

Dan Moloney was one of those rare individuals that took seriously his role as a member of the community, instead of viewing himself as an individual. He took pleasure and pride in helping and serving others, and he enjoyed life to the fullest. Not just the citizens and taxpayers of the town of Brookhaven, but all of us who call Long Island our home, will sorely miss F. Daniel Moloney.

Mr. Speaker, I offer my condolences and that of the First Congressional District to his mother, Mary; long-time companion and friend, Cheryl Tully; his children: F. Daniel, Junior; Virginia Wagenknecht, Michael S., Kathleen Anderson, Peter G., Thomas E., Christine Lentz, and Melissa Moloney; his brothers, Jack and the late James; his daughters-in-law: Denice, Jacqueline, Abbie, and Christine; his sons-in-law: James Lentz and John Anderson; and his 17 grandchildren.

Goodnight, my friend. Sleep well. The world will be a sore place without you.

REGARDING VISIT OF PRESIDENT BUSH AND PRESIDENT OF MEXICO VICENTE FOX TO TOLEDO, OHIO

THE SPEAKER pro tempore (Mr. CANTOR). Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I rise this evening to include for the RECORD a letter that was sent today by myself to both President Bush and President Fox of Mexico.

Tomorrow will be an historic day here in this Chamber as we welcome the President of Mexico, Vicente Fox, to hear his remarks as the new President of Mexico. Following that address, both Presidents will then travel to our home district, the Ninth District of Ohio, the greater Toledo area.

With respect to their visit, we certainly want to extend an official welcome to both Presidents on their historic journey, and we look forward to their visit and to their remarks.

We also hope that both Presidents will listen and learn as our citizenry attempts to draw them into a dialogue about the conditions of workers and education in our region, and other concerns on the minds of our citizens.

We hope that, building on this trip, more important than any single day would be a request that we are sending to both Presidents to establish a working relationship between their administrations in the form of an intercontinental organization on working life and cooperation in the Americas, to actually set up a means by which we could deal with some of the unintended economic and social consequences of NAFTA in both nations.

The serious dislocation of millions of industrial and agricultural workers, as well as small- and medium-sized firms, demands serious and compassionate ac-

tion by those sworn to serve their fellow citizens.

In our own region of Ohio, Michigan, Indiana, since NAFTA well over 115,000 more good-paying jobs have been lost to the maquiladora zone, where workers in that region toil for hunger wages and have no job security.

Ohio is among the top five States losing jobs to NAFTA, and nationally, since NAFTA, over 776,000 middle-class jobs have been relocated to the maquiladora zone.

Most recently, Phillips Electronics in Ottawa, Ohio, where we hope both Presidents will ultimately visit, is the latest plant that has announced its shutdown of large portions of production, terminating hundreds and hundreds of middle-class workers, those jobs going to Mexico.

Spangler's Candy in Bryan, Ohio, announced it will shift its candy cane line production to Mexico.

Last week in Chicago, Brach's Candy, employing 1,500 people, with a major segment of Latino-American workers, announced it is shutting down its centuries-old factory there and moving production south to Mexico, or possibly Argentina.

The displacement of high-paying middle-class manufacturing jobs across our country is fueled by NAFTA, and will only worsen if the proposed Free Trade Agreement of the Americas ignores the plight of workers. This is why we are pleading with both Presidents to set up a formal mechanism that intercontinentally deals with these serious distortions in our labor markets.

There are 3,200 firms in the maquiladora zone, and most of those employ largely women workers, have no freely-lected labor representation, no job security, and people work in high-productivity poverty.

The U.S.-Mexico border, meanwhile, is plagued more and more by alarming rates of tuberculosis on both sides, sewage effluent flowing into drinking water, moot environmental laws, and crumbling infrastructure that cannot bear the load being placed on it.

The root causes of the illegal immigration crisis in our country lie in deep and continuing disparity between the compensation and living standards of workers on either side of the border. Our continent needs a common minimum wage and common labor standards and common environmental laws that are enforced.

The chart that I have here this evening gives some sense of what has happened to the United States since NAFTA's passage. Prior to NAFTA's passage, we had a favorable trade balance with Mexico, which means that we were exporting more there than importing.

Since that time, what has happened is we have been racking up historic deficits with Mexico, and in fact, Mexico has become the export platform that we predicted. What the trade deficit translates into are thousands and

thousands of lost jobs from our country, and the exports that go down there actually U-turn. They come back to us in the form of finished goods.

But the wages of the people in Mexico have actually gone down since NAFTA, and our wages have been stuck in this country for well over a decade.

In the countryside in Mexico, over 30 million farm families have been removed from their land simply because the trade agreement provides no soft landing for people who have eked out a living on their small ajita lands.

These people are moving across our continent. Hundreds and hundreds are literally dying, some at our border, some inside our country. We simply must have a task force on this international, intercontinental organization that I am proposing to deal with this agricultural issue.

Mr. Speaker, we will invite both Presidents to travel with us to the sites that I am talking about in both the United States and Mexico.

I include for the RECORD the formal letter we have sent to both of them, along with an article from today's Los Angeles Times entitled "Toledo's Plea to Presidents Bush and Fox: Don't let trade cost jobs."

The material referred to is as follows:

TOLEDO'S PLEA TO BUSH, FOX: DON'T LET TRADE COST JOBS

(By Megan Garvey)

TOLEDO, OHIO.—Even as President Bush and Mexican President Vicente Fox prepare to visit this industrial city known for strong unions, ethnic neighborhoods and fierce opposition to free trade, unemployment checks will be going out to workers laid off at the Jeep plant.

Bush plans to come here Thursday to tout his commitment to helping Mexican immigrants pursue the American dream and, the White House says, "again commemorate the very important role that Mexicans and Hispanic Americans play in our American culture."

With a Mexican American community that dates to the 1930s, not many in Toledo have a problem with that.

They just think that it's beside the point. The point—what concerns Toledo's white majority, its sizable Mexican American population and even many of the undocumented workers who harvest northwestern Ohio's tomato and cucumber crops each year—is not immigration or culture.

It's jobs.

To many in this gritty Great Lakes port on the southwest tip of Lake Erie, free trade means the flight of jobs to low-wage places like Mexico. And although the U.S. industrial heartland has prospered in the years since the U.S.-Mexico border was opened through the North American Free Trade Agreement in 1994, Bush and Fox have chosen a dicey time to come to Toledo: The manufacturing recession that began about a year ago is taking its toll here.

And Ohio is losing jobs as companies move to Mexico for its cheap, nonunion labor—from a Mr. Coffee plant that lost about 320 jobs, to Amana's kitchen range plant where almost 645 more positions disappeared. Then there is DaimlerChrysler's Jeep plant, where union workers who thought they had guaranteed jobs are being laid off, even as the company spends \$300 million to expand its Toluca, Mexico, plant to meet demand for the popular PT Cruiser.

"It's not about race or ethnicity," said Toledo native Marcy Kaptur, a Democrat who has represented the area in Congress for more than two decades. "We're beyond all that. It's about economics."

Toledo officials, who bill their town as "A Renaissance City," have fought hard to keep jobs, cutting deals to entice new auto industry investment and pushing for a riverfront development zone, which is up for a vote.

Still, economic projections for the state and region show job growth mainly in low-paying service industry jobs. Manufacturing employment, long Toledo's backbone, has declined. And like other Rust Belt cities, the decline in high-paying manufacturing jobs translates into declining population: The city of Toledo has lost more than 20,000 residents since 1990, according to the most recent census figures.

While many here blame NAFTA, free-trade proponents point to figures that show Ohio's exports to Mexico have risen from \$709 million annually to nearly \$2 billion in the years since the pact was concluded.

EVEN MIGRANTS ARE LOSING WORK TO MEXICO

At Tony Packo's Cafe, a Hungarian place on Toledo's east side that makes it own hot dogs, the regulars say much the same thing.

"There is no doubt in anyone's mind here that free trade has cost good jobs. No doubt," says Ken Oehlers, 59, a retired teacher who grew up in the Old North End.

More surprising, perhaps, is that some of the migrant Mexican farm workers who gather tomatoes in the wide, flat field south of town for Heinz tomato paste, or cucumbers for the Vlasic pickle plant, echo that view.

Wages are so low south of the border, pickers say, that tomato-growing operations long based in the United States are shifting to Mexico. So migrant workers who come to the U.S. are losing out to Mexican workers back home.

In Toledo, local pride is important. Tony Packo's hot dogs, a visitor quickly learns, were the favorites of the cross-dressing Cpl. Klinger of "MASH" fame.

There is similar pride in the city's historical role in building cars—pride now mingled with a sense of betrayal. Workers think the new economy has not played fair with them, that it has not abided by its own rules.

DaimlerChrysler's decision to eliminate 1,500 jobs when it stopped manufacturing the Jeep Cherokee caught many local politicians and United Auto Workers leaders by surprise.

A few years before, the city went to great expense to persuade the auto maker to build a plant here to make the Cherokee's replacement, the Jeep Liberty. The deal came with massive tax breaks and other inducements, and, the people of Toledo believed, the promise to keep 5,000 union jobs in town.

But shortly after the Liberty plant opened, the Cherokee workers were laid off, rather than moved to other lines or given their own line converted for another vehicle.

What particularly galls locals is the fact that those jobs were cut even as the company has had trouble keeping up with demand for its retro-style PT Cruiser. The Cruiser's transmissions are made in Toledo, but the car is assembled in Mexico.

"We had a line shut down here that put more than 1,000 people out of work," said Larry Jamra, 58, a business owner who counts himself as one of the relatively few Toledo voters who supported the Republican ticket in the last presidential election. "But that's NAFTA—it put every business in a position of knowing they could do things for half the price in Mexico, and that's just good business."

Jamra grew up with Oehlers, the retired teacher, who says most people in Toledo

aren't mad at Mexicans about what's happened. They're furious with the corporations.

"We don't see the standard of living being raised in Mexico," Oehlers said, "And wasn't that part of the point of free trade?"

Juan Perez Quiroz, a 48-year-old Mexican working on Toledo's rural outskirts, reflects what Oehlers and others see as the problem: Wages remain so low in Mexico, despite free trade, that coming north still pays, even for a low-wage field hand.

What's worse, even itinerant farm workers like Quiroz apparently are being undercut by desperate workers back home.

Midday in the August heat, Quiroz stands idle in a tomato packing shed.

When the pickers reported for duty at first light, the current crop was judged too small, and most were sent back to the camps for a forced day off; no pay.

Quiroz shrugs it off, having learned in the five years he has been making the trip north from his home in Mexico that this sometimes happens. College-educated, a retired agricultural engineer with a modest government pension, Quiroz still makes more in 12 to 16 grueling hours of packing fresh tomatoes than he could back home.

A QUESTION OF "DISBALANCE"

In Mexico his children are professionals: a lawyer, a soccer player, a college professor and a plant manager.

Still, when he considered his own economic future, Quiroz and his wife elected to make their way to U.S. farm fields where he can get \$10,000 for eight months' work, more than three times what he could earn in the local tortilla factory in Mexico—the best job he could find there.

Quiroz, who plans to go with other migrant workers to see Fox and Bush speak, said he would tell his president that he can't live a good life in Mexico for the wages he can get.

"The main problem in Mexico is the disbalance," Quiroz said. "The price of products is more than the wages paid."

UAW local President Bruce Baumhower says he is up against that too. "Every one of the companies we've gone in to bargain with said, 'We could move down there and make it [their product] for nothing.'" Stories like his distress Rep. Kaptur, whose constituents still recall the time she took President Clinton to task for his position on trade, embarrassing him onstage in 1996 as he stumped for president in her hometown.

Kaptur—who has yet to hear from the White House about the trip to her district—won't get an opportunity to speak her mind when Bush and Fox visit a community center that serves a largely Latino clientele, and then the University of Toledo, where the presidents plan to speak about education.

Her feelings haven't changed, though. "America's biggest internal conflict was the Civil War, which was fought over the expansion of the slave system into the West. All we've done with the trade issue is move the border," she said.

Many of her concerns are shared by Mexican American leader Baldemar Velasquez, whose Farm Labor Organizing Committee represents about 7,000 migrant workers. Velasquez said his members also believe the post-NAFTA economy has meant fewer decent-paying jobs.

"People try to paint those who are anti-NAFTA as anti-Mexican, and it's the exact opposite," Velasquez said. "A lot of these people can't see the forest through the trees. Without organized labor you lose that necessary tension between people driven to accumulate wealth and the workers who help them do that."

"In Mexico there is no tension—and if we allow that to become the standard then we are just going back in history."

Many credit Velasquez's presence with keeping Toledo's unions focused on economic disparities, not racial differences. Toledo, in fact, has been used as a model for other Midwestern cities grappling with rapidly expanding Latino populations.

Out in one of the cucumber fields, where the late-harvest cucumbers have grown too large to be considered premium—meaning small enough to be pickled whole—Velasquez talked about economic realities.

Under a hard-fought bargaining agreement won by his organization, workers get \$28 per 100 pounds of premium cucumbers picked, plus \$6.20 an hour minimum wage. In Mexico, the same yield would earn slightly more than \$1 per day.

Velasquez agreed to participate in the presidential visit despite having turned down invitations to the Clinton White House out of fear, in his words, of being a prop, a "wooden Indian."

His reason: the chance to talk about general amnesty for undocumented immigrants.

"They can't come to town without hearing it from labor," he said.

"And I don't think they can talk about education without talking about amnesty and workers' rights. When parents don't have jobs or are underpaid or are hiding from immigration, those are all fundamental issues when you are talking about educating a child."

HOUSE OF REPRESENTATIVES,
Washington, DC, September 5, 2001.

President GEORGE W. BUSH,

The White House,

Washington, DC.

President VICENTE FOX,

Embassy of Mexico,

Washington, DC.

DEAR PRESIDENT BUSH AND PRESIDENT FOX: During this Labor Day week, and on behalf of our entire community, I extend an official welcome to you both on your historic journey here among us. We look forward to your visit and to your remarks. We also hope you will listen and learn as our citizenry "speak truth to power." Building on this trip, we look forward to establishing a working relationship with your respective Administrations to address continental issues of mutual concern. Please let me propose the establishment of an "Intercontinental Organization on Working Life and Cooperation in the Americas."

First and foremost, we seek your leadership and engagement on the economic and social consequences of NAFTA in both nations. The serious dislocation of millions of industrial and agricultural workers, as well as small and medium sized firms, demands serious and compassionate action by those sworn to serve their fellow citizens. In our region (Ohio, Michigan and Indiana) post-NAFTA, over 115,621 good paying jobs have been lost to the maquiladora zone, where workers toil for hunger wages and have no job security. Ohio is among the top five states in our union losing jobs due to NAFTA (37,694). Nationally, since NAFTA, over 776,030 middle class jobs have been relocated to the maquila zone. Philips Electronics in Ottawa, Ohio, the latest plant to announce a shut down in production, will terminate hundreds of middle class workers. Spangler's Candy, in Bryan, Ohio, has announced it will shift some of its candy cane production to Mexico. Last week in Chicago, Brach's Candy, employing 1,500 with a major segment of Latino-American workers, announced it is shutting down its century old factory there, and moving production either to Mexico or Argentina. The displacement of high paying, middle class manufacturing jobs across the U.S. is fueled by NAFTA, and will only worsen if the proposed Free Trade

Area of the Americas agreement ignores the plight of workers. With NAFTA and FTAA, only investment is given free rein in our hemisphere. Our goal is "Fair Trade, Free People."

Meanwhile, 3,200 multinational firms located in the maquiladora zone have shaped the modern scourge of the dreaded sweatshop. Nearly one million Mexicans, largely women, work in high productivity poverty, with no freely elected labor representation, no job security. The U.S.-Mexico border is plagued by alarming rates of tuberculosis, sewage effluent flowing into drinking water, moot environmental laws, and crumbling infrastructure that cannot bear the load being placed on it. Grinding poverty drives the immigration that is a primary subject of your visit.

The root causes of the immigration crisis lie in the deep and continuing disparity between compensation and living standards of workers on either side of our border. Our continent needs a common minimum wage and common labor standards. Trade agreements MUST recognize and include labor rights in the central bodies of their accords. No nation of conscience should ignore the plight of the dispossessed, the worker without representation, the small holders and campesinos and indigenous people who have no voice. As the powerful force of capital moves across borders so must labor have equal status in any economic accord. Further, NAFTA remains seriously deficient in providing structural adjustment assistance to cushion intercontinental economic integration.

Trade relationships should yield mutually beneficial economic and social benefits, not a legacy of growing political instability. Our U.S. trade relationship with Mexico is becoming increasingly distorted. Before NAFTA, the U.S. held a \$3 billion surplus with Mexico. Post NAFTA, the U.S. surplus has turned into a growing cumulative deficit of over \$140 billion, with last year's record high of \$30 billion. In Mexico, we have witnessed the devaluation of the peso, wage cutbacks, and now job terminations in the maquilas due to a U.S. economic slowdown. Indeed, northern Mexico has become the low wage export platform to the U.S. that opponents of NAFTA predicted. Nearly 90% of maquila production is exported back to the U.S. (and nearly the same from our Canadian counterparts) as Mexico becomes a vast importer of goods from Asia. Long term, this is an economic relationship that is damaging to our continent. The current economic arrangement means the workers of Mexico cannot afford to buy what they make, and their U.S. counterparts lose their living wage jobs as the downward pressure on remaining jobs continues unabated. High productivity poverty with hunger wages in Mexico and displaced U.S. workers do not good neighbors make. As the slogan reads, justice must come to the maquiladoras.

In the countryside, the story is even worse. Over 30 million Mexican farmers are being cruelly uprooted from their historic lands. This is a continental sacrilege of enormous proportions. Some, understandably, escape across our border. Some die in the Arizona desert. Others seek shelter in Mexico City's sprawling metropolis as overextended local services strain under the crush of rapid population growth. Last year, over 360 Mexicans seeking refuge or work died at our border. What kind of cruel economic system is it that tramples on their humanity and pits them against farmers and workers in our countryside who have labored for a century to gain sustenance and a decent way of life, collective bargaining rights, and dignity in the work place? An Intercontinental Agricultural Working Committee must be included

as a key component of the Intercontinental Organization I propose.

President Bush, I understand that during your visit to our community you seek to discuss "common problems on our border, problems with drug interdiction, problems with environmental issues, problems with water and immigration." I can assure you that every single one of these problems arises from a flawed NAFTA agreement that leaves working people and the social compact out of the investment equation. It took our nation nearly a century, and a Civil War, to reject a form of indentured servitude in which workers were chattel. Our society still bears the scars of that war. In Mexico, I have witnessed the fear of workers bound to an economic system in which they hold no independent voice, where independent collective bargaining for the value of their work is impossible, and where their hard work and high productivity yield only more poverty. Here at home, I have witnessed our middle class workers who have struggled to build a way of life have the rug pulled out from under them by forces beyond their control. This surely cannot be your blueprint for our continent in this new millennium.

Something is seriously wrong when workers do not earn enough to buy what they make. It troubles me greatly that in Toluca, Mexico workers who assemble the popular PT Cruisers for DaimlerChrysler do not earn a living wage; every single one of the cars they build are shipped to the U.S. Reciprocally, it bothers me greatly that Toledo's DaimlerChrysler workers who attempted to bid on some portion of backlogged PT Cruiser production were summarily turned down. Since all the production from the Toluca plant is sent through the backdoor into the U.S., why shouldn't the workers in both plants be covered by the same collective bargaining agreement, along with their supplier firms? Otherwise, all that production yields from a continental standpoint is a race to the bottom for the workers.

Equally, in the countryside, it troubles me that northwest Ohio's fresh tomato and pickle businesses are increasingly threatened by Sinaloa plants and packing sheds. Yet field workers in both nations have no hope of a better life as their production is pitted against one another and they compete for survival wage jobs. Again, our continent needs an open forum in which to address and grapple with these serious questions.

Finally, I extend to you both an invitation to travel with bipartisan delegations from both countries. Let us tour U.S. and Mexican production sites, industrial and agricultural. Let us freely hear from the workers. Let us for the sake of the common good explore openly the dimensions of NAFTA that must be repaired. Let us do what is just. We should strive for an intercontinental accord that elevates our people, not exploits them, that uses the power of economic development and the marketplace to spur the necessary social and physical infrastructure to build great nations and treat our people with respect.

Pope John Paul II captured the essence of the challenge before us when he wrote:

"The market imposes its way of thinking and acting and stamps its scale of values upon behavior."

"What is happening is that changes in technology and work relationships are moving too quickly for cultures to respond. Social, legal and cultural safeguards are vital."

"Globalization often risks destroying these carefully built up structures, by exacting the adoption of new styles of working, living and organizing communities."

"Globalization must not be a new version of colonization."

The Pope stressed that on its course towards globalization, humanity cannot do

without an ethical code which must be "wholly independent from financial, ideological or political partisan views. . . . Humanity can no longer do without a common code of ethics."

To this end, I would dedicate my full energies, as would the people of our community.

Most sincerely,

MARCY KAPTUR,
Member of Congress.

THE STATE OF AMERICA'S BUDGET, THE FATE OF THE BUDGET SURPLUS, AND DILEMMAS TO COME

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Maine (Mr. ALLEN) is recognized for 60 minutes as the designee of the minority leader.

Mr. ALLEN. Mr. Speaker, I rise tonight to discuss the topic that is foremost on the minds of many Americans, which is the state of our budget, the question of what happened to the surplus that existed in this country in the Federal budget only a few short months ago, and the consequences of the change and the dilemmas that we face over the next few years.

What has happened recently, of course, by now is well known. Both the Office of Management and Budget and the Congressional Budget Office have come up with revised projections of the surplus for this year and for the next 10 years. Those surplus projections are, of course, dramatically different from what the President was saying and what my friends on the Republican side of the aisle were saying just a few short months ago.

As an example of the kind of statement that the President was making when he was traveling across the country pitching his tax cut, I thought I would give this example of what he said in Portland, Maine, in my district on March 23 of this year.

This was his basic argument. He said, "Now I know these numbers sound like a lot, but this is reality I'm talking about. We have increased discretionary spending by 4 percent, we pay down \$2 trillion worth of debt, we set aside \$1 trillion in the budget over a 10-year period for contingencies, and guess what, there's still money left over, and that's the debate. The fundamental question is, what to do with it."

Today we know there is no money left over. Apart from some small surplus over the next 5 or 6 years in the Medicare and Social Security accounts, a very small surplus, there is no surplus over the next 5 years. In fact, almost all of what remains of the surplus is in fact a Social Security surplus that is primarily in the second 5 years of the next decade and not in the next 5 years.

What I want to do tonight is to begin by focusing on some of these statements. The first one worth calling attention to is the statement of the President that "We have increased discretionary spending by 4 percent."