

A key reason to seek a minimum floor of respect for the five core, internationally-recognized labor standards is to ensure that the CAFTA countries will not compete in a race to the bottom in their efforts to promote trade and attract investment. Some argue that the race to the bottom is a myth, that income levels will rise when trade and investment flows increase, and all domestic standards will rise as income levels increase. These arguments ignore the fact that, as with all other economic factors, investment dollars are scarce and there is fierce competition to attract those dollars. When the competition is over labor-intensive industries, one of the key points of competition is the labor market pool.

A New York Times article from about two years ago quoted the President of El Salvador regarding intra-regional competition, who stated, "The difficulty in this region is that there is labor that is more competitively priced than El Salvador."

Another article from about one year ago in the Washington Post described the interesting changes in patterns in banana trade, with Ecuador attracting an increasing share. The explanation, according to one major fruit company executive, is that "the costs in Ecuador are so much lower. There are no unions, no labor standards, and the pay is as low as two dollars a day."

If the promise of expanded trade—increased incomes and lower levels of income inequality—is to be realized, it is important that the CAFTA countries not compete with each other based upon abuse of core labor standards. The best way to do that is to establish over a reasonable period of time a floor—adopting the five core labor standards as rules of competition in this critical economic area in the FTA itself—just as we establish floors through rules of competition in other areas like intellectual property, investor rights, and tariff levels.

The Central American nations do not need to suppress their workers in order to compete. There is an opportunity to build an economic structure based on implementation of core labor standards so that garments from those nations could bear a label reading "made under internationally recognized labor standards," which many competing goods will not possess.

The alternative is an increasing effort by consumer groups in the U.S. to boycott companies that make garments under conditions that violate these standards.

Efforts by American retailer-purchasers to promulgate and implement private business codes will not make up for a lack of a basic governmental and societal structure. In the New York Times article quoted above, an official from a major American retailer said "We can't be the whole solution. The solution has to be labor laws that are adequate, respected, and enforced."

By addressing core internationally recognized labor standards in the CAFTA negotiations, it is more likely that the domestic coalition necessary to tackle the tough market access issues with the United States can be assembled.

Total two-way trade between the United States and the CAFTA countries is about \$20 billion. Combined, the CAFTA countries constitute the 18th largest export market for the U.S. and about half of all foreign direct investment in these countries comes from the U.S.

Beyond the current relationship, the United States is seeking better market access for

goods and service providers, protection for investors, and improved intellectual property protection from the CAFTA countries. These countries are seeking more investment and more U.S. market access, primarily in the textiles and apparel and agriculture sectors. Otherwise, CAFTA will provide no significant benefits to Central America beyond those provided by the Caribbean Basin Initiative (CBI).

I joined with several others in helping to shape the enhanced market access in textiles and apparel when we expanded the CBI a few years ago. The result has been a move toward a more integrated Caribbean-area textile and apparel market. I believe that further integration is necessary. If not, once quotas are removed in 2005 much more of this market will be lost to goods from other areas.

One of the keys to increased market access will be squarely facing up to the core labor standards issue. When we considered the expansion of CBI, the core labor standards issue was directly addressed by heightening the labor standards criterion in the CBI program. Under that criterion, the United States may unilaterally judge whether a nation is implementing the core labor standards. With the negotiation of CAFTA, and the consequent elimination of the CBI labor standards criteria, including a fully enforceable obligation to enforce the five core labor standards, is even more important.

The further integration in apparel and textile, as well as agriculture, means some further displacement in the United States. Comparative advantage is sound economics, but the distortion of the labor market by suppression of workers to create this advantage is unsound as an economic and policy matter, is unnecessary, and will only deepen opposition from competing workers and businesses in the United States.

Facing the issues surrounding core labor standards is not a vehicle for "protectionism." Indeed, it is an opportunity for expanded trade.

Only a coalition that is far broader and solidly bipartisan, much more so than the narrow votes in the U.S. House achieved by last minute concessions, can be the basis for working out decisions on the tough issues of apparel and textiles and agriculture in CAFTA, and beyond.

More broadly, CAFTA can and should be a building block towards effective negotiation of an FTAA.

The CAFTA negotiations present the opportunity for the United States to negotiate fully enforceable core labor standards, combined with a phased-in compliance period, a significant and ongoing commitment of U.S. technical assistance to the countries to help them achieve compliance before and in the initial years of the agreement, and positive market access incentives for countries that improve their laws and enforcement record (for instance, by accelerating implementation of market access phase-ins or by providing improved access than required by the terms of the FTA). The goal of those of us who seek to establish rules in this area is to expand trade, not shut it off.

There are many similarities between Central American nations and those in the rest of Latin America. Where there are, what is negotiated in CAFTA will matter. That will be true, for example in investment, intellectual property, customs obligations, and labor standards.

Where there are differences, it is a serious mistake to use an agreement for one country as a model for another, turning a building block into a stumbling block.

This is what seems to be evolving as to use of the Chile and Singapore agreements for negotiations in CAFTA. Last week USTR tabled in the CAFTA negotiations a proposal on core labor standards using the Chile and Singapore provisions as a model. Use of a standard of enforcing one's own laws is viable where a nation's laws embody the five ILO core labor standards and there is a record of enforcement of those laws. The laws of Chile and Singapore do embody the five core labor standards and these are enforced in practice. The opposite is true in the Central American nations I visited; the standard of "enforce your own laws" would be a backward step in the CAFTA and benefit those with the worst laws.

This sparked the letter last week to Ambassador Zoellick from the Democratic leadership of the House and Mr. Rangel, Mr. Matsui and myself. We said "We write as supporters of negotiations for a U.S.-Central American free trade agreement. . . . That said, we are not supportive of the proposed U.S. draft text for the FTA's labor chapter. . . . The current version of this text does not adequately address the economic and individual impact of the egregious conditions for workers in the region, and should not be the starting point for consideration of these issues."

Inclusion of a core labor standards provision in the CAFTA, and in future trade agreements, will help answer arguments of those who complain that globalization is harmful to the poor and anti- the "little guy."

I came home from my trip with a positive view of the opportunities that can be achieved, but only if we address the significant challenges. A key challenge is to place core labor standards in a broader perspective, and to understand that it is vital to the future of each Central American nation, the Central American region, the integration of the hemispheric market and the future of U.S. trade policy.

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#### INTRODUCTION OF THE "WINNING THE PEACE ACT OF 2003"

**HON. SAM FARR**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 26, 2003*

Mr. FARR. Mr. Speaker, I rise today to introduce a new piece of legislation—the "Winning the Peace Act of 2003". I am pleased to be joined by colleagues from both sides of the aisle—Representative WOLF of Virginia, Representative HOFFEL of Pennsylvania, Representative LEACH of Iowa, and Representative WEXLER of Florida—as original cosponsors of the bill.

The "Winning the Peace Act of 2003" creates a much-needed institutional framework to deal with post-conflict situations, such as those the U.S. currently faces in Afghanistan and Iraq. The principle components of the bill are as follows:

Creation of Director of Reconstruction Positions to provide a point person in the U.S. government to coordinate operations in post-conflict scenarios.

Creation of a FEMA-like office within USAID to manage a database and serve as a clearinghouse for post-conflict reconstruction experts, and to provide support for post-conflict operations.

Creation of a NATO unit to respond to post-conflict scenarios, and authorization of the President to make a U.S. contribution of personnel to the unit.

Establishment of a U.S. post-conflict training center, building on existing training programs in the country.

Creation of a Civilian Police Reserve to train and deploy American police officers interested in serving overseas in post-conflict environments.

Creation of a "Security Development Fund"—\$300 million in a drawdown account to provide resources to cover immediate and unforeseen costs in declared post-conflict situations, and potential U.S. contributions to multi-lateral operations.

The "Winning the Peace Act of 2003" is designed to fill a vacuum in U.S. foreign policy. It creates institutional mechanisms where only ad hoc arrangements exist. It establishes a permanent source of funding instead of relying on the Congressional appropriations calendar, or emergency supplemental bills. Equally important, the bill lays the groundwork, through training and education, for a new cadre of post-conflict experts, both civilians and military, in the governmental and non-governmental sectors.

The United States has faced post-conflict situations in the past—in the 1940s in Germany and Japan, and more recently in Somalia, Haiti, Bosnia and Kosovo, to name a few. We, along with our allies—countries and multi-lateral institutions—have observed and learned much in recent history. While it is true that no two situations are identical, it can be said there are always common challenges. The "Winning the Peace Act of 2003" addresses those challenges and will strengthen the capacity of the United States to pursue its foreign policy objectives in the future.

#### INTRODUCTION OF THE KILAUEA POINT NATIONAL WILDLIFE REFUGE EXPANSION ACT OF 2003

**HON. ED CASE**

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 26, 2003*

Mr. CASE. Mr. Speaker, I rise today to introduce a bill to authorize expansion of the Kilauea Point National Wildlife Refuge on the Island of Kaua'i. This bill is a vital component of one of my principal goals in Congress: to ensure that federal and/or state or private protection is extended to as many of Hawai'i's threatened and irreplaceable areas as possible, both to ensure the survival and recovery of Hawai'i's unique endangered and threatened species and to preserve the remaining unspoiled natural treasures of our beautiful islands for future generations.

The Kilauea National Wildlife Refuge, located at the northernmost tip of Kaua'i, was established in 1985. The initial acreage of 31 acres was increased to 203 acres through additional acquisitions in 1993 and 1994. The refuge provides invaluable habitat for many native seabirds, including the Laysan Albatross, the Red-footed Booby, and the Wedge-tailed Shearwater, as well as for the endangered nene (Hawaiian Goose). Native plants have also been reintroduced to the area. The Refuge and its historic lighthouse have become one of Hawai'i's world-class tourist destinations, visited by some 400,000 visitors each year.

The proposed expansion area consists of three indispensable land parcels that are currently available for purchase and could be added to the eastern boundary of the Refuge. The Kilauea River runs through the land, which also includes an extensive lo'i (irrigated terrace for traditional cultivation of taro, the staple crop of Native Hawaiians) which could be restored to support endangered Hawaiian water birds, including the Koloa duck, Hawaiian coot, Hawaiian stilt, and Hawaiian moorhen. There is also a high quality estuarine ecosystem at the lower reaches of the river, which includes habitat for endangered birds as well as native stream life, such as the hihiwai (an endemic snail) and o'opu (native goby). The proposed addition also provides an excellent habitat for the nene, Hawai'i's state bird, which was only recently saved from extinction. The beach is also sometimes used by endangered Hawaiian monk seals, and endangered sea turtles nest in the area.

These three parcels are available for sale and each of the owners has expressed a desire to see the land protected from development. But given rampant urbanization on Kaua'i (and elsewhere in Hawai'i) and the high demand for waterfront property, we could very well lose this remarkable opportunity to add high quality wildlife habitat to our national refuge system.

The Kilauea community strongly supports protecting the land from development. In fact, the Kilauea Point National Wildlife Refuge is a model for management of other federal refuges nationwide. The operations of the Refuge are supported by community volunteers, who give daily tours of the Refuge and help in the preservation of native plant species. The principal volunteer group, Kilauea Point Natural History Association, even has a small store in the Visitor Center, the proceeds of which go to the Refuge and for environmental education throughout Hawaii.

I urge my colleagues to join me in supporting this bill, and invite you to come to the Island of Kaua'i to visit the Refuge. I know that if you did so, you would be convinced as I am of the importance of protecting these lands.

#### A PROCLAMATION CONGRATULATING JACKSON CITY SCHOOL DISTRICT AND THEIR ENERGY PROJECT JEEP III FOR 2003

**HON. ROBERT W. NEY**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 26, 2003*

Mr. NEY. Mr. Speaker,

Whereas, JEEP III (Jackson's Energy Education Project) showcases their dedication to energy awareness and education throughout the school district and community; and

Whereas, these young people have demonstrated exceptional talent, ingenuity, and creativeness in finding ways to expand our understanding of energy issues; and

Whereas, Jackson City Schools' "JEEP III" received First Place honors for the State of Ohio; and

Whereas, Jackson City Schools will be recognized in Washington, DC at the National Youth Awards Program for Energy Achievement sponsored by the National Energy Education Development (NEED) Project;

Therefore, I join with the residents of the entire 18th Congressional District of Ohio in congratulating Jackson City Schools for their outstanding pursuit of excellence.

#### IN HONOR OF SAINT BONIFACE PARISH

**HON. DENNIS J. KUCINICH**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, June 26, 2003*

Mr. KUCINICH. Mr. Speaker, I rise today in honor of the parish community of Saint Boniface Parish, as they celebrate 100 years of faith and hope in Cleveland's Westside neighborhood. Throughout the past century, Saint Boniface Parish has served as a spiritual refuge—radiating hope, encouragement, education and faith.

Father Casimir Reichlin began the ministry of Saint Boniface in February of 1903. His visionary focus aimed at educating children within the framework of the neighborhood parish has remained as significant and impactful today as it was 100 years ago. As Saint Boniface Parish was born, so was Saint Boniface School. In 1904, Reverend A. M. Seeholzer was named Pastor of Saint Boniface Parish. Under the guidance of Father Reichlin, Pastor Seeholzer oversaw the construction of a four-room frame building that would serve parishioners and students for the next 12 years.

In March of 1923, parishioners and spiritual leaders of Saint Boniface Parish celebrated the grand opening of the new Saint Boniface School. The sturdy, two-story brick structure contained 16 classrooms, accommodating more than 700 students, in grades kindergarten through high school. Today, Saint Boniface School provides preschool, kindergarten and first grade instruction.

Mr. Speaker and colleagues, please join me in honor and recognition of every member of Saint Boniface Parish, as they celebrate 100 years of fostering faith, hope, enlightenment and love within our Cleveland community. Saint Boniface Parish continues its dedication to providing educational and spiritual growth, elevating the lives of countless children, adults and families within our community.

#### A RESOLUTION HONORING JOSIE COLE, LEGRAND SMITH SCHOLARSHIP WINNER OF PARMA, MI

SPEECH OF

**HON. NICK SMITH**

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 13, 2003*

Mr. SMITH of Michigan. Mr. Speaker, let it be known that it is with great respect for the outstanding record of excellence she has compiled in academics, leadership and community service, that I am proud to salute Josie Cole,