

to believe that there was this threat and is this threat of weapons of mass destruction. The President talked about WMD-related program activities last week without clarifying what they were. The Vice President continues to insist that Iraq has weapons of mass destruction. These statements are contrary to the report of the Weapons Inspector, Dr. Kay.

I call for an independent investigation and review so that we can get to the bottom and find out the truth.

JOBS AND THE PRESIDENTIAL BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, tonight while Americans are watching the New Hampshire primary in anticipation of new leadership for our Nation, they are watching and waiting for the new budget proposals from President Bush. President Bush came to our Toledo community last week, the day after he delivered the State of the Union address right here in this Chamber.

He ran into a hornet's nest. The community college where he spoke had just announced layoffs in the workforce training field the President was there to highlight. The unemployment in Toledo had just increased to 8.4 percent. Our part of the country has been hit extremely hard by the jobless recovery. We have more than 300,000 unemployed workers in the State of Ohio, and that, of course, does not even count the workers who have given up looking.

The family-owned tool and die shops that dot the landscape of the Great Lakes region are dying. I received an e-mail last week from one of these small business owners telling me about the devastation in the tool and die sector. "I have something that most of you should be concerned about in Congress. I just counted the auction brochures I have collected since February 1, 2002, until January 22, 2004. Would you believe 629 auctions?" And those are just the ones this businessman received.

He says, "Our President thinks that everything is great and our economy is bouncing back and we will all be in the bucks this year. I have received a report that estimates 50 percent of the shops in the Detroit area will fold by the end of 2004. So how do you get this message up to Washington? I guess we need to fire up the voters and clean house this fall. Have a good day, Larry."

In his State of the Union address, President Bush failed to mention extending unemployment benefits. This is a huge issue in our part of the country. People have paid for those benefits and they do not understand why the Republicans would refuse to extend unemployment benefits. They certainly do not understand why the Republicans refuse to allow even a vote on extending unemployment benefits.

In the short term, unemployment benefits are highly stimulative for our local economy. They prevent a cratering of consumer demand, and we all know that the consumer is propping up this weak U.S. economy. In the long term, a countercyclical program for public works jobs could help a lot. Investing in our communities and putting people to work so that our deficit starts to come down makes sense.

Just replacing one city's, Toledo's, wastewater treatment system, the bill for that \$400 million. Indeed, that is double the \$250 million the President said he wants to spend nationwide on new job training programs. Investment in public works can put people to work. Frankly, we have people out of work now who already have the skills needed to assume a job.

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They just do not have the jobs.

I just visited Sunoco Refining in my district. They had advertised for 10 people in that company; 2,400 people applied. That is a staggering indicator of how many people are looking for work in just one place in America.

A news article in the Grand Rapids, Michigan, paper just north of where we live announced the closure of Electrolux, a household name in this country. They make vacuum cleaners; 2,700 workers will be terminated. Their jobs are leaving for Mexico.

What kind of strange world is it when an American legend company like Electrolux that made vacuums that are bought by our own citizens, but then those jobs move to Mexico and made there by workers who make a dollar an hour but cannot afford to buy the vacuum cleaners because they are all shipped back here to the United States, what kind of sense does that make?

We have seen this system time and again. The people in Mexico who have the jobs that the people in Ohio used to do do not make enough money to buy the very products they make. Americans lose their jobs to Mexico, and they have to shop more at discount stores such as Wal-Mart that are filled with goods made by people who had the jobs that the shoppers used to have. It is really interesting. We are outsourcing that production.

So the question is, are we going to be a Nation of workers, builders and producers, or are we going to be a Nation of discount shoppers looking for that last bargain while wondering how to survive without a decent wage and without health care coverage? That is really the choice of this year's Presidential race.

Mr. Speaker, I am surely glad this is an election year. It is time for America's voters to really ring in a hopeful and really productive new year for our country.

The article I referred to earlier I will include at this point in this RECORD.

[From the Grand Rapids Press, Jan. 17, 2004]
WHATEVER IT TAKES—CITY IS DOWN BUT NOT OUT OVER ELECTROLUX

(By John Hogan, Matt VandeBunte and Julia Bauer)

The thermometer outside Greenville's Chemical Bank registered a bone-rattling 2 degrees at daybreak Friday, although morning commuters didn't need a sign to tell them of the chill.

Three miles away, pickups with cold, anxious Electrolux workers idled in snow-covered parking lots. Even though these third-shift workers punched out at 7 a.m., they waited 30 minutes to learn whether their jobs were heading 1,400 miles south, where it was a relatively balmy 51 degrees. Electrolux worker Jerry Cannon was not one of them.

The longtime Greenville resident decided he would rather sip coffee at Mike Huckleberry's restaurant a mile away.

"It's kind of hard to make yourself go to work when you know what's coming," said Cannon, a welder trying to raise four teenagers on \$15.61 an hour. "I think Electrolux knew Oct. 21 what they were going to do. I wish they would just have told us."

Indeed, Friday's "official" 7:30 a.m. announcement by Swedish-based Electrolux that it will close Montcalm County's largest employer in 2005 was anticlimactic.

Townpeople and employees saw the handwriting on the wall—notably the corporate statement one week before that a city/state incentive package fell far short of an \$81 million annual goal, the amount Electrolux said it would save by moving.

Some Electrolux workers will return to school; others hope the improving economy brings jobs. Their message? Don't cry for Greenville.

This town of 8,000 thrived on timber well before refrigerators came along, they say, and it will thrive long after refrigerator production moves to South Carolina and Mexico.

Bold? Perhaps. Mike Huckleberry calls it a homegrown confidence that Swedish executives, NAFTA and milquetoast politician's cannot derail.

I'm confident, and my fellow businessmen are all confident Greenville will survive," said Huckleberry, who opened his downtown restaurant 12 years ago.

Once you work through feelings of betrayal, or "pure corporate greed," as some workers suggest, there's confidence. It is expressed in American flags, warm greetings and handshakes in a town founded 160 years ago when New Yorkers John and Deborah Green opened a sawmill on the Flat River.

If you have any doubts, stand under the Chemical Bank sign on the south side of M-57 west of downtown, and note the stream of taillights heading to jobs in Grand Rapids.

"We're getting people willing to drive to Grand Rapids because it's only 30 miles away and they still get the benefits of small-town living," Huckleberry said.

Greenville Mayor Lloyd Walker agrees. "Greenville is not going away," he said. "We're king of the trading center for a larger area of up to 100,000 people."

Although Electrolux rejected annual incentives of \$48 million—saying they were nearly \$33 million short—Walker is confident the same package can draw interest from other U.S. manufacturers.

"The incentive package will be in place," Walker said.

NUMBER CRUNCHING

Until a week ago, the Electrolux Task Force thought it had gathered nearly \$7 million in annual tax incentives and \$30 million in cost savings from a proposed new factory. Union leaders proposed another \$31.6 million

in concessions, or about \$13,000 for every worker.

The package from UAW Local 137 required membership approval, which was far from guaranteed.

Final tally: \$68.6 million, just \$12.4 million short. Or so they thought.

But Electrolux whacked \$20 million off the estimate for newplant savings, casting the total package into a \$32 million hole. Filling it would have cost more than \$27,000 a year per worker.

At \$15 an hour, most workers earn just over \$31,000, plus about \$12,000 in benefits.

"Overall, our analysis of the proposed new factory would save less money annually than was anticipated in the estimate," Electrolux spokesman Tony Evans said. "Also, it would cost for more to construct and operate than was anticipated."

Huckleberry, 55, a Greenville Chamber of Commerce board member, says he believes all the work that went into the incentive package still can bear fruit. Other manufacturers have already made queries about future uses for the plant covering three city blocks on the west side of North Irving Street.

There is still caution, certainly.

In addition to the 2,700 workers who lose their jobs, more than 800 others work for area companies that send refrigerator parts to Electrolux. Among the largest is Clarion Technologies, which makes vegetable crispers.

"It's not just suppliers, it's 2,700 people who aren't coming in to have coffee," retiree Donovan Harms said over a cup at Middlebrook's Bakery and Coffee Shop in downtown Greenville. "It's going to put a real bum on this town. We'll survive, but the town certainly won't be the same as it is now."

MOVING ON

Area churches are mobilizing to offer counseling for Electrolux employees, and are planning a community worship service.

"We are going to do whatever it takes to heal and move on," said the Rev. Jerry Jones, pastor at First Congregational Church of Greenville. Apathy, not Electrolux, is the biggest enemy, he said. The community must pull together "with a message of hope."

As if to convince himself things will be all right, Huckleberry embraced two customers—both Electrolux workers—as they left his restaurant mid-morning Friday. "We'll make it. You guys will be OK," he said.

Many of the workers, some 60 percent who live in Montcalm County, feel the same way.

"We all built this place; my dad started here in 1966," said 47-year-old John Baker, who today marks his 26th year with Electrolux.

He married in November and a year ago bought a home in Lakeview, about 25 miles away.

"It's going to be hard for a guy like me to find a job," Baker said. "I've thought about going back to school. Hopefully it'll work out."

"I've been getting ready for this day," said 43-year-old Gordy Heminger of Belding, who plans to go into house construction. "A lot of the guys in the plant, even the older ones, are going back to school. What else can they do?"

Huckleberry is quick to point out the plant will be making refrigerators through 2005, plenty of time for the city and its workforce to make necessary adjustments.

"We've got an airport, an industrial park and homes are being built all over," he said. "This isn't going to happen tomorrow. We've got two years to figure this out."

True enough, agrees 39-year-old Shirlene Taylor, who stopped in with a friend Friday for scrambled eggs and toast.

"The people you work with are like family, but the big corporations don't care about that," said Taylor, who recently lost her job at Attwood Corp. in Lowell, a former subsidiary of Steelcase. "We'll make it. Greenville is still a wonderful town."

[From the Grand Rapids Press, Jan. 17, 2004]

ONE BIG JOB LIES AHEAD FOR LAST TWO YEARS

(By Julia Bauer)

Electrolux workers will have plenty to do in the months until their plant closes.

Assembly of basic refrigerator models is moving out of Greenville to make way for a new Electrolux brand that will look like a built-in.

"Our South Carolina factory specializes in top-freezer refrigerators," Electrolux spokesman Tony Evans said. Both Greenville and the Anderson, S.C., plant can produce the models with the freezer on top, which can run up to 18 cubic feet.

"We've had that ability to build certain of those models in any location," he said.

Once that production moves out, Greenville employees who are all facing layoff next year will start preparing for the new line, at least for a few months. The plant is scheduled to close in 2005.

"We are about to go into manufacturing of a new product, a counter-deep refrigerator," Evans said. "The cabinet is roughly 24 inches deep, so it matches your typical countertop."

Greenville workers will cover the startup, but eventually the refrigerators will bear a "Made in Mexico" label.

Electrolux plans to spend \$150 million to open a plant in Mexico.

"Ultimately, those products will migrate to the new factory," Evans said. The company is providing no specifics on the location for the Mexico plant, although officials in the border town of Ciudad Juarez say they have hosted company representatives in recent weeks.

No new employees will be needed in South Carolina, Evans said. Most of the focus will be on the move to Mexico and production of the "mass luxury" model. Electrolux has not estimated how many employees the Mexico plant will need. The plants on the border with Texas employ Mexican factory workers who earn \$1.57 an hour plus benefits.

Electrolux cites the high labor costs at the union plant in Greenville, where wages are \$15 an hour, plus benefits. The plant has won awards for high productivity, and its division is making a profit.

But Electrolux is seeking higher revenues with lower labor expense. The last major upgrade at Greenville, a \$100 million retooling for Frigidaire's "Next Generation" line, was plagued with delays and cost overruns that added another \$40 million to the final tab. The startup required more employees and more overtime, and it resulted in missed deliveries.

At the last quarter conference in October, analysts told Electrolux chief executive Hans Straberg they were concerned with the company's ability to efficiently install another new line in Greenville, then move it to Mexico.

Electrolux, based in Stockholm, Sweden, is scheduled to report its financial results for 2003 on Feb. 12.

MEDICARE PRESCRIPTION DRUG BILL

The SPEAKER pro tempore (Mr. NEUGEBAUER). Under the Speaker's an-

nounced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, this evening I would like to talk about the Republican Medicare prescription drug bill that was signed into law by the President last year, which I consider a huge missed opportunity on behalf of the Congress because we really needed a meaningful prescription drug bill for seniors. That is not what we received. What we received really is nothing more than an attempt to privatize Medicare and not provide a meaningful prescription drug plan for seniors.

I wanted to particularly highlight tonight the fact that on the Republican side of the aisle there now are a series of events that have occurred with regard to members of the administration, Members of this House of Representatives, who have, in my opinion, taken advantage of the situation and of their position relative to either negotiating or passing this prescription drug measure that highlight again the fact that special interests and the pharmaceutical companies and the HMOs and the insurance companies were basically out to pass a prescription drug bill that would not provide meaningful coverage; that would not lower costs; and that essentially creates a hoax on the American people that we are somehow doing something about the issue of prescription drugs for seniors.

Meanwhile, the pharmaceutical companies and, yes, even our own Members of Congress and even a member of the administration continue to benefit personally from the fact that they were involved in these negotiations and now have taken jobs or opportunities in the private sector with those same prescription drug companies with whom they worked to negotiate what was essentially a bad bill.

Before I get into some of the specifics in that regard, I just wanted to highlight again why I think this prescription drug measure was a missed opportunity and does not really do anything to help America's seniors. The bill, H.R. 1, in my opinion, simply weakens the Medicare program and falls short of meeting the prescription drug needs of seniors.

H.R. 1, as we know, provides woefully inadequate prescription drug coverage due to a giant gap in coverage in which seniors receive no assistance with costs between \$2,250 and \$5,100 annually. About half of all seniors will not have drug coverage for part of the year, even though they will continue to pay monthly premiums.

I would like to explain what I mean by that. The problem with the Republican bill, unlike with what the Democrats had proposed, is that the Republican bill basically makes you pay so much out of pocket for what you are getting back in your benefit that it is not even worth having; and since it is a voluntary program, I would venture to guess that when this bill finally goes