to the Congressional-Executive Commission on the People's Republic of China:

Mr. LEACH, Iowa, co-chairman;
Mr. DREIER, California;
Mr. WOLF, Virginia;
Mr. PITTS, Pennsylvania;
Mr. ADERHOLT, Alabama.

THE DANGERS OF CAFTA

The SPEAKER pro tempore (Mr. DENT). Under the Speaker's announced policy of January 4, 2005, the gentleman from Ohio (Mr. BROWN) is recognized for 60 minutes.

Mr. BROWN of Ohio. Mr. Speaker, I enjoyed hearing my friend, the gentleman from Georgia (Mr. GINGREY), and his comments about Medicare.

I know that my Republican friends care about health care. But unfortunately, they care more about the drug companies and the insurance companies than they do in providing low-cost prescription drugs and health insurance to the 50 million Americans who do not have health insurance.

I did not come forward today to talk about Medicare, particularly, except to note that when Congress passed the Medicare bill last year, a bill that a couple of years ago was not received by the public very well in part because they did not tell us the truth about the cost of the bill, it ended up costing almost $1 trillion when they told Congress it would only cost $400 billion.

But more than that, this bill provided literally 180 additional billion dollars to the drug industry profits and had direct subsidies of about $60 billion to the insurance industry.

So I wish, while my Republican friends, I do believe they care about the poor, they care about working people, they care about health insurance, unfortunately their caring so much more about the drug industry, the insurance industry, it sort of gets in the way of too often doing the right thing.

I come forward this afternoon, Mr. Speaker, to talk a little bit about the Central American Free Trade Agreement which, frankly, will likely be defeated in this Congress bipartisanly. This is not a partisan issue. It is an issue of justice, an issue of jobs, and an issue of where our country and our economy goes.

Two weeks ago, more than 150 Republicans and Democrats, Senate and House Members, pro-business, pro-labor groups gathered on Capitol Hill to speak out against the Central American Free Trade Agreement. Republican House and Senate Members and Democratic House and Senate Members joined with these outside groups, this group of unlikely bed fellows perhaps, to speak with one voice of the unified message to vote against the Central American Free Trade Agreement.

CAFTA expands on the failed trade policies of the North American Free Trade Agreement and expands on those policies by enlarging NAFTA, the North American Free Trade Agreement, to six Central American countries, including the Dominican Republic.

When I ran for Congress in 1992, I do not want to bore my colleagues with numbers, when I ran for Congress in 1992, the United States had a trade deficit of $38 billion. We thought that was way too big. That meant we were buying, importing $38 billion more worth of goods than we were exporting; $38 billion trade deficit we had in 1992.

Last year after NAFTA, after PNTR with China, after several other trade agreements over the last decade-plus, our trade deficit is $618 billion, from 38 to 618 billion.

Now, you can see the trade deficit with Mexico as an example, prior to NAFTA, the year I came to Congress, in 1992, we actually had a trade surplus with the Republic of Mexico. We actually sold them more than we bought from them. Look what happened after NAFTA. Look at these numbers. This is zero right here. We had a trade surplus in those 4 years prior to NAFTA. Then all of the sudden 10 billion, almost 20 billion, 25 billion, over 30 billion, almost 40, over 40, approaching a $50 billion trade deficit with Mexico.

Now, George Bush, Sr., who originally negotiated the North American Free Trade Agreement, he said that $1 billion in imports or exports represented about 12,000 jobs. That meant if you have a $3 billion trade surplus then that is three times 12,000. You would have 36,000 more jobs in your country. If you have a $3 billion trade deficit, you would have 36,000 fewer jobs in your country.

Look at this. We went from a $38 billion trade deficit overall to $618 billion. You do not need to do the math except you just sort of estimate and you see what these trade agreements have meant to the American people, to our economy, to our manufacturing base.

In my State of Ohio we have lost 200,000 manufacturing jobs. One out of 5 manufacturing jobs in my State has disappeared in the last 4½ years since President Bush took office. Those manufacturing jobs have been lost for a lot of reasons. The most important reason is NAFTA and PNTR and these trade agreements.

Unfortunately, these trade pacts like NAFTA and like CAFTA enable companies to exploit cheap labor in other countries and then import back to the United States under favorable terms. The Central American Free Trade Agreement should probably be named the Central American Free Labor Agreement because that is really what it is all about.

About 5 or 6 years after NAFTA passed, in the mid-to late 1990s, at my own expense I flew to McAllen, Texas, rented a car and went across the border to Reynosa, Mexico because I wanted to see what NAFTA looked like, what these free trade agreements looked like. I wanted to put a face on these numbers. These numbers are persuasive. They certainly convinced me and I think convinced many that these trade agreements are bad ideas. But I wanted to see real faces and real people and put real names next to those faces and people so I really could understand what this global economy looked like.

I went to the home of two people who worked for General Electric Mexico. They lived in an area about 30 feet by 30 feet, maybe smaller than that, probably more like 20 feet by 20 feet. No running water. No electricity. Dirt floor. When it rained hard, their floor turned to mud. Both of these people worked at General Electric Mexico. They lived 3 miles from the United States of America.

Now, if you walk outside their little shack into their colonia, their neighborhood, 3 miles from the United States, you will notice as you look around a couple of things. The first thing you will notice is there is a ditch nearby with who-knows-what human and industrial waste running through this ditch, maybe 4 feet wide. Children playing in this ditch because children will play wherever children play.

The American Medical Association said this area along the Mexican-U.S. border was the most toxic area in the Western Hemisphere. So no telling what kinds of diseases these children could get from playing in this ditch.

If you walk through the neighborhood more, you will notice that all of these shacks were built out of packing materials, boxes and wooden crates and wooden platforms, coming from the companies from where they worked. So you could tell where these workers worked just by walking through the neighborhoods and looking at the shacks, shacks literally constructed out of packing materials for these companies they worked for.

The point of the story is when I went to a General Motors plant nearby and what I noticed was this General Motors plant looked just like a General Motors plant in Lawrencetown, Ohio, and just like a Ford plant in Avon Lake, Ohio, or just like a Chrysler plant in Twinsburg, Ohio. It was modern. It was new, newer than the plants in my State. The floors were clean. The workers were working hard. The latest technology.

There was one difference between the General Motors plant in Mexico and the auto plant in Ohio. And the different was the auto plant in Mexico did not have a parking lot because the workers were not paid enough to buy the cars which they make.

You can go half way around the world to Malaysia to a Motorola plant. The workers do not make enough to buy the cells phones which they manufacture. You can go back halfway around the world to Costa Rica, one of the countries in the Central American Free Labor Agreement, and the workers at a Disney plant do not make enough to buy the toys that they manufacture.

You can go back halfway around the world to China and go to a Nike plant

and the workers do not make enough to buy the shoes that they manufacture.

That is what is great about our country. In our country because of labor unions, because of labor laws, because of our democracy workers share in the wealth that they are creating. If you work at General Motors or you work at a hardware store or wherever you work, if you help your employer make a profit and create wealth at that company or create value as a nurse at a hospital or a teacher in a high school, you share in the wealth or share in the good that you do. You get a share of those profits, a share of that wealth. That is how our country works.

Unfortunately, it does not work that way in Mexico. And as you will see, frankly, it does not work that way in the other countries that are part of the Central American Free Trade Agreement.

The average worker in the United States makes $38,000. That is enough to buy shoes, maybe to send your kids to college. It is enough to live in a decent place. It is enough to own a car. It is enough to go to the grocery store. It is enough to buy some things. But if you look at the rest of the countries in the Central American Free Trade Agreement, Costa Rica, the average income is $9,100. In the Dominican Republic it is $6,000; El Salvador, $4,800; Guatemala, $4,100; and in Honduras and Nicaragua it is less than 10 percent of the income that Americans make: $2,600 in Honduras; $2,300 in Nicaragua.

The combined purchasing power of these six countries, the combined purchasing power of the Central American countries is equal to that of Columbus, Ohio, or Orlando, Florida.

When you think about the combined purchasing power and you look what these people in those countries earn, you know they do not make enough to buy a car manufactured in Ohio. They do not make enough to buy prime rib coming from cattle in Nebraska or Colorado. They do not make enough to buy software from the State of Washington. They do not make enough to buy steel from West Virginia. They do not make enough to buy clothes from North Carolina or South Carolina or Georgia.

The fact is this Central American Free Labor Agreement is not about U.S. companies and U.S. farmers exporting their products to Central America. That will not happen because the Central American people are not paid enough to buy American products.

What this agreement is all about is simply outsourcing of jobs; is American manufacturers moving production to Central America and setting up plants and paying workers wages that barely keep them alive and then selling those products back to the United States at tremendous profits.

I have visited a factory in Nicaragua where the workers are making 23 cents per pair of jeans that they sew. They get 23 cents for a pair of jeans they sew, and that pair of jeans is sold at Wal-Mart in the United States for $25 or $30. So the company is getting rich. The workers stay poor. And unfortunately, that is what is going to happen and get worse if CAFTA passes.

If you want more proof already than this, the trade deficit, the amount of money that people are making, the fact that they simply cannot buy American products, let us look at the politics of it for a moment.

The President of the United States has sent five trade agreements to Congress. The first four trade agreements, the trade agreement with Morocco, one with Chile, one with Singapore, and one with Australia, all passed the Congress overwhelmingly in fewer than 60 days, in less than 2 months. This time the President sent this trade agreement to us is almost a year ago, 348 days ago to be exact.

Now, the reason the President sent this a year ago and Congress has not moved on it is simply because the American people understand what these trade agreements do to our country. Not just what they do to a family that loses a job. But what that means to that family, what that means to that school district, what that means to police and fire protection is that they do not have the kind of tax revenues when a plant closes down in a community and moves to China or moves out of town. All of that the American people understand it.

It is finally after all of these trade agreements, the Congress of the United States has finally figured it out. That is why we have not voted on the Central American Free Labor Agreement yet, simply because the American people understand this trade agreement is not working. It has not worked in the past. These trade agreements will not work in the future.

The President has tried to get it to pass in Congress, and Congress simply does not have the votes to pass it.

□ 1645

Earlier this spring, the majority leader, the gentleman from Texas (Mr. DELAY), the most powerful Republican in the Congress, has announced that we would vote on Central American Free Trade Agreement by the end of the month, by May 27 before Congress leaves for Memorial Day weekend.

That will mark literally the 1 year deadline, the 1 year anniversary, since CAFTA was signed by the President. That means with CAFTA, if CAFTA's not voted on by then, it is dead in the water. The issue is dead on arrival. It is clear the American people have said no and the U.S. Congress has said no.

Once this 1-year anniversary passes, a lot of us who are opposed to this agreement say the President, I think the 1 year really means, okay, it has failed, it is time to go back to the drawing board and write a Central American Free Trade Agreement that we can pass.

Clearly, there is a desperation among those people who have pushed Central American Free Trade Agreement in this Congress, that they have not been able to convince the American people that it is a good idea. So they are trying one last-ditch effort and that happened this week.

This week the Presidents of the Central American countries and the Dominican Republic and six countries under CAFTA are touring the United States. The six Presidents of these countries are on a United States Chamber of Commerce junket pushing CAFTA. They went to Miami, Los Angeles, Albuquerque, to my State to Cincinnati, and they are attempting to convince the American people and the press that CAFTA is good for their country, good for their people and good for our country and good for our people.

Like our own President, like in this country, these six Presidents have tried to convince everybody that CAFTA will lift up low income workers and that CAFTA will create jobs here in the United States. What they do not say is they do not talk about the combined purchasing power of CAFTA Nations equal to that of Columbus, Ohio, or Orlando, Florida, or Memphis, Tennessee. They do not mention that.

They do not mention the fact, as I said earlier, that the workers in Central America cannot buy cars in Ohio or software from Washington State or steel made in Pennsylvania.

What we do not hear from them is that CAFTA does nothing to ensure the enforcement of internationally recognized labor standards in their countries, and with all due respect to the Central American leaders, what they are not saying and what millions of us know already is that millions of their workers, like 10s of millions of American workers, do not support this agreement. The Presidents may support them, but the workers in their countries and our country do not support this agreement.

What they will not tell reporters, what they did not tell reporters in their Chamber of Commerce junket around the United States is that 8,000 Guatemalan workers protested against CAFTA 2 months ago. Two of them were killed by government security forces.

They do not tell us that 10s of thousands of El Salvadorans protested CAFTA two-and-a-half year ago.

They do not tell us about the 18,000 letters sent by Honduran workers to the Honduran legislature, decrying the dysfunctional cousin of CAFTA, NAFTA.

They do not tell us about the 10,000 people who protested CAFTA in Managua, Nicaragua, in 2003.

They do not tell us about the 30,000 CAFTA protesters in Costa Rica this past fall.

They do not tell us that hundreds of thousands of workers have protested in Central America in 45 different demonstrations in the last 3 years.

Opposition to CAFTA is as strong in Central America as it is in the United

States. I ask my colleagues in this Congress, when the Presidents of Central American countries come around to our offices, as they have, and ask us to vote for the Central American Free Trade Agreement, understand, they may support it for whatever reasons, but the people of their countries, in large numbers, do not.

A couple of nights ago, after the Chamber of Commerce tour of America that the six Presidents took, the Chamber of Commerce hosted a reception for the visiting dignitaries, rewarding them, thanking them for their lobbying efforts this week. You can imagine this very plush room at the Chamber of Commerce, in its beautiful structure in downtown Washington, where the chamber has its very nice offices.

You can imagine the leaders, the CEOs, of the most powerful and largest corporations in our country were raising toasts, thanking the six Central American and Dominican Republic Presidents for their campaigning for this issue. Then you can see the six Presidents raising a toast to the Presidents and CEOs of the largest companies in America, thanking them for their support.

It just made you wonder were the CEOs or were these Presidents thinking of the millions of workers and hundreds of thousands of workers in each of these countries, millions of workers in the United States, who are opposed to this agreement and who knew that this agreement would bring more problems for America.

Did they think about the small businesses in Ohio and Michigan that do not want another failed trade agreement? Did they think about the small stores in Managua and Santo Domingo and in San Juan that would go out of business and that would be pushed out of business because of these trade agreements? Did they think about the family farms in North Carolina or the coffee farmers in Costa Rica or the highlands of Nicaragua? Did they think about the sugar farmers in Minnesota, in eastern Oregon and in Idaho and in Minnesota and Louisiana? Or did they think about the sugar cane workers in Central American? My guess is they did not.

When I think about these trade issues, and I again go back to this chart as I am about to close, I go back to this chart which shows the relative income of each of these Central American countries, and when you think about where we want to go with our trade agreements and what has happened to our trade agreements, we have seen so much pain on each side.

We have seen pain in O'Leary, Ohio, near where I live, a town of about 50,000, industrial town which has had certainly its tough times. When York Manufacturing shut down its plant and moved much of its production to Mexico, think about those families; the unemployment in that community; people losing their jobs; kids not able to go to college; people, their homes are foreclosed on; what happened to the school district, which lost a big chunk of money; what happened to police and fire protection in that city because they lost so much tax revenue. Then you think about what happens to workers in the developing world in these countries when these trade agreements inflict the damage that they do on them, these workers, the family I met in Mexico that worked at General Electric, that could barely make a living and what happened in their lives and the pain they felt.

You think about the damage, both in the rich world, our world, the United States, the rich countries, and you think of the poor countries and the damage there. Instead, we could pass not this Central American Free Trade Agreement. When the time runs out, when this clock is down, when the deadline passes and CAFTA is dead, it is time to pass a new Central American Free Trade Agreement, negotiate a new one that will really lift workers up, because trade agreements work when the world's poorest workers, the workers for Nike in China, the workers for Motorola in Malaysia, the workers for Disney in Costa Rica, the workers at the auto plants in Mexico, when the world's poorest workers can buy American products, rather than just make them, then we will know, Mr. Speaker, that our trade policies are finally succeeding.

ENERGY

The SPEAKER pro tempore (Mr. DENT). Under the Speaker's announced policy of January 4, 2005, the gentleman from Maryland (Mr. BARTLETT) is recognized for 60 minutes.

Mr. BARTLETT of Maryland. Mr. Speaker, we are here this afternoon to build on a discussion that was started last evening when five of us were here on the floor to talk about the problem of energy in general and about oil and peak oil in particular.

I would like to start with a chart that shows some curves that will lead us to this one. Here, we have a 2 percent growth curve, and what this is is the rate at which we are increasing our demand for oil. You will see that it is exponential. It is not a straight line. It goes out and up, and the further you go, the steeper it gets. I wanted to talk for just a moment about these exponential curves because I think a lot of people do not understand the exponential function.

There is a very interesting story about the person who a very long time ago invented the game of chess, and the monarch of the kingdom was so impressed with that contribution that he told the inventor that any reasonable thing that you ask, I will give you. The inventor said, I am a simple man, with simple needs, and if you will simply take my chess board and put a grain of wheat on the first square and 2 grains of wheat on the second square and 4 grains of wheat on the third square and 8 grains of wheat on the fourth square and just continue, continue doubling the number of grains you put on each square until you have gone through all the squares of the chess board, that will be reward enough for what I have done. The king thought he had gotten off lightly; geez, that is easy.

He could not do that, of course, because if you do that, go to the 64th power, that would represent all the wheat that is grown in all the world in 4 years of harvest, I understand, and you notice that is the exponential function.

We see here just a 2 percent growth curve, and many people think of 2 percent growth as a straight line. That is only 2 percent for the first year, but then if it is going to 2 percent for the second year, it is not going to be 2 percent of what existed at the end of that year. So you are kind of getting interest on interest which is what compound interest is, and I think many people have a little appreciation of compound interest.

This is a 4 percent growth curve. It quadruples in 35 years. This is a 5 percent growth curve, and China now is on a 10 percent growth curve. That is this curve. In 7 years, if they continue on this curve, their economy will double, and their use of oil will double if it follows the economy. There is not much way to keep it from following the economy. In 14 years, they will be using four times as much oil, and in just 21 years, they will be using eight times as much oil.

The next chart kind of puts the thing in perspective as far as our country is concerned. We have 2 percent of the world's oil reserves, and we use 25 percent of the world's oil, and we import about two-thirds of what we use. That is up, by the way, from the Arab oil embargo where we imported just about a third of what we use.

Two other figures are of interest. One is that we represent less than 5 percent of the world's population. We are about one person in 22 in the world, and this one person is so fortunate that we get to have 25 percent of all the good things in the world, a subject for another discussion, but I wonder, Mr. Speaker, if you have asked yourself the question, how come that is true; what is so unique about this country and our culture that this one person in 22 has a fourth of all the good things in the world? Perhaps we will come here to the floor another day to talk about that because I think there are some real lessons to learn. If you understood how we got here, then we might understand what we need to do to stay here, but that is not the subject of tonight's discussion.

With only 2 percent of the world's oil reserves, we produce 8 percent of the world's oil. What that means, of course, is that we are really good at pumping oil. We know how to get oil out of the ground better than almost anybody in the world. As a matter of