

AFFORDABLE HEALTH CARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mrs. BLACKBURN) is recognized for 5 minutes.

Mrs. BLACKBURN. Mr. Speaker, when I am back home in my district in Tennessee talking with a lot of small-business owners, which are the primary mode of employment in my district, there are a lot of things that always come up. I can always count on hearing about taxation, the need for deregulation, the effects of illegal immigration, and health care.

Increasingly I am hearing from these owners that they want Congress to open the way for more affordable health care choices. Last week in Roll Call there was a great article talking about association health plans, and I am glad to see some attention is on that idea, and that legislation is going to come before the House.

The gentleman from Texas (Mr. SAM JOHNSON) really should be applauded for introducing the Small Business Health Fairness Act of 2005, which will help our small businesses purchase association health plans through national trade groups. I have joined him as a cosponsor of this important legislation because I believe we have a wonderful opportunity to extend affordable quality health care to millions of Americans.

Mr. Speaker, Republicans and this leadership are fighting to help the engine of economic growth in this country, our small businesses, helping them gain access to the sort of health care typically we only see provided by large corporations.

Small businesses feel like their employees are family members. They want the best for them. Every small-business owner knows that providing those employees with health care can be costly, and it can be a difficult part of running a business. Costs are rising, the paperwork never seems to end, and we have the power to help in this situation. We have the power to provide a vehicle for extending health care to millions of Americans. This does not require a big government program. It will not require spending billions of taxpayer dollars. It is common sense. It is providing an opportunity.

The Small Business Health Fairness Act has the potential to be very effective, to be pro-health care, to be a great effort for our communities across the Nation. The bill is going to reduce costs for entrepreneurs and their employees by letting small businesses band together to pool their purchase power, to work cooperatively and to dilute the risk to the insurers. It will lower premiums, and we believe it will give millions of uninsured Americans the access they want to quality health care.

We have debated this issue for years on end, and it is time for action. It is time to listen to America's small businesses and to their employees. I want

to thank the gentleman from Texas (Mr. SAM JOHNSON) for his work on this. I want to thank the leadership for their efforts, and I ask all of my colleagues to strongly support this important effort.

PASS DR-CAFTA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentleman from Texas (Mr. BRADY) is recognized for 60 minutes as the designee of the majority leader.

Mr. BRADY of Texas. Mr. Speaker, for the United States to remain the greatest economic power in the world, it is no longer enough to simply buy American, we have to sell American. We have to sell our American products throughout the world, our products and services created by the most productive workforce on this planet.

But when our businesses and farmers try to compete, they discover that Europe and Asia have aggressively negotiated trade agreements with other countries that tilt much of the world in their direction, leaving the U.S. and our companies and businesses and farmers at a severe disadvantage.

That is unfair to American farmers, it is unfair to American businesses, and it is especially unfair to American workers who can compete if given a level playing field and other countries are held accountable to the same trade rules.

Rather than build economic rules around our Nation that only harm American jobs, restrict what we can buy, and raise prices on our families, we must use American muscle to secure favorable trade agreements that tear down the "American need not apply" signs that close off potential customers from our products.

In the coming days, the House of Representatives will give final consideration to the Dominican Republic Central American Free Trade Agreement, the most significant trade agreement in a decade. It will open 44 million new customers to American products, help America win the textile war against China, and honor America's commitment to democracy, freedom and human rights in our hemisphere.

With me tonight are a number of Members of Congress who have examined this trade agreement and feel strongly about it from the standpoint of national security and jobs and agriculture. Joining us tonight is the gentleman from Texas (Mr. MCCAUL), the gentleman from Colorado (Mr. BEAUPREZ), the gentleman from Texas (Mr. CARTER), the gentleman from Texas (Mr. CONAWAY) and the gentleman from California (Mr. HERGER), chairman of the Subcommittee on Oversight of the Committee on Ways and Means.

Mr. Speaker, I yield to the gentleman from Texas (Mr. MCCAUL), who spent a decade with the Department of Justice, the last 4 years as the deputy attorney

general in Texas, and understands the national security implications of this trade agreement.

Mr. MCCAUL of Texas. Mr. Speaker, I would like to thank the gentleman from Texas (Mr. BRADY) for his leadership on this issue. He has been the point man on this in Congress, and he has done a great job. I am proud to work with him on this, and proud to call him my friend as well.

Since September 11, we have made this Nation's security and prosperity our number one priority. Halfway around the world, we fight terrorism and promote freedom with the strength of our military. In our own hemisphere, we have several different weapons in the strength of our economy, our business and our trade that will help to guarantee our safety. We must utilize these tools to prevent tyranny and evil from gaining power in our own backyard.

For years, our Central American neighbors were torn apart by civil wars that epitomized the global battle between good and evil. With our help they have created stable and free governments. However, that battle is far from won. There are those who would like to reverse the progress that we have made, and those who wish to use the fragile state of our friends' democracies to attack our very existence.

In order to win the war on terror, we must continue to guarantee the stability of democracy in our own hemisphere. The citizens of this country have entrusted us with their safety and their well-being. They have asked us to represent their interests and to help increase their standard of living. Job creation should not fall prey to politics. We need to rise above partisan politics to work for the good of our country.

That is why this week my colleagues and I in the United States Congress will vote for legislation that will strengthen our economy, our security, and our way of life. The Dominican Republic and Central American Free Trade Agreement will help reinforce freedom and democracy throughout our entire region.

When considering the benefits of CAFTA, we must consider the pitfalls of not passing it. With the improvement of our economic relationship with Central America, we will see an improvement in our security relationship.

Recently I met with Secretary of Defense Donald Rumsfeld at the Pentagon, and he made it clear to me that this trade agreement is crucial to our national security. We are currently engaged in a war on terror on the other side of the world, while there are already terrorists who are using Central America as a base of operations against the United States. This trade agreement is not only good for our economy, it is also vital to our national security by stabilizing Central American democracies.

□ 2045

In addition to international terrorism, we must also mind the rising

threat of China's global influence. If the United States does not adopt CAFTA, we will see China take our place as Central America's biggest and most important trading partner. This would mean an increase in America's trade deficit with nations all over the world and make the United States a secondary economic power. Twenty years ago we helped Central America fight a war against Communist forces, and now China is trying to reassert its influence within our own hemisphere. We will not allow this to happen. This trade agreement keeps America ahead of China and will increase America's financial security. Through CAFTA, Central America should continue to see the U.S. as its main trading partner instead of Communist China.

And on the issue of immigration, by passing CAFTA and helping people to create a better life in Central America, the citizens of those countries will be motivated to work, to prosper, and, most importantly, to stay in their own countries. Working with America, their standards of living will increase. Ultimately my home State of Texas and the rest of the Nation will spend less time and money combating the problem of illegal immigration. This is really, in my view, the long-term solution to our immigration problem.

CAFTA will also level the playing field. CAFTA represents the completion of our trade relationship, not just the beginning of one. Through unilateral preference programs already approved by Congress, nearly 80 percent of CAFTA imports and 99 percent of CAFTA ag products already enter the United States duty free. CAFTA will make this one-way road a two-way superhighway by giving our agriculture and industrial goods and services access to their markets. We will level the playing field by eliminating high tariffs, tariff rate quotas and nontariff barriers. My home State of Texas will be one of the top three States to benefit by enacting this trade agreement.

On the issue of new jobs, CAFTA countries, which include the Dominican Republic, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, are the United States' largest market for domestic apparel and yarn exports and the second largest market for U.S. fabric exports. Trade with these countries exceeds trade with countries like Australia and Russia. This deal is critical to sustain and expand existing partnerships to give CAFTA goods a competitive edge, particularly with the elimination of global quotas and increased competition from Asia. This trade agreement will help support approximately 400,000 jobs in Central America and the Dominican Republic and 700,000 workers in the United States in cotton, yarn, textile and other apparel sectors.

On the issue of agriculture, America's farmers are also expected to see increases in the needs from Central America for their crops and livestock. Some of the most important U.S. ex-

ports to the region expected to gain significantly from CAFTA include feed grains, wheat, soybeans, poultry, pork and beef. That is why the American and the Texas Farm Bureau support CAFTA.

On the issue of technology and business, this agreement creates huge potential profits for our technology industry. CAFTA holds the promise of new opportunities and expanded markets for a wide array of U.S. high-tech merchandise, exporters, manufacturers, service providers and their employees. Total U.S. high-tech exports to Central America in 2003 totaled nearly \$2.5 billion. From Dell to Samsung to Applied Materials to Hewlett Packard, the high-tech industry in Texas and the United States will benefit greatly from this trade agreement. And as the standard of living improves in these countries, the demand for more advanced technology will grow with it.

In conclusion, it is essential that we pass CAFTA. Along with President Bush, I believe this trade agreement will mean increased safety and security for our Nation. With their own nations seeing prosperity, Central Americans will have less reason to illegally cross U.S. borders looking for better opportunities in our country. America's farmers and businesses will find new and easier ways to export their goods and services to the tune of billions of new dollars. For the average American, CAFTA will mean a cost savings at the grocery store. And for the entire Western Hemisphere, this trade agreement will spread and strengthen democracy, peace and freedom.

CAFTA has support, wide and deep, from many groups, but it is important to note tonight those who oppose CAFTA. CAFTA is opposed by Marxist leftists and terrorist leaders such as Fidel Castro and Hugo Chavez. In addition, this vote is being watched carefully by Iran, North Korea and China, who all stand to gain by the failure of this vote, a vote we cannot afford to lose.

Mr. BRADY of Texas. If the gentleman would stay for just a moment. You have spent your whole life in law enforcement and a number of your recent years in protecting homeland security from threats. One of the key points you made is that while we are fighting a war against terrorism in Iraq and Afghanistan with our men and women, the fact is we fought a war, as well, 20 years ago in Central America, moving those countries away from communism and socialism toward democracy. They have made real progress, but we still have leaders like Castro and Chavez and Daniel Ortega and FMLM, some of the most Socialist anti-American groups in this hemisphere opposing us because their point is democracy does not work, human rights does not work, the rule of law does not work. Communist does. Come, step backward in time.

One of my colleague's points was the worst thing we could do would be to

give that region back to the Communists and Socialists at a time when they have made so much progress.

Mr. MCCAUL of Texas. We cannot afford to turn the clock back, as the gentleman mentioned. We won that war 25 years ago, but now we see instability in the region. We see President Chavez down in Venezuela aligning himself with people like Fidel Castro, asking Iran for nuclear technology. We have a triborder region down in South America where al Qaeda and groups like Hezbollah meet and discuss their activities. The threat is very real. It is no surprise that Fidel Castro and President Chavez oppose CAFTA because they know that there is nothing better for us and for Central America in spreading democracy than for CAFTA to get passed. That is why President Hugo Chavez has actually sent money to legislators in Nicaragua to actually oppose CAFTA in their country.

Mr. BRADY of Texas. My understanding, too, is we are seeing letters from legislators down in Central America who are being financed by our Socialists down there who say they are opposing it on the merits, but in fact they are getting a nudge from the enemies of freedom to do so.

Mr. MCCAUL of Texas. I think if we fail to pass it, we will give the enemies of freedom a victory. That is a victory we cannot afford to turn over. This is the first of many trade agreements. If this does not pass, it takes away, in my view, a lot of credibility on the part of the administration when it goes to other countries and tries to broker agreements. In the defeat of communism, socialism, and the spread of freedom and democracy, that is why I am here tonight. That is why I ran for Congress, and that is why it is so important that this Congress pass this important piece of legislation.

Mr. BRADY of Texas. I thank the gentleman from Texas for his commitment to law enforcement and homeland security in our hemisphere.

Mr. MCCAUL of Texas. I thank the gentleman as well.

Mr. BRADY of Texas. Mr. Speaker, I would like to turn now to a gentleman from Colorado who has a wonderful background. He is a farmer. He is a rancher. He is a community banker. In recent years he has served as an outstanding member of the Ways and Means Committee. I yield to a good friend, a good colleague from the great State of Colorado, BOB BEAUPREZ.

Mr. BEAUPREZ. I thank the gentleman for yielding. He likewise is a very good friend.

I want to applaud, first of all, your leadership. I know many of us in the House have worked on the passage of CAFTA, but I do not know that anybody has worked harder, longer, more diligently and more successfully than the gentleman from Texas. I am confident later this week we will not only take up CAFTA, but we are going to pass CAFTA. We will pass it, I think, in a bipartisan fashion. I fully believe

and hope and expect that a number of our colleagues from the Democrat side of the aisle of this great Chamber will join with us.

I want to stay on the point that the gentleman from Texas (Mr. McCaul) and you were just dialoguing about just a moment ago, this issue of national security. I think you will recall that we had the opportunity, we in our Ways and Means Committee, to sit with the six economic ministers of these member nations. All of them just volunteered to us that they have got a long way to go. They are not the United States of America yet. These are developing, fledgling democracies. But you were just making the point that 20 years ago, what was in the news day after day? El Salvador, Honduras, Nicaragua were hotbeds of communism. Today we would be calling it terrorism; anti-American hatred right on our southern border. Who would think that less than a generation later, economic ministers from these now developing democratic nations would be sitting with us, Members of the United States Congress, saying, please help us.

Someone is going to be the political and economic mentors of these developing nations that are our next-door neighbors. I think that someone ought to be the United States of America, not people like Hugo Chavez, not Fidel Castro, not the anti-American freedom haters around the globe who would love to have a foothold on our southern border.

This is a critical agreement for us in the United States of America. I think sometimes that we get up in the morning, and often it is easier to find a reason to not do something; everything from the simple not getting out of bed on time or not getting out of bed at all, not going to work in the morning, not rolling up your sleeves and putting in a good, hard day's work, or maybe not taking on a real significant challenge. Certainly anybody in this great Chamber can look through this document if they want to go looking for some reason to say no.

But I am saying yes. I join the gentleman from Texas (Mr. Brady) in saying yes because this is the right thing to do. It is the right thing to do because neighbors help neighbors, and it is not just one way. It is not about us just helping these six developing nations. It is about the United States of America and American workers.

I used to be, as the gentleman pointed out, in the cattle business. We exported cattle all around the world. Nothing would make me happier to wake up some morning and suddenly find out that the United States Congress and our President had just adopted an agreement with some foreign nations that immediately, immediately made my product, my cattle, more competitive to these nations. That is what happens in this agreement. The day it is signed, \$1 billion a year of tariff goes away on our goods, our services, the products we send down there.

From my State, just like your State of Texas, a lot of that is agricultural products. A lot of it, too, is manufactured goods, in the high-tech sector, plastic molds. We are sending a lot of stuff down there. These are developing nations, meaning that in future years it will be more that we will be sending them. It only makes sense that somebody around this globe is going to meet the needs of those people. I want that somebody to be American farmers and ranchers and laborers and small businesspeople.

I was a community banker. A lot of my bank customers were in the business of making stuff, all kinds of stuff, stuff you could not even imagine that somebody is really out there making that. But they are all anxious for a bigger market. We have got a bigger market right on our southern border. They are begging us to give them a chance to do business with the United States of America. Why? Because they know that by doing business with us, that is the quickest way to emulate us, to be like us, to be a free, open society. That is what they want to become, both politically and economically. How can we as the United States of America, the greatest Nation ever on God's green Earth, deny that kind of hope, that kind of opportunity to our neighbors and friends and at the same time help our own citizens, the workers right here in the United States?

I will just close and yield back to the gentleman here in a moment by saying that when I get up in the morning, I like to be about building up, not tearing down. I think the CAFTA agreement is very much one that builds up. It builds up opportunity for the United States of America and United States workers, but it also does the right thing that we as Americans, compassionate people, know we have an obligation to do around the globe, and that is help people that are reaching out a hand to us.

With that, I will say, let us pass CAFTA later this week. I applaud you for your leadership. Thank you for letting me be part of your Special Order tonight.

Mr. BRADY of Texas. Mr. Speaker, I appreciate the gentleman from Colorado's leadership. The key point, many of them that he made, was that America's agricultural community is so strongly behind this trade agreement. There are nearly 70 ag associations around America who are supporting this. In fact, the American Farm Bureau Federation believes that we will sell almost \$1.5 billion more ag products each year to Central America. That is our beef, that is our chicken, that is our pork, our corn, our milk, our potatoes, you name it, at a time when a lot of the world is closed to America's ag products.

□ 2100

We have got the most productive ag community in the world; but if we keep making things cheaper and faster and

better but do not have anyone to sell it to, the price just goes down. We want those "American need not apply" signs to be torn up all throughout this world, give our ag community a chance to compete. Watch what we will sell around the world.

And we ought to start with Central America, a neighbor, a proven neighbor, who cannot only buy our goods and services but is easy to ship to and in the process we are going to continue to help those six countries into stronger democracies, a stronger rule of law. It is truly a win-win situation.

I appreciate the gentleman's leadership. As a business person, the gentleman from Colorado (Mr. Beauprez) knows what small businesses and small farmers and small communities have to go through to compete, and giving them a level playing field is good for Colorado and good for America as well.

With that, Mr. Speaker, I would like to yield to the gentleman from Texas (Mr. Carter), who served, before coming to Congress, as a district judge for more than 2 decades. And his background is just filled with decades of common sense. He did a great job on the bench in Texas. Here in Washington he has been intent not only on national security, supporting our troops, but also in serving on his committee, finding ways to help our American economy grow.

Mr. Speaker, I yield to the gentleman from Texas (Mr. Carter).

Mr. CARTER. Mr. Speaker, I thank the gentleman from Texas (Mr. Brady), who clearly has been in the lead and is outspoken for the CAFTA-Dominican Republic project, for yielding to me.

This is critical not only to the Central America region but to the United States of America. We are opening up trade so that our products get sold in Central America without duties on our products.

The Central American countries have the opportunity to sell in our country, and they do not have a burden on their products up here. And, in fact, we are their number one trading partner. The expansion, the benefit that we see is what is going to happen to our folks.

Whenever I look at one of these things that are coming up in Congress, I try to take a look at my district and see who is in my district and try to learn and study and figure out who is going to get helped by these things. And it was easy to see how the high-tech industry with Dell Computer, one of our great neighbors in Williamson County, it was easy to see what is going to happen there. But I look further down to that dairy farmer in Stephenville, Texas, in Erath County. This is not a little dairy farm operation in Erath County. We are talking about one of the most important parts of the agriculture industry in Texas. The area in my district produces over \$40 million to the Texas economy every year in milk and dairy product production. And under the CAFTA agreement, doors are going to open to them that

are going to allow them to sell their dairy products in Central America.

Right now they face duties of between 60 percent and the World Trade Organization allows up to 100 percent of tariffs that can be assessed against our products. With the opening of CAFTA, we are going to be able to open up tariff rate quotas the first year starting at 10,000 metric tons across the six countries, and this will expand as the CAFTA agreement goes forward. The TRQs will grow by 5 percent a year for Central American countries and 10 percent a year for the Dominican Republic until we have got a good access to the market, and it is going to be an outstanding source of sales for our milk and milk-related products that come right from my district.

When I look at that, I see the benefit there. I have had, fortunately, in the recent past, within the last 3 months, the good fortune of going down with the Foreign Operations, Export Financing, and Related Programs Subcommittee to Nicaragua and Honduras. And we went down there not on the issue of CAFTA. We went down there on other issues, to look at areas where our foreign aid is being used very productively in those countries. And I was able to talk one on one with folks like farmers and small businessmen and politicians that are down there in Nicaragua and Honduras.

First, let me tell the Members that when we see that country and see what really great potential there is in Nicaragua and Honduras, what resources are available, there are plenty of cattlemen who would love to have about half of Nicaragua to run cattle on in Texas. With underground water less than four meters under the ground, I know a lot of cowmen from my part of the State that would love to be able to have some irrigated grass farms down there in Nicaragua. Beautiful cattle country.

Cheap sources of power are available in that area because they have the ability to create geothermal electricity. They have a lot of potential in Central America. But when we talked to those folks, they said, Look, it is all about CAFTA. The future of our country is all about CAFTA.

Let us take Nicaragua. We had a whole bunch of trouble with the Sandinistas in Nicaragua. And as has been said before here, about 20 years ago we had a pretty good fight down there. And for a while the Sandinistas ran the country and ran it absolutely into the ground. And people who opposed the Sandinistas, it is not like political parties here where we will bicker with our opponents and we will talk, but then we all go back and let somebody reelect us. If one loses to the Sandinistas, they had better get out of the country because these people who were against the Sandinistas had to flee or die.

Today in Nicaragua, underlying like a cancer lying beneath the surface, is the Sandinista Party; and Daniel Or-

tega still walks the streets down there. But what is he walking the streets with now? He is walking the streets with an offer from Hugo Chavez of up to an unbelievable number, \$1 billion, to turn Central America back to the Marxist cause he and Fidel Castro believe in so firmly. He is one of the great threats to the world right now. He is a communist with money, and he is spreading it around. He takes his oil money from Venezuela and is threatening to spread it around because he wants to make sure that the Marxist communist government dominates Central America.

And their only hope is to show how capitalist free trade works. And that is what CAFTA is all about, and that is what they said. They said, This is going to get great support down here. These people, if they can get their markets open, they can get the capital investment they need to grow.

One of the merchants down there I was talking to said, You know what? I do not know why you think you have got to ship your cloth to China and make your shirts and pants and stuff in China. We have a history of making that stuff for you. Let us break down these barriers between our countries. Let us make those things, and you will not have to put it in big containers and ship it across the Pacific Ocean. We can make it just as economically and just as profitably for American companies as they can in China, and we can put it on a train and ship it up into Texas and spread it across the Nation.

That just makes sense to me. That is just good common sense, and CAFTA is good common sense when we get down to it. It meets many requirements that we have.

First and foremost, we help our neighbors. And where the gentleman from Texas (Mr. BRADY) and I come from, and as for most of the folks in this country, but certainly in Texas, number one is taking care of our neighbors because we are kind of out in big spaces and, sometimes if we will not take care of our neighbors, they might be the only people we will get a chance to visit with.

So we need to take care of those neighbors. We need to prevent an enemy, a cancer, from growing in Central America that we will wake up one day and find it is growing right across the Rio Grande. And this agreement is part of stopping that cancer. And those people down there say without CAFTA, without a chance for a level playing field in Central America, what is going to happen to us is the Marxists will rise up and we will either be killed or run out of the country. Those countries will never survive with this type of quality people leaving the country.

And then, finally, it is a benefit to our industry and to our people. It is a win-win-win, and for that reason I think Republicans and Democrats are going to join together this week in this House and pass the CAFTA agreement, pass the free trade agreement. It is important to America.

Mr. BRADY of Texas. Mr. Speaker, reclaiming my time, the gentleman made excellent points tonight in that we need the customers in Central America for our American Texas ag and small business communities. And for national security, this is exactly the wrong time to turn our backs on Central America.

One of the other points he made is deals with China, and the fact of the matter is he talked to that gentleman who said we can survive China.

Since January 1 around the world, of course, all the quotas went off; so anyone can import any of the apparel, the clothes we wear, the towels we use, and China has just swamped the world, including the U.S. And some people say, well, let us just give up; China is just going to win. But that gentleman's point is exactly right. If America partners up with Central America, we grow the cotton in Texas, which is why the Texas Cotton Council supports this. How we can do the fabric and yarn in American textile plants with American workers, send it down to Central America. They cut it, sew it, put it together, and send it back.

So today what is interesting is that if the gentleman from Texas (Mr. CARTER) and I go to a store down here and buy a shirt that says "Made in Honduras," about 70 to 80 percent of that shirt is made right here in America. But if at the same store we pick up one that says "Made in China," there may be, may be 1 percent of American content there.

And the fact of the matter is if we partner up with American agriculture, with American workers in textiles, which is why so many of the textile industry is supporting this, partner up with Central America, we can survive. We can beat China in the textile areas. We can save jobs in America and save jobs in Central America.

And my understanding is just since January 1, Central America has already lost 28,000 textile jobs to the Chinese. We know where some of those folks might be headed to find jobs. And the fact of the matter is, I think, from an immigration standpoint, Central America wants to keep its best and brightest and hard-working at home. If we partner up, not only do we save American jobs, we save Central American jobs and help preserve our immigration and borders in the process. I think the gentleman made a wonderful point to that extent.

Mr. CARTER. Absolutely, Mr. Speaker. And if the gentleman will continue to yield, these are our neighbors. These are the people in the Americas. They are part of America. They are Central American. And they know the Chinese are breathing down their necks too, and they are very concerned about that, just as the gentleman pointed out.

This is a win for the United States. It is a benefit to a neighbor that needs to be boosted up politically because when Chavez gets in there and spreads his

money around, it could be disastrous. So the gentleman is right. It is a win for us. It is a win for our farmers, our textile manufacturers, and others. They can do assembly work. They have got a lot of skilled labor available in Nicaragua and Honduras. They are wonderful people, just as gentle and kind a bunch of people as I have ever been around. They will be good folks to work with. We need what they have to offer, and they need what we have to offer. It is a good trade. And we always say when we walk away from the day having made a good trade, we feel like it has been a pretty good day. Well, I think we can walk away from this day and feel like we made a pretty good trade.

Mr. BRADY of Texas. Mr. Speaker, reclaiming my time, I appreciate the leadership of the gentleman from Texas on national security and on our Armed Forces and today in support of our American Texas farmers and businesses as we partner up with Central America, and I appreciate the gentleman very much.

Mr. CARTER. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. BRADY of Texas. Mr. Speaker, we have another gentleman from Texas, who, like the previous one, has experience that relates directly to creating jobs. He has been a small business person for more than 32 years, is an accountant and a small business owner in west Texas. He understands that America needs to be able to sell its products around the world, that Central America can sell them to the United States today and they have for 20 years. Now it is our turn to sell into that growing market.

With that, Mr. Speaker, I yield to the gentleman from Texas (Mr. CONAWAY).

Mr. CONAWAY. Mr. Speaker, I thank the gentleman from Houston, Texas for yielding to me and for hosting this hour tonight. And in addition to all of his other great attributes, he is one of the all-time best second basemen to play for the Republicans in the annual baseball game.

□ 2115

Mr. Speaker, many of the points have been made tonight, and I would like to continue with some of those, one of which is labor standards. We have an awful lot of criticism of the CAFTA agreement based on labor standards. The other side seems to take the position that a trade agreement can be used to cure labor issues and labor ills in a country that would, in effect, bring their labor standards and their labor conduct up to that of the United States. I think that is really misplaced. In addition, the argument seems to be that if the labor standards or the labor conditions or the pay wages or whatever is going on, it seems that if a fellow is out of a job, he is in a better position to, in effect, change or make improvements to those conditions than if he has a job.

Well, I think that is really wrong-headed. I think that no matter how bad

the standards are, no matter how bad the pay or the working conditions, if I have a job, I will take that job and take whatever money is available to me, and I will feed my family as best I can, and then I will work to try to improve those conditions. But while that is going on, I at least have a job that I can make some money at; maybe not as much money as some would like me to make or I would like to make, but I will be able to continue to work and feed my family while those conditions are being addressed.

Under CAFTA, we have negotiated the strongest labor protection and labor improvement agreements of any of our trade agreements, and going forward. The signatories to this agreement have agreed that if we sign this CAFTA agreement, that they are committed to enforce those standards; which has always been one of the issues with trade agreements is that we will put these agreements in place. But, the other side, the leadership of those countries will not enforce those agreements the way they are supposed to. Those commitments in enforcing labor standards, improving labor conditions and wages in those countries, those commitments simply evaporate if we do not sign this CAFTA agreement.

In addition to that, the administration has pledged \$610 million over the next 4 years to improve enforcement, to improve economic assistance to the rural areas, and most of these countries would qualify as rural, to help build that capacity, and to help these countries put in place the enforcement processes that will raise labor standards, that will raise wages, and enforce this agreement, and that has to be a better circumstance than those folks being unemployed.

We have had in place what is called the Caribbean Basin Initiative; it dates back to the 1980s. With that agreement we created basically a symbiotic relationship between agriculture interests in this country and jobs in Central America. What happens is, as my colleague already mentioned, when you buy a shirt that says it is made in Honduras or made in Costa Rica or Nicaragua, 60 percent of the inputs into those shirts, those garments, come from the United States. Well, in west Texas that input is another word for cotton, because we grow and harvest a lot of cotton. It is far better for our cotton farmers to be able to sell that cotton into Central America and have it spun into thread and woven into clothes, garments, and cut and sewn and brought back to this country and sold to consumers in America than it is if we have to try to figure out a way to sell that cotton to China. Because if that shirt that you are wearing, and I would challenge my colleagues when they get home tonight to take their shirts off, take their clothes off and look for that label. It says, made someplace, and find out where it was made. If that label says "Made in China," less than 1 percent of the input into that

cloth that came from the United States. It does not take a rocket scientist to know that is not real good for Texas cotton farmers.

So this idea of creating this agreement, it does improve labor standards, it enforces labor standards, but it also helps keep in place this Caribbean Basin Initiative which creates a symbiotic relationship with these countries in Central America. My colleague has already said that there is clear evidence that if these jobs do not stay in Central America, they are not coming back to America. As harsh as that is for our good colleagues in North Carolina and Virginia and other places to talk about, having lost those jobs, those jobs, cutting and sewing and weaving and looming jobs, they are not coming back to America. We cannot compete in that arena anymore. Those jobs are going to China, those jobs are going to Thailand or the Philippines. If they go there, they are not going to be using American input as that work is done on those clothes that are shipped back to Americans to purchase.

Let me give an example. I heard recently, earlier today, about the impact that tariffs have on American consumers, or actually American manufacturers. All of us would agree that the manufacture of airplanes is a manufacturing job that we want to keep in America. Now, we can argue about some of the lower-end manufacturing jobs may go places, but no one would argue about outsourcing the manufacture of an airplane. Last year, Cessna, based out of Kansas, lost \$43 million in a competitive bid to Embraer, which is based out of Brazil, for sales into these countries. Now, the reason they lost it, one of the reasons they lost it, there is a 15 percent tariff on Cessna airplanes that are made in America and sold into these countries. Embraer does not have that same tariff. Brazil has already initiated or already negotiated a bilateral agreement that dropped that tariff. So head-to-head competition, if it is just on price, and I have a 15 percent competitive advantage against anybody else, I want to use some of that 15 percent to make sure I win the bid. And that is \$43 million worth of airplanes that would have been manufactured in Kansas or in America that instead were manufactured in Brazil; somewhere else.

Our colleagues on the other side talk about the 44 million customers in these countries not being able to afford our high-end merchandise. Well, it probably makes for good rhetoric and sound bites, but if you really think about that, it really does not have much of a place in this argument. Quite frankly, I cannot afford all of the high-end merchandise that is manufactured in the United States, so to say that somebody in Central America cannot afford a Cadillac or something like that, and that is a reason to not pass CAFTA, is certainly misplaced in the extreme.

We have also talked about immigration and that impact. Let me say it the

way I typically say it, some of the other colleagues have already talked about it, is that everywhere I go in District 11 and talk to folks, they are concerned about border security. In my mind, you cannot separate border security and immigration reform. We have to protect our borders; we need to know who is coming into this country.

One of the long-term best interests of the United States is for opportunities in Mexico and, as this phrase is used, OTMs, other than Mexicans, for countries, for opportunities to be created in those countries, because that is who is coming to America. It is not just Mexicans, but it is OTMs, other than Mexicans, percolating up through Mexico and coming into this country. CAFTA will help keep jobs in Central America. If somebody has a job in Central America, they are going to be less likely to want to try to percolate up through Mexico and come into the United States.

So I thank my good friend who has hosted this hour tonight. I am supporting CAFTA, I am voting for CAFTA. There are a lot of reasons; we have heard them on national security and immigration and trade. All of these are good reasons why we should support CAFTA, and I would encourage my colleagues across the aisle and on our side of the aisle to vote for CAFTA. Let us put this trade agreement in place. Let us take advantage of the opportunities for dropping the tariffs that our manufacturers currently face like Cessna in selling and trying to operate in these Central American countries.

Mr. BRADY of Texas. Mr. Speaker, I appreciate the leadership of the gentleman from Texas. Several of the points he made, such as the fact that Central America already sells in the United States, and now is the chance for us to sell our products to those 44 million new customers, and that is critical.

Mr. Speaker, I see people who make fun of Central America and say they are too poor and too backward, not worthy, I guess, of trading with the United States, and they could not be more wrong. Economically, I think, those critics are pretty unwise. Central America is already our tenth largest trading partner, and growing. I do not know very many successful businesses that have made it very long by only selling to one or two customers. It does not happen very often. The fact of the matter is they have the potential to grow even larger. They are not large by American standards, but they are large by world standards, and those 44 million customers already buy more from the United States than Italy, which is a world power. They buy more from us than Australia. They buy more from us than Russia, India, and Indonesia combined. In fact, if you took the total economies of Central America together, it is larger than 33 sizes of the United States, those economies in total, and they have not even begun yet.

It makes great economic sense, at a time when America needs more customers, to strengthen the ties with the customer in our backyard that is the tenth largest, and growing every day. My colleagues know how important it is. There is a reason why Europe and Asia and China are trying to get trade agreements with Central America, because they want to sell their products there. But it is time for us, it is our turn to sell there, and I appreciate the leadership of the gentleman from Texas (Mr. CONAWAY) on this issue.

Mr. Speaker, let me conclude myself, but before we do that, I want to turn to the chairman of the Subcommittee on Oversight in the House Committee on Ways and Means, the gentleman from California (Mr. HERGER). He has been looking for ways to strengthen democracy around the world for many years. He is a big supporter of finding new customers for California's products. In fact, California is the largest agriculture State in America. And he has also here in America helped to rewrite our welfare laws, so he understands what it means to get people back to work.

Mr. Speaker, I yield to the gentleman from California (Mr. HERGER).

Mr. HERGER. Mr. Speaker, I thank the gentleman from Texas (Mr. BRADY) for his leadership on this incredibly crucial issue of trade.

As the gentleman mentioned, California is the richest agricultural State in the Nation; actually, the richest agricultural area in the world. The Imperial Valley, the San Joaquin Valley, the Sacramento Valley, which is part of what I represent, north of Sacramento, and more than 250 different major commodities come from California. Again, I thank the gentleman for his active role in getting the facts out, the truth out about trade.

We are the largest trading Nation in the world, bar none other. And in the United States we have very low, and many times almost nonexistent, barriers for other countries to be able to trade to the United States. Yet we see very major trading barriers to other countries. So it is really win-win when we have an agreement such as CAFTA that can help bring down their barriers.

I would like to reemphasize the importance of CAFTA to farmers and ranchers, both in my home State of California and in the greater United States. Especially now, as we fast approach a vote in the House on CAFTA-ratifying legislation, it is important to note a few points on this agreement in general.

First, CAFTA was negotiated by all countries in the agreement, and already three have ratified it. Secondly, CAFTA is the only legislation of its kind that will come before the Congress. If it fails, the prospects of approving any similar agreement for the Central American countries and the Dominican Republic fail as well.

Finally, CAFTA has to be considered with some degree of historical context.

In May 2000, I joined 308 of our 435 colleagues in the House to lower or eliminate tariffs on products entering the U.S. from CAFTA nations. At the time there was no reciprocal treatment. In other words, the U.S. products would continue to face high tariffs and other barriers to entry in CAFTA nation markets. The CAFTA-ratifying agreement soon to come before us will immediately zero out tariffs on 50 percent of U.S. agricultural products exported to the region, with the remaining schedule to be eliminated in 10 years. The American Farm Bureau estimates that this could mean an increase in U.S. agricultural exports of \$1.5 billion per year.

In California, exports of farm products help boost both farm prices and income generated in the agricultural sector. Taken together with jobs, both on and off the farm, agriculture employs in California alone 129,560 workers, including food processing, storage, and transportation. Agriculture exports account for roughly \$8.2 billion, or about 30 percent of the total export product of California.

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CAFTA implementation would increase those exports. As the Nation's largest producer and exporter of dairy products, with cash receipts of over \$4 billion, California dairy producers would benefit greatly from reductions of the current duties imposed in CAFTA countries, which can be as high as 60 percent.

As our Nation's leading exporter of fruits, California fruit producers too would benefit from CAFTA passage. Grapes, for example, are the State's third largest source of farm cash receipts. Current duties on grapes can reach 20 percent in some CAFTA countries and could grow as high as 135 percent under WTO rules.

Producers and processors would benefit from the immediate elimination of duties on grapes and raisins in all CAFTA nations. California peaches grown in my district, a nearly \$250 million industry, would benefit from elimination of duties on both fresh and canned peaches immediately.

Pears would also gain immediate duty-free access under CAFTA. Mr. Speaker, California is the leading producer of tree nuts in the United States, accounting for over \$2 billion in farm cash receipts. California almonds, walnuts, pistachio producers would benefit from the immediate duty-free access in all CAFTA countries.

Current duties on those products can reach 20 percent. With over \$1.7 billion in cash receipts, California lettuce producers would benefit from immediate duty elimination in Costa Rica and duty phase-out in most other Central American countries within 5 years.

The California tomato and broccoli industries would see similar tariff elimination. Another crop, California rice, which is a major commodity in my district, currently faces duties of

up to 60 percent. As the Nation's second largest rice exporter, California rice producers would benefit from the immediate market access of 400,000 metric tons of U.S. rice in CAFTA countries.

As the Nation's second largest cotton exporter, California cotton would benefit from immediate market access worth up to \$73.1 million.

For beef, too, CAFTA passage brings with it positive economic prospects. With cash receipts of nearly \$1.6 billion, California would see tariffs reduced from as high as 30 percent to zero. Tariffs on some cuts of meat will be eliminated immediately in Central American countries.

Mr. Speaker, as stated in a letter from the California Ag Coalition for Free and Fair Trade, California producers of beef, fruit, nuts, vegetables, cotton, poultry, dairy products, wheat and rice stand to gain in a major way under CAFTA.

I support this agreement for passage, and I urge my friends on both sides of the aisle to do likewise. CAFTA would help level the playing field for America's agriculture, increasing export opportunities for our growers and producers. It would be truly tragic for our Nation's agriculture and all of our economy if we let this opportunity escape us.

Mr. BRADY of Texas. Mr. Speaker, I appreciate the gentleman from California (Mr. HERGER) speaking about this issue, because opponents to CAFTA say that does not matter. It would help our trade deficit if we just ignored selling all of our products to Central America. I do not understand how it helps our trade deficit to turn down 44 million new customers, in all of the ag, in technology and small business and manufacturing trade that we have and want to sell to.

I would ask the gentleman, how does that help our trade deficit to turn down a growing country and all of those new customers?

Mr. HERGER. Well, obviously, it does not help our trade deficit; it makes it worse. As the gentleman is pointing out, if we lose that, and the gentleman has pointed this out, there are other countries that are seeking to take these markets. China is working very diligently to take these markets, and we cannot allow this to happen.

So it is imperative that we move, and we look to be having a vote this week, that we win and we have a big win in this very important area of trade.

Mr. BRADY of Texas. I notice, too, the gentleman serving on Ways and Means, all we hear about is NAFTA; but what the critics do not tell you is that there is one huge difference between the two agreements, ignoring for a minute that during NAFTA years Texas grew by 1.7 million jobs. Our economy grew by 75 percent, we doubled our sales to Mexico, ignore all of that.

But the big difference is, Central America already sells most of its prod-

ucts in the United States today; they have for 20 years. If a company wanted to move away, they had 2 decades to do it. Now it is our turn to sell into Central America. Those are the ag sales and manufacturing sales and financial and insurance and telecommunications and chemicals from the Gulf Coast and forest products from east Texas, and ag from west Texas, and a number of products that we are looking for the new jobs and the new customers that this agreement provides us.

Mr. HERGER. Again I thank the gentleman. You brought up the agreement of NAFTA, the North American Free Trade Agreement, with Canada and with Mexico. And again, it was so tongue-in-cheek, it was so detrimental that we more than doubled our trade to both of these countries who are our major trading partners now, and we see our unemployment rate at one of the lowest levels in our Nation's history, right at 5 percent.

So if these trade agreements are so bad for our country, why are we seeing such incredibly dramatic positive results because of them?

Mr. BRADY of Texas. Well, I appreciate the gentleman from California (Mr. HERGER) for coming tonight and being part of this key debate.

Let me just conclude with a question. In recent years, a bipartisan Congress has extended its trade hand to the Muslim people of Morocco, the sub-Saharan nations of South Africa, our Asian allies in Singapore, and our Arab allies in Jordan. Why would Congress balk now at extending the same hand of trade to our Hispanic neighbors in Central America?

This is good for America and our workers, this is good for Central America, and this will help us defeat China in the war in textiles; and later this week I look forward to the House of Representatives joining the Senate in engagement, in jobs, rather than isolationism and turning our back on a region so close to us.

CAFTA IS BAD FOR AMERICA

THE SPEAKER pro tempore (Mr. POE). Under the Speaker's announced policy of January 4, 2005, the gentleman from Michigan (Mr. LEVIN) is recognized for 60 minutes as the designee of the minority leader.

Mr. LEVIN. Mr. Speaker, I would like to yield to my colleague from the Ways and Means Committee, the gentleman from North Dakota (Mr. POMEROY), as much time as he shall consume.

Mr. POMEROY. Mr. Speaker, I commend my colleagues who have just completed their hour discussing on the House floor tonight why we should enact CAFTA.

Clearly, they were sincere, yet the arguments discussed essentially have been the same arguments advanced for why these negotiations even began now 2 years, 18 months ago, certainly being concluded well over a year ago.

It is an enormous privilege to serve on the Ways and Means Committee, the

committee of jurisdiction on trade matters. And during the period of time, the extended period of time this has been before the Congress, it has given us a chance to look at this agreement pretty closely.

I could spend my time tonight going into the whats, and the whereases and the what-fors, but I think it might be more fruitful to discuss this in the broader perspective, perspective first of all involving the track we are on relative to our trade agreements and our Nation's economy.

Then, secondly, a particular for instance in terms of where this is just more of the same, in terms of our loss of jobs, loss of economic opportunity here at home, and then finally to discuss the process, a process that I think raises serious questions about this trade agreement.

Well, let us start with the broad pattern. We have been on a track of these trade deals, part of our participation in the global economy, for some years now. A recent commentator contrasted the approach taken by the United States with that of most other nations. It would just seem natural that as you stroll to the table and negotiate on behalf of the country you represent, that you advocate the nation's interests, the nation's jobs, the nation's opportunity to sell more under these agreements. And most nations do precisely that.

But this commentator contrasted the United States, where it is not just local interests that are represented by the big multinational corporations based in this country, it may be a U.S. corporation, but may be jobs all across the world.

Whether or not the interests of the multinational corporations have been advanced, the record is clear. The interest of the American worker and American opportunities have not been advanced. Just look at the trade numbers. Could you possibly have a clearer indicator as to whether this is working or not than the trade numbers? And what do they tell us? They tell us that our trade deficit, the amount we buy more than we sell, has never been greater in the history of our country.

Now, we have been at this awhile, these trade deals. A friend of mine says there is not a trade deal ever negotiated that our silk-shirted Ivy League-educated negotiators could not lose in half an hour. You certainly seem to think there might be truth in that when you look at the job loss that has just wrecked the economies of important parts of our country and led us to a net position, again, where we are buying more than we are selling to a dimension never before seen in the history of the United States.

I represent an agriculture State, North Dakota. We had, growing up when I was a kid in school, we thought of ourselves as North Dakota, bread basket to the world. We were very proud of the role we played in feeding the world. So let us just break out this