

Meantime, Dr. Sammis and his family are moving to Wisconsin where he plans to open another practice.

#### CENTRAL AMERICAN FREE TRADE AGREEMENT

The SPEAKER pro tempore. Pursuant to the order of the House of January 4, 2005, the gentleman from Oregon (Mr. DEFAZIO) is recognized during morning hour debates for 5 minutes.

Mr. DEFAZIO. Mr. Speaker, I was just actually watching a speech by the President. It was sort of the Grimm's Fairy Tales version of why Members of this House should vote for CAFTA, why Members of this House should vote to extend a failing trade policy to another five nations in Central America as a template for an even larger expansion of failed U.S. NAFTA free trade policies throughout the western hemisphere.

He talked about their subsistence farmers and how, if only the tariffs on very expensive U.S. agricultural machinery were removed, that additional 10 or 15 percent on the cost, how the subsistence farmers who average less than \$1,000 a year will be buying \$100,000, \$500,000 pieces of farm equipment. They will just trot right down to the local bank, and I guess the bank will extend them a loan for a \$500,000 piece of equipment they will never be able to pay for, and they will not be able to afford fuel to put this.

Now, that is the same kind of falsehood we heard about NAFTA, that this was going to be a boon for U.S. workers and manufactured goods because all the people of Mexico would take all their pesos, put them together, and they could afford to buy almost as much stuff as the people of New Jersey. In the case of CAFTA it is an even smaller economy, less capability.

He talked about how the factory workers there are just waiting in line to buy American goods. Of course \$0.40 an hour, you are not going to be buying a lot of American goods or probably not any. But they are working for a lot less than American production workers.

So what is going to happen with CAFTA? The same thing that happened with NAFTA. You are going to see U.S. capital flood south into Central America so that they can produce things that were once made here, textiles and other things in the case of Central America and in all probability. In the case of NAFTA, it was automobiles, auto parts, it was a whole flood of things, washing machines, driers, other appliances. It all went to Mexico. They predicted that NAFTA, just like with CAFTA, they said, oh, CAFTA is going to be great for the American economy. It will put people to work, create jobs. They said the same thing about NAFTA. It was going to create a million jobs. Instead it lost a million jobs.

Now, what they do is really tricky when they talk about CAFTA. They talk about how they have studied it

and studied it, and they see an increase in exports to Central America.

What they do not say is the President's own trade commission sees a much bigger increase in imports from Central America. That means a net deficit. That means we are selling less there than we are buying back. It means we are going to lose more jobs. It is the same condition we are in with the rest of the world.

The United States of America is borrowing \$2 billion a day to finance the purchase of overseas goods, goods that were once made here by people who earned a decent living.

This is not a sustainable model. And to extend it to Central America is not going to begin to put America on a better path to bringing jobs home to the United States, bringing wages back up for our production workers, seeing that they continue to have benefits.

American workers should not be asked to compete with workers who earn less than a \$1 an hour in Central America. But that is what will happen if this is passed.

Time and time again, the experts, the administrations, including the Democratic administration, the Clinton administration, which was a total disaster on trade, as bad as Bush and maybe worse, they come to this Congress and they say if only, if only you will open up our borders, it will bring great wealth to the American people, prosperity and jobs. And what it has brought is the loss of 3 million manufacturing jobs, a deficit of \$2 billion a day in trade, and driven down wages in countless industries across this country where all the boss has to say is, you will not take a pay cut? Not far to the Mexican border. That is where your plant is going. And they have done that again and again and again. So we should not extend this disaster one more time. And when all the apologists stand up and talk about all the wealth it is going to create, all the jobs and all the exports, remember, they said exactly the same thing about the NAFTA. They said exactly the same thing about China MFN and the WTO, and they were wrong, and there is no reason why they are not going to be wrong again, because they know that what they are saying is not true. It is just the way they have got to sell the package here to benefit a few industries to the disadvantage of the rest of the people in this country.

It is time for a trade policy that makes sense for all the people of America, not just a treasured few who own the stock and the factories of the multinational corporations that have been profiting from our failures.

#### ASSOCIATION HEALTH PLANS

The SPEAKER pro tempore. Pursuant to the order of the House of January 4, 2005, the gentleman from Pennsylvania (Mr. FITZPATRICK) is recognized during morning hour debates for 5 minutes.

Mr. FITZPATRICK. Mr. Speaker, I rise today to address the issue of health care insurance in America, its rising costs and a solution that will help to reduce the cost for many Americans. Our Nation is in the midst of a health care crisis. This crisis affects Pennsylvania's health care professionals, their patients and the doctor-patient relationship. This crisis is especially acute in my district in Southeastern Pennsylvania.

Last week I held a small business committee forum in my district. The health care crisis and how it affects small businesses was the topic of the forum. The gentleman from Illinois (Mr. MANZULLO) was kind enough to come to the forum and to apply his many years of experience to the issue, and I thank the gentleman for his contribution and for his insights.

Pennsylvania's health care problems are among the worst in the Nation. Doctors in Pennsylvania are faced with some of the highest medical malpractice insurance rates in the country. Because they cannot afford to pay for malpractice insurance, many Pennsylvania physicians are practicing defensive medicine or simply shutting their doors, moving to other states or retiring. Young doctors establishing a new practice are reluctant to consider Pennsylvania because of malpractice insurance problems.

Over 50 percent of Pennsylvanians say their family has had difficulty in paying the cost of health care or obtaining health insurance coverage. Since 2001, the cost of health insurance has risen 59 percent, and employers who offer health care benefits are paying an average of 11 percent more for health insurance premiums than they did in 2004. This is the fourth year in a row of double digit increases with no end in sight.

From a national perspective, the statistics are staggering. The Labor Department has recently reported that 3.7 million new jobs were created since May of 2003, marking 25 consecutive months of positive job growth for the U.S. economy. Unfortunately, there are 41 million Americans who are without health care insurance. Nearly 60 percent of the 41 million uninsured Americans are employed by small businesses or are dependent on someone who is employed by a small business. As health care costs continue to increase, fewer employers and working families will be able to obtain coverage, and the number of uninsured will inevitably rise. For a Nation of the 21st Century, and in a country that boasts the world's largest and most productive economy, this is simply unacceptable.

The skyrocketing cost of health care is making employer-sponsored health coverage harder and harder for businesses, especially small businesses, to provide to their employees. This fact makes it nearly impossible for many hard working families to receive affordable care that they need and deserve.

I am proud to say the House Republicans have a plan to increase and improve America's access to affordable and high quality health care. Association Health Plans will help employers, especially small business owners, afford quality health care for their employees and their families, will improve the quality of life and provide much needed health security. AHPs address both health care access and cost by allowing small businesses to create associations that may jointly purchase health insurance for their workers at a lower cost.

Specifically, AHPs establish eligibility requirements so that all AHPs are required to offer fully-insured and/or self-insured benefits. AHPs encourage broad participation and coverage by prohibiting discrimination of any kind against certain "high-risk" individuals. AHPs will cover specific diseases, maternal and newborn hospitalization and mental health issues. AHPs will be exempt from costly and burdensome state health insurance regulations to enable greater and more effective coverage. AHPs will be financially strong and responsible by reserving enough funds for potential costs and other obligations.

AHPs have enjoyed the support of a wide coalition, including the U.S. Chamber of Commerce, the National Federation of Independent Businesses, the American Farm Bureau, the Associated Builders and Contractors, the Latino Coalition, the National Black Chamber of Commerce, the National Association of Women Business Owners and the National Restaurant Association.

These organizations have endorsed AHPs because AHPs will reduce health insurance costs for employers. For example, insurers selling directly to small employers typically incur administrative costs of 20 to 25 percent. By contrast, the Congressional Budget Office has estimated that small businesses that obtain insurance through AHPs will save an average of 13 percent. Other estimates have indicated cost savings could be as much as 25 percent. AHPs will significantly reduce the number of uninsured Americans. AHPs, according to a study by the Research Corporation, estimates that up to 8.5 million uninsured workers and dependents could gain coverage from AHP legislation. And this study confirms even a small cost savings can result in large increases in purchasing power for all of our small businesses. The CBO has concluded, Mr. Speaker, that Association Health Plan legislation would extend insurance coverage for up to two million uninsured American workers with no cost to the government.

I encourage my colleagues to support the Small Business Health Insurance Act, H.R. 525, when it comes to the floor this week.

#### CENTRAL AMERICAN FREE TRADE AGREEMENT

The SPEAKER pro tempore. Pursuant to the order of the House of January 4, 2005, the gentleman from California (Mr. DREIER) is recognized during morning hour debates for 5 minutes.

Mr. DREIER. Mr. Speaker, this week we will address one of the most important national security issues of the 109th Congress. It also is an extraordinarily important economic issue, when it comes to the challenge of growth in this country and throughout this hemisphere. I am talking of course about the Dominican Republic Central American Free Trade Agreement.

As I listened to my colleague from Oregon just a few minutes ago decry the problems of the North American Free Trade Agreement and the fact that there will be overpromising when it comes to the Central American Free Trade Agreement, I was struck by the fact that he really did not get the message that was provided by that great former senator, democratic presidential candidate from Massachusetts, Paul Tsongas, who said, the problem with my democratic party is that they love employees but they hate employees.

The fact of the matter is, if you look all the way across the board, we know that globalization is inevitable. And as Prime Minister Singh said in his address to us a week ago tomorrow, right here in a joint session of Congress, we cannot ignore what is taking place in any other part of the world because of the fact that the globe is shrinking.

Now, Mr. Speaker, I am not going to overpromise and say passage of the Central American Free Trade Agreement is all of a sudden going to solve every ailment of society. But I do know this, 22 years ago, we, with a huge bipartisan vote passed the Caribbean Basin Initiative, which, instead of sending aid, provided an opening, an opportunity for the Caribbean nations to have access to the U.S. consumer market. That has helped us and it has helped them.

Right now, with the Central American Free Trade Agreement, all we are saying is let us have a reciprocal arrangement. 80 percent of the goods, including 99 percent of agricultural products from Central America come tariff free, tax free to U.S. consumer. That is a good thing. It has allowed us, Mr. Speaker, to allow the high standard of living that we have as Americans.

Now, what we are saying is, through this agreement, let us open up their markets so that the 44 million consumers in the Dominican Republic and the 5 Central American countries can have access to U.S. manufactured goods.

Now, one of the challenges that we face, of course, is our competition that is going on with the Pacific Rim. We, at the end of last week, saw finally moves toward re-evaluation of the yuan, the Chinese currency. And we

know that if we are going to compete, it is important for us to implement hemispheric wide trade here so that we can compete with Asia and, specifically, with China.

One of the things we also know, Mr. Speaker, is that if you buy a shirt from China it has a little more than 1 percent of U.S. content. If you buy a shirt from Central America that is manufactured in Central America, over 60 percent of it has U.S. content. So this agreement is going to enhance our ability, not only as a Nation, but as a hemisphere to be more competitive.

We put together a wide range of agreements over the last several years, bilateral agreements with Jordan, Singapore, Australia, Chile, Morocco. They have all been great bilateral agreements. But right now, Mr. Speaker, we have the opportunity to put together a very important multilateral agreement with six countries. That also will lay the groundwork for the very important effort that we have that will begin in the coming days to proceed with the Doha round with the WTO in Geneva. Why? Because the goal as was set forth back in 1947 when the general agreement on tariffs and trade was established was to eliminate tariffs. And we all know, Mr. Speaker, that a tariff is a tax. And so cutting taxes enhances the standard of living and the quality of life for people. This is a win-win for the United States of America, for the Central American countries, and for our region as a whole.

I hope very much that our colleagues join in a strong bipartisan way, doing exactly what we did in 1983 when we passed the Caribbean basin initiative. Let us send this to the President so that it can be signed and so that we can have this win-win all the way around.

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#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until 2 p.m. today.

Accordingly (at 12 o'clock and 49 minutes p.m.), the House stood in recess until 2 p.m.

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#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. KOLBE) at 2 p.m.

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#### PRAYER

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer: Loving God, bless all those who work for the U.S. House of Representatives.

May all House Members and all who serve as their staff be instruments of consultation and wisdom to accomplish the legislative work of the American people.