and sell it somewhere else. That includes not just the production processes, but the reduction in size of many products, increased transportation, and communications equipment which allows us to make geography much less important.

But while technology has physically made it possible to make almost anything almost anywhere and sell it almost anywhere else, trade policies are essential because they make that legally possible. And the combination has left many working people worse off. Because what we are told is, to get the full benefit of modern trends we have to make capital as mobile as possible. We have to remove barriers to capital. Mobile capital, among other things, has the capacity to get the upper hand over labor. In virtually every part of the developed world, and increasingly in the developing world, working people are told they must moderate their demands; they must take less and they must not ask to participate in the increase, because if they take too large a share, the owners will move their capital elsewhere.

The mobility of capital is increasing at a great rate, and it is, of course, trade and technology both that are involved, both the legal and physical aspects of that, and the result is that the bargaining position of labor has been undercut. We have added to that in this country because during the 1980's there were de facto and legal changes that reduced the ability of working people to defend themselves.

And let me fill in one other thing that gets neglected. Substantial deregulation. This economy has been very substantially deregulated and it has been bipartisan. It has been a Republican interest, but it was a Democrat interest as well. Senator KENNEDY,

in the areas of transportation. President Carter. We have deregulated. We were told that deregulation would make us more efficient, better able to compete internationally.

But deregulation, while it has produced enormous benefits in many ways, has also, of course, weakened the economic position of the workers in those industries. We know that as a fact.

Now, there is another problem I am going to address in a later special order, Mr. Speaker, and it is this: Workers in America were told, let us deregulate, let us increase efficiency, let us fully implement new technology without any requirement that we maintain a certain work force, and while this will weaken workers' bargaining position, the result will be a more efficient overall economy and we will be able to grow more.

And I think that is happening. I think that is why we have the situation where we have for 5 years now been growing at a faster rate than most economists thought possible without inflation, yet we have been doing it without inflation.

I recently wrote a letter to the editor of the New York Times that they declined to print. I sometimes think if your letters to the editor are too much on point they are disqualified. A New York Times business reporter noted that the economy had grown by 3 point something percent in the second quarter, and this reporter noted that this was above the 2.2 percent that most economists think is the absolute outer limit of growth that will not produce inflation.

He said everybody agrees, or almost everybody agrees that if we grow at more than 2.2 percent, we will get inflation. Three paragraphs later he noted that we have grown at an average of 2.8 percent over the past 5 years, with, of course, very little inflation. In other words, we are being told simultaneously that 2.2 percent is the absolute limit of growth without inflation and that we have in fact grown at nearly 30 percent more than that without any inflation over the last 5 years.

I think the only response to that would be the one that Marx formulated when Chico said to Groucho, ''Who are you going to believe, me or your own eyes?'' Do we believe the 2.2 percent limit that the New York Times' financial pages state or the 2.8 percent that in fact happened over 5 years?

The point of that, however, is that working people in America were told that we were going to implement some policies that were going to weaken their bargaining position so that in relative terms they might be worse off, but they would be compensated by being part of an economy growing more rapidly. The problem is that we are now being told by orthodox economists in the New York Times' financial pages and others that we cannot grow any faster than we used to grow without the possibility of inflation, even though no inflation yet looms, not even the hint of inflation yet looms. So we have people saying the Federal Reserve should cut growth.

Essentially what they say, quite explicitly, is that unemployment is too low. Indeed, our own Congressional Budget Office, Mr. Speaker, recently told me that they think 5.8 percent is as low as unemployment can go without generating inflation. Of course, unemployment is now at about 4.9 percent. So if we follow that logic, what we need is about 1 million more people unemployed.

The problem is that we are in the position, if we take that view, of saying to working people, gotcha. First, we told them we would deregulate and we would weaken unions and we would implement technology and we would weaken their position in relative terms, but the compensation would be faster growth. And now that faster growth has been a reality, we have people saying, what, they were kidding; that they did not really mean it when they said if we deregulated we would be more efficient and grow faster; that implementing technology would improve technology?

Because many of the people in the financial community and in the orthodox sector of the economics community are basically saying to workers, yeah, we did all the things that undercut them, and while that has produced more growth, we do not think more growth is really such a good thing after all because we are worried that an inflation, that has not yet even begun to stick up its head yet, might be lurking somewhere around the corner, so we will give workers the worst of both worlds. We will continue the implementation of those things which weaken their relative position vis-a-vis capital, but we will also deny them the benefits of the faster growth that was supposed to come.

Now, with regard to trade, we have an exacerbation of that. Because all of these things together, increased globalization, deregulation, flexibility for the ownership that comes in part from the weakening of labor unions, and the implementation of technology without any restriction, all of those together can be seen to increase the overall pie, although I think the weakening of labor unions is, in fact, not necessary to that, and I reject the notion that we had to undercut the rights of working men and women to bargain collectively to get growth. I think, in fact, the opposite is the case.

□ 1545

But all of these things have been implemented. The result has been faster growth than almost any economist thought possible without inflation, and at the same time increased inequality. What we are being asked now, those of us who believe that growth and fairness are both important goals, we are being asked now to continue with the implementation of policies that will result in faster capacity to grow at the cost of ignoring inequality, and our response is, no, we will not support the request for fast track labor negotiations unless they are accompanied with some equity elements. In effect, what we are saying is we are prepared to support efforts that will provide faster growth but only if they can be somewhat more equitably shared.

That has two aspects. First of all, it means that in the trade agreements themselves, we should be acting to encourage fairer working conditions and environmental standards in our trading partners. It ill behooves those who tell us that we should support increased trade to elevate the status of the poor people overseas to object when we try to take that seriously. When the President asked us to support the loan to Mexico 2½ years ago, and I think ultimately we benefited from making that loan, it was a good thing to do, but what many of us said was we do not want to do it unless at the same time we put a condition on it, we put conditions on that there has to be fair collective-bargaining agreements in Mexico, so that the Mexican workers benefit some from this, which has two advantages. In the first place it raises their standard of living. In the second place, it diminishes the extent to which other countries have a comparative advantage over this solely because of depressed wages.

They will have advantages, no one is denying that, in some cases. They will get to be able to sell us things. But we do not believe that that advantage should be artificially increased by their being able to employ child labor or not have fair representation for their workers or to engage in practices that degrade the environment. So, first, we want within the trade agreements efforts to require those who would benefit from trading with our economy to show some concern for the workers in their own country and for environmental standards.

But that is not all. After all, trade in and of itself, I agree, is not the only cause of the worker insecurity here. It may not even be the major cause. Technology may, according to analyses I have read, be more important. But it clearly exacerbates it and the business community, the financial community that is so eager to see international trade because there will be benefits both for the country as a whole and for themselves. Because the owners of capital will benefit more than any other sector of this economy from the increased trade, they should not expect us to support what will be so much in their interest if they are unprepared to support measures for fairness.

Mr. Speaker, I believe there are moral arguments why we ought to be concerned about fairness. I do not think it is right for 45-year-old people in my district or anybody else's district to be thrown out of work because of a combination of technology and international trade and then to lose their health care and maybe lose their

homes, on which they have been making mortgage payments, and accept a very, very substantially reduced standard of living not because of anything they did wrong, not because of a failure on their part to work hard but because that is what technology and trade led to.

We know there are millions of Americans who have lost jobs over the past few years because of this. Many of them have gotten new jobs, some of those new jobs have been lower in pay, some have not gotten new jobs. We do know also that there has been an erosion of the bargaining power of those who have stayed on the job, and the threat that capital will become mobile and leave behind, as I said, is one of the major advantages that the owners have used to the disadvantage of workers.

I think morally we should do more. I do not think that 7 and 8-year-olds in one part of my district ought on the whole to face a future that is fairly bleak because they do not have access every day to computers and people to teach them how to use it or people in other parts of my district do. I am glad the people in other parts of my district do. I will work to help that. But I also feel the moral obligation to help people in the other part of my district.

Let me address my friends in the financial community, the academic economists who are so distressed that those of us on the liberal side will not join in right away on the free-trade expansion movement. People in the business community, if you are not moved morally, and I should say my liberal economist friends, they share our moral view and many of them told me they regret the fact that we have public policies that leave behind so many working people but, they say, we should still go ahead with trade and then they will be for the other. They have got to learn a little more game theory, a little more bargaining in particular.

There is not any reason in the world for those of us who believe equity is getting the short end of the stick ought to forget about that and join in policies that help one sector more than another without asking for something in return. And to the business community and to the financial services community, I want to quote John Kennedy. When John Kennedy initiated his Alliance for Progress 35 years ago or so, he harkened back to the good neighbor policy of Franklin Roosevelt, the first time America even pretended to be treating our Latin American neighbors on an equal basis, although regrettably we were a long way from reaching that ideal then.

Of course, Franklin Roosevelt called his policy the good neighbor policy for Latin America. John Kennedy, launching the Alliance for Progress said, ''Franklin Roosevelt could be a good neighbor abroad because he was a good neighbor at home.'' Those who want, Mr. Speaker, a more active engagement by the United States with the international economy, those who want America to be a better neighbor abroad must understand that they will not get the support to do that unless they are prepared to start being better neighbors at home.

It is one thing to tell a worker in the garment and textile industry that she will lose her job because of international trade and other factors over which she has no control. It is another to tell her that, oh, and by the way in addition to losing your job, you are going to lose your health care and you are not going to get much in the way of help in finding a new job.

Health care is a big example. We still have a situation in this country in which the penalty for losing your job is to lose your health care in many, many cases. We have made it a little better with Kennedy-Kassebaum and a few other things, but the fundamental gap is still there. Until we have a system in which health care is not determined by your employment, do not be surprised, I say to my friends in the business community, when the average worker reacts so strenuously to the suggestion that he or she may lose their job. Because they do not just lose their job, they suffer by loss of their job in many cases a drastic reduction in their standard of living. And so if you want to implement internationalism, if you want to take full advantage of technology and globalization, I have to say to people in the business community, join us in concern about equity.

Stop doing everything you can to frustrate the right of men and women who work to bargain collectively in an effective manner. Drop your opposition to a health care system in this country that will separate out employment from health care so people will not face the loss of their health care when they lose their jobs. Do not insist that when we come to the Federal budget, we cut back on the retirement benefits for poorer elderly people. People tell us, the CPI is too high, the Consumer Price Index. Old ladies living on 9, $10,000 a year are getting too much when they get a 2 percent increase. Let us cut it to 1 percent. You cannot impose that kind of what I believe is cruelty on people at the low end and then be surprised when we say, we are not going to help you get richer until and unless you are prepared to do a little more sharing.

No one is advocating that we avoid any job loss. Of course it is going to come. International trade will bring more job loss. I believe, properly done, it will bring overall more benefit. But we ought precisely for that reason to be able to share that benefit more fairly than we have. Of course, that has been the case in America, where we have weakened the workers' positions. We look at Western Europe and in Western Europe they have not yet progressed as far as we have, in deregulation and in other ways. We are told that the Western Europeans, therefore, have more unemployment but they also have, of course, greater job protections for the workers there. What the workers of Europe are being told is you must give up much of what you now have so your economy can be more flexible, so you can grow more.

But that gets us back to the point I raised about interest rates. It does not present the very encouraging example to the workers of Western Europe if they look here and they see American workers having been told we are going to deregulate and we are going to implement technological change, we are going to do a lot of things that increase the flexibility of capital so we can grow more. The consequence will be, as I said, a weakened position for you in some ways but overall you will have a work force that is better off because we will generate more jobs. You cannot then turn around and say as orthodox economists and the financial community and others are now saying, ''Oh, but we didn't really mean that and we're not going to give you the benefit of the increase in jobs.'' I cannot stress enough, Mr. Speaker, how much I think these are interrelated. On the one hand, people say give us fast track, knowing that that is going to throw some people out of work because overall we will be better off and then at the same time have a Congressional Budget Office, and I just heard from Ms. O'Neill, our new Congressional Budget Office Director, that she believes if unemployment gets below 5.8 percent it will be inflationary and therefore unemployment is too low.

The economics profession, in general there are some very welcome exceptions, tells us, many of them, that unemployment has to be half a million people more than it is today, 6 or 700,000 more than it is today. These are not going to work together. The point is this. Those who want fast track cannot see it as an isolated element, because it is not. It is one element in an overall economy. It is a part of an overall economy in which growth and inequality have been going together.

Until we get a national consensus that we are going to put concerns for equality back in the mix, you are not going to get the growth. I have had some tell me, well, OK, we agree in general, that would be nice, we would like to have some more growth but we cannot really do anything about it.

We have had two arguments why public policies at the Federal level to try to share the wealth a little better, not make it equal. No one rationally thinks we should even try to do away with inequality. Inequality is the engine of the market system. The fact that people will be unequally rewarded is a very important incentive. But we can reduce the extent of inequality, I believe clearly, without in any way hindering the efficiency of the market.

Now, as I said, there have been two arguments. One is precisely what I have just been talking about. One is people say to us, no, you cannot do that. If you try to minimize or even

mitigate the harshest aspects of inequality, you will so interfere with the market system that it will not work. We have had a couple of tests of that, Mr. Speaker, in the last couple of years.

In 1993, this Congress passed at the request of President Clinton a budget which, by the way, according to CBO did about 3½ times as much to reduce the budget deficit as the package we just passed. The current CBO in which the head was appointed by the Republican majority certifies that the budget deal of 1993 contributed more than $400 billion in deficit reduction while the current budget package, they say, contributed somewhere over $100 billion, about 3½ to 4 times as much in 1993. But the package we passed in 1993 not only contributed to deficit reduction, it contributed a little bit to equity, because its major deficit reduction engine was an increased set of taxes on upper income people, and we were told and told and told again by the Republicans that raising taxes on wealthy people would devastate the economy. The predictions were explicit. The Wall Street Journal editorial page, the Republicans, you are going to cause a recession. You are going to increase unemployment.

We had a test. The Republican Party overwhelmingly argued that the tax increase on upper income people in the 1993 budget deal, which CBO says contributed 3½ times as much in deficit reduction as this year's package, the Republican argument was that in our effort to be equitable, in our effort to raise taxes on upper income people as a way to cut the deficit rather than cut out programs that help the poor or make taxes more regressive, in our effort to combine deficit reduction with equity we were going to destroy the economy.

Mr. Speaker, I cannot remember a time when more people were more wrong about a more important issue. Exactly the opposite happened.

□ 1600

In the year after the budget of 1993, when the Republicans predicted we would begin to see these terrible problems, the Federal Reserve slowed down the economy, because it was growing too fast, by raising interest rates. Since that time we have continued to have growth, which has been not as vigorous as I would like, but more vigorous than the economists tell us is possible. The Republican prediction that you could not combine equity with deficit reduction was absolutely, totally wrong and disproven as conclusively as you can prove an economic argument.

Then we had another case. We were able, this time in Republican control of the House and with the support of a minority of tough-minded Republicans in this regard and the overwhelming support of the Democrats and the President, we raised the minimum wage; not nearly enough, not enough to live on, but we raised the minimum wage.

Once again the Republican mainstream predictions were ''Your concerns for equity may make you feel good, but it will be backfire. You will have more unemployment. The working people you are trying to help will be worse off.''

Mr. Speaker, if it is possible to be more wrong than they were in 1993, that is how wrong they were in 1995. The increase in the minimum wage having gone into effect, it had none of the negative impacts on employment that the conservatives predicted. Unemployment has continued to drop, and it has continued to drop in that sector of the economy where the minimum wage increase has an effect.

So for those who tell us I am wrong and we cannot as an economic fact take public policy steps to reduce inequality without somehow destroying the economy, I will point to the two most recent examples of that, 1993 and 1995, the budget deal of 1993 and the minimum wage bill of 1995, and the fact is we were right and they were wrong in both of those cases.

Well, the other argument is we cannot afford it. There are people who said yes, we would like to do more, but we cannot afford it; to do health care, to keep the CPI as it is. What is the argument for reducing the Consumer Price Index? It is to cut the deficit down. People argue we cannot do that.

Well, here we get to an item we will talk about again next week, the military budget. If the United States were not now subsidizing our Western European and Asian allies, we could get our budget down.

I want to talk here about one of the great intellectual and moral failings of the people who preach to the rest of us about fiscal responsibility, the willful ignoring of military overspending.

Why are we constantly told that we must look to the elderly poor to cut the budget deficit? Why is it 82-year-old women getting a 2-percent increase in their Social Security are singled out as the cause of our fiscal problems? Why is it not a military budget that continues to exceed any rational need? And not just in America, but in much of the world.

The area in the world where governments most overspend is in the military. We are recently now going to sell more arms to Latin America, to countries where no gun has been fired in anger at anybody other than one of their own citizens for anybody's memory.

The business community, shockingly to me, preaches fiscal discipline when it comes to social welfare and preaches the virtues of cutbacks when it comes to trying to alleviate poverty and hunger and distress. But when it comes to worldwide overspending on the military, the only time you hear from elements of the business community is when they are the people who can make some money off the overzealous.

So they are sometimes there as advocates of selling more, but they are collectively shockingly silent on the waste of resources that occurs internationally in the military.

So, Mr. Speaker, let me summarize. I know, Mr. Speaker, you would be delighted to have me summarize. You would have liked for me to summarize 20 minutes ago, I understand that. I appreciate your indulgence.

But I want to summarize and say I and many other Democrats, liberals, supporters of working people, think trade properly done is a very good idea. We want to help lift up people in other parts of the world.

We want the greater growth that comes. We welcome internationalization as a way to reduce tension and, potentially, war in the world. But we are not prepared to support the regime that we are now in internationally and nationally, in which everyone is asked to exalt the complete and total mobility of capital, both physically and legally, in which everyone is asked to be completely supportive of technological change and free trade and currency exchanges, without regard to the negative consequences that can have for equity. And we can have both.

We can have growth through the market. We can encourage the mobility and the most efficient use of capital, if we will, at the same time, put into place public policies that shelter working people from some of its negative different consequences. We can do that in ways which we have seen recently in this country which do not interfere with the advantages we get from the market.

But to tell us what we should get is more trade so that capital can be more mobile, so that working Americans can be more frequently threatened with the loss of their jobs if they do not acquiesce in a reduction in their wages or a cutback in their benefits, if we do not accept untrammeled trade without any offset, then we will say no.

I am pleased to see that we appear now to be in a situation where there are enough of us ready to say no. We are not saying never, Mr. Speaker. We are saying to free trade, not under these conditions. We will not agree to a continuation of public policies in this country and elsewhere which exalt the mobility of capital and do nothing to provide some offset for the inequality that is exacerbated thereby.

In the next few weeks, Mr. Speaker, I hope we will decide not to proceed with fast track, and instead to work together with a package of proposals that will see that trade is accompanied, in addition to greater efficiency, better use of technology, greater mobility of capital, with some concern for working people, with some minimum standards below which people do not go, with some concern that the competition that takes place within the world is not a competition for who can show the least concern for the environment.

And I hope we will also look at what the economists said in 1993, that some

American workers will be hurt by free trade. That is inevitable, and they will be those who have the lease. Under theory of comparative advantage as it will work out, Americans at the lower end of the skill chain, at the lower end of our economic reward system, will on the whole benefit lessor, actually be hurt, than people at the other end.

Let us accompany increased free trade with measures that alleviate the distress that free trade will cause some, even while it is benefiting many others, and let us try to insist to the extent that we can that other countries do well. By the way, I did want to address one other point. We are told we cannot interfere. We shouldn't interfere in their labor relations or their environmental policies.

That is, Mr. Speaker, hypocritical nonsense, because many of the people who tell us that we should not accompany our trade policies with concern about human rights or concern about worker rights or concern about the environment, are perfectly prepared to dictate to these other countries about how much they must respect capital.

We are told that it is perfectly legitimate for the American Government to insist that our trading partners have a complete respect for property rights. I agree. But to insist that we get total respect for property rights, for the rights of contracts, for the rights of ownership, and, on the other hand, claim that we cannot tell them about the rights of workers or environmental protections, is hypocritical nonsense.

What it means is we will do those things which benefit capital and enhance its mobility and the return on it, while doing nothing to cope with the consequences of that.

Mr. Speaker, I look forward to being able to vote for increased trade negotiations. I wanted to do that as part of a package which provides for the health care of Americans that lose their jobs, which makes sure to the extent that we can that Americans are not further disadvantaged if they are at the low end of the spectrum, to make sure that Americans who lose their jobs are not left bereft of an ability to support themselves and their family, to make sure that working people in our trading partner countries are given some reasonable hope that they will be beneficiaries in the increased benefits of trade, and in the hope that we can clean up some of the environmental abuses that would otherwise occur.

Free trade can be a wonderful thing if its benefits are fairly shared. But we are being asked now to provide a free trade expansion which will benefit disproportionately those who are already wealthy, will do either nothing or harm to many of those who are most vulnerable, and that is a proposition, Mr. Speaker, which I very much look forward to joining in defeating.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SANDLIN (at the request of Mr. GEPHARDT), for today after 1:15 p.m., on account of personal business.

Mrs. MCCARTHY of New York (at the request of Mr. GEPHARDT), for today, on account of her son's wedding.

Mr. PAYNE (at the request of Mr. GEPHARDT), for today through October 29, on account of official business.

Mr. BEREUTER (at the request of Mr. ARMEY) for today, on account of official business in his district.

Mr. BILIRAKIS (at the request of Mr. ARMEY) for today after 10 a.m., on account of medical reasons.

Mrs. CHENOWETH (at the request of Mr. ARMEY) for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FRANK of Massachusetts) to revise and extend their remarks and include extraneous material:)

Mrs. CLAYTON, for 5 minutes, today.

Mr. WISE, for 5 minutes, today.

(The following Members (at the request of Mrs. MORELLA) to revise and extend their remarks and include extraneous material:)

Mr. BEREUTER, for 5 minutes, on October 28.

Mr. ENGLISH of Pennsylvania, for 5 minutes, on October 28.

Mr. TIAHRT, for 5 minutes, today.

Mr. WOLF, for 5 minutes, today.

Mr. RIGGS, for 5 minutes, today.

Mr. PAPPAS, for 5 minutes, today.

Mrs. MORELLA, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. FRANK of Massachusetts) and to include extraneous matter:)

Mr. KANJORSKI.

Mr. DOYLE.

Mr. VISCLOSKY.

Ms. HARMAN.

Mr. RUSH.

Mr. CAPPS.

Mr. ETHERIDGE.

Mr. KIND.

Ms. LOFGREN.

Mr. SHERMAN.

Ms. KAPTUR.

Mr. MCNULTY.

(The following Members (at the request of Mrs. MORELLA) and to include extraneous matter:)

Mr. BEREUTER.

Ms. ROS-LEHTINEN.

Mr. HULSHOF.

Mrs. CHENOWETH.

Mr. THORNBERRY.

Mr. DAN SCHAEFER of Colorado.

(The following Members (at the request of Mr. FRANK of Massachusetts) and to include extraneous matter:)

Mr. RADANOVICH.

Mr. TAUZIN.

Mr. GINGRICH.

Mr. MENENDEZ.

Mr. CRANE.

Mr. HINOJOSA.

Mr. COSTELLO.

Mr. HUTCHINSON.

Mr. PASCRELL.

Mr. RODRIGUEZ.

Mr. CONYERS.

Mr. BARRETT of Wisconsin.

Mr. KILDEE.

Mr. PAPPAS.

Mrs. TAUSCHER.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1266. An act to interpret the term ''kidnaping'' in extradition treaties to which the United States is a party; and to the Committee on International Relations.

ADJOURNMENT

Mr. FRANK of Massachusetts. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 10 minutes p.m.), under its previous order, the House adjourned until Tuesday, October 28, 1997, at 10:30 a.m. for morning hour debates.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HYDE: Committee on the Judiciary. H.R. 424. A bill to provide for increased mandatory minimum sentences for criminals possessing firearms, and for other purposes; with an amendment (Rept. 105–344). Referred to the Committee of the Whole House on the State of the Union.

Mr. HASTINGS of Washington: Committee on Rules. House Resolution 280. Resolution providing for consideration of the bill (H.R. 1270) to amend the Nuclear Waste Policy Act of 1982 (Rept. 105–345). Referred to the House Calendar.

Mr. SMITH of Oregon: Committee on Agriculture. H.R. 2493. A bill to establish a mechanism by which the Secretary of Agriculture and the Secretary of the Interior can provide for uniform management of livestock grazing on Federal lands; with an amendment (Rept. 105–346, Pt. 1). Ordered to be printed.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 2493. A bill to establish a mechanism by which the Secretary of Agriculture and the Secretary of the Interior can provide for uniform management of livestock grazing on Federal lands; with an amendment (Rept. 105–346, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. SENSENBRENNER: Committee on Science. H.R. 1702. A bill to encourage the development of a commercial space industry