

MESSAGE FROM THE SENATE

A message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 1704. An act to temporarily extend the programs under the Higher Education Act of 1965, and for other purposes.

ANDEAN TRADE PREFERENCE ACT EXTENSION

Mr. RANGEL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1830) to extend the authorities of the Andean Trade Preference Act until September 30, 2009, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1830

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF ANDEAN TRADE PREFERENCE ACT.

(a) EXTENSION.—Section 208(a) of the Andean Trade Preference Act (19 U.S.C. 3206(a)) is amended by striking “June 30, 2007” and inserting “February 29, 2008”.

(b) REPEAL OF CONDITIONAL EXTENSIONS.—Section 208 of the Andean Trade Preference Act (19 U.S.C. 3206) is amended—

(1) by striking “(a) TERMINATION.—Subject to subsection (b), no” and inserting “No”; and

(2) by striking subsection (b).

SEC. 2. TREATMENT OF CERTAIN APPAREL ARTICLES.

Section 204(b)(3)(B) of the Andean Trade Preference Act (19 U.S.C. 3203(b)(3)(B)) is amended—

(1) in clause (iii)—

(A) in subclause (II)—

(i) by striking “Subject to section 208, the” and inserting “The”; and

(ii) by striking “4 succeeding 1-year periods” and inserting “5 succeeding 1-year periods”; and

(B) in subclause (III)—

(i) by striking “means 2 percent” and inserting “means”—

“(aa) 2 percent”;

(ii) by striking the period at the end and inserting “; and”; and

(iii) by adding at the end the following:

“(bb) for the 1-year period beginning October 1, 2007, the percentage determined under item (aa) for the 1-year period beginning October 1, 2006.”; and

(2) in clause (v)(II)—

(A) by striking “Subject to section 208, during” and inserting “During”; and

(B) by striking “3 succeeding 1-year periods” and inserting “4 succeeding 1-year periods”.

SEC. 3. MERCHANDISE PROCESSING FEES.

Section 13031(j)(3)(A) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(j)(3)(A)) is amended by striking “September 30, 2014” and inserting “October 14, 2014”.

SEC. 4. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Subparagraph (B) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking “114.25 percent” and inserting “114.50 percent”.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. RANGEL) and the gentleman from Louisiana (Mr. MCCREERY) each will control 20 minutes.

The Chair recognizes the gentleman from New York.

Mr. RANGEL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Speaker, as most of us know, some time ago in 1991, President Bush, with bipartisan support, reached out to the Andean countries and extended favorable treatment as related to their exports to the United States.

This has proven successful in making it possible for these countries to get substitute crops for coca, and, therefore, it has been tremendously successful in building up a market for the people in this area, as well as people in the United States of America.

Right now, however, there are four free trade agreements that are pending that haven’t passed the House as yet, which includes, of course, Peru. So as we speak, there are two countries for which free trade agreements have not been negotiated, Colombia and Peru. If we were to allow this provision to expire, we would find ourselves in the situation where these countries and their tariffs would be in disarray.

Because of the shortness of notice, and because we have to avoid the expiration, I have been able to work with Mr. MCCREERY in our committee to get, not a 2-year extension that we would really want, but at least an 8-month extension to avoid irreparable damage from being caused during this period, at which time we will again be able to review the situation in the free trade agreements and also the substance of the continuation of the Andean Trade Preference Act, trade promotion agreements.

□ 1815

I also would like to say, in working with Mr. MCCREERY of the committee, the Members of this House should know that the cooperative spirit in which we got this extension extended to the point that we had to really go to the other Chamber in order to work out what we’re able to do today.

Mr. Speaker, at this time I reserve the balance of my time.

Mr. MCCREERY. Mr. Speaker, I yield myself so much time as I may consume.

Mr. Speaker, I’ve been an avid supporter of Andean preferences, and today I voice my support for this short-term extension of the preferences. And I want to thank Chairman RANGEL for working with me and others to effect what we believe should pass on the floor today under suspension of the rules.

Our country’s relationship with the Andean countries of Peru, Colombia, Ecuador and Bolivia is vitally important, and preferences have helped enormously with their economic development and with stability in the region.

At the same time, however, I believe it is time to move to a more substantial, mature and reciprocal relationship through free trade agreements. The unilateral preferences provide duty-free treatment to products from

the region, but very limited value to United States interests in return. The FTAs, the free trade agreements, provide reciprocal market access benefits, creating new opportunity for United States producers, farmers and exporters.

I might add that our FTAs also create greater obligations on our trading partners than preferences by requiring them to abide by fundamental labor rights and certain multilateral environmental agreements.

Right now we have an immediate opportunity to implement the FTAs with Peru and Colombia, with the possibility of future FTAs with Ecuador and Bolivia. We should seize this opportunity now. Both Peru and Colombia have already passed the pending FTAs, and they are expected soon to pass amendments to them reflecting the recently concluded bipartisan trade deal on labor and the environment.

It’s time for our Congress here in the United States to move these FTAs, too. Preferences are a stopgap measure. Our trading partners and United States interests deserve more than that. Every day we wait is a lost opportunity to gain the advantages of those more mature agreements.

With respect to Ecuador and Bolivia, I remain very concerned with the treatment of United States investors there. This 8-month extension gives us time to evaluate how these countries are abiding by the preference program requirements with respect to United States investment. We will be watching developments very carefully.

Mr. Speaker, I support this short-term extension of preferences for 8 months, which will give us the time we need to implement our outstanding free trade agreements in the region. The first step will be to complete congressional action on the Peru agreement, I hope, before the August recess. The time is now to solidify our relationship, instead of perpetuating what I believe is an unsatisfactory status quo.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I’d like to yield 4 minutes to Mr. LEVIN, who’s been the subcommittee Chair on Trade and has done an absolutely great job in spearheading this bipartisan approach of this sensitive subject.

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Mr. Speaker, as we proceed, it should be clear. We’re talking now about the Andean Trade Preference Act, and we’re not talking about the free trade agreements that have been discussed here.

In my view, whether one supports or opposes any of those free trade agreements, it would be counterproductive for someone to vote against extension of the ATPA for 8 months.

This relates, as mentioned, to the four nations. The original ATPA was passed in 1991, and it was expanded and

extended through a voice vote in the year 2001.

I think it should be emphasized that, basically, our trade relationship with these four nations is more complementary than it is competitive. That's a crucial issue. And if you exclude oil and oil products, our trade balance, our relationship, is essentially balanced in the range of 10- to \$11 billion that we export and they export, if you exclude oil, which is not covered by the ATPA.

The Andean countries are a steadily growing market for U.S. goods, and that meant there was an increase, a rather substantial one, in 2005 over 2004.

Let me touch briefly on issues that have been discussed regarding the ATPA. First, apparel. The Andean Trade Preference Act requires the use of U.S. yarns in fabrics, so it isn't a one-way street. And it's somewhat technical, but if you include, if you look at the source of the fabric, essentially the U.S. has made clear that we're not going to be left out in the cold.

In terms of crops, whether they're fruit or vegetable crops, the trade is far more seasonal. In that sense, the trade is far more complementary than it is competitive. And so it's been of mutual interest to have this Andean Trade Preference Act. And that's why it was passed originally with broad support. It was extended with broad support. There was controversy last time because it was tied to TPA, and it essentially gave different treatment to Bolivia and Ecuador that this bill does not do.

So it's also, I think, because of the complementariness of this agreement that it has had broad support in this country, and that's true in good parts of the management ranks as well as the labor ranks.

There's been reference here to drugs, and that's been a mixed picture. But I think there is evidence that the ATPA, which was originally passed as part of a drug eradication strategy, has had some positive impact in several countries, much less so I think in Colombia than in Bolivia and Peru.

If this is not renewed, I think it would be mutually disadvantageous. I think, because of the mutuality of this agreement, the way it's worked out, that we should pass it.

And I close by emphasizing we're talking today about the renewal, or I should say the extension, of the ATPA for 8 months. We're not talking about free trade agreements. I strongly urge approval of this 8-month extension.

Mr. MCCRERY. Mr. Speaker, for the purpose of controlling time, I'd like to yield the balance of my time to Mr. HERGER from California.

The SPEAKER pro tempore (Mr. POMEROY). Without objection, the gentleman from California will control the balance of the time.

There was no objection.

Mr. HERGER. Mr. Speaker, I wish to yield 2 minutes to the gentleman from

Illinois (Mr. WELLER), a member of the Ways and Means Committee and a very active member of the Trade Subcommittee.

Mr. WELLER of Illinois. Mr. Speaker, I rise to join in the strong bipartisan support for this legislation which is critical to our need to continue working to reduce poverty, to create jobs and to strengthen democracy.

Today this House has an opportunity to continue moving forward by extending the Andean trade preferences for Peru, Colombia, Ecuador and Bolivia. It's only a short-term extension, 8 months, but it moves forward.

Just like the Caribbean Basin Initiative, these preferences create jobs, reduce poverty and also build capacity in nations that previously were left out. The Andean preferences offer many who have been previously left out of the opportunity to participate in free enterprise as well as the export marketplace.

I think of examples of communities who benefit. I think of the Gatazo-Zambrano community in Chimborazo, Ecuador, 400 indigenous families now being lifted out of poverty because they are now exporting broccoli and produce to the U.S. export market.

I think of the thousands of women engaged in flower production, as well as the processing of flowers in Colombia, involved in that industry, dependent on these preferences. And if they went out of business, China would take over the flower business.

There's almost 2 million jobs dependent in the Andean region on these Andean preferences which we created to lift people out of poverty. If you care about democracy in Latin America, you should vote "yes." If you want to increase and expand markets for U.S. products, you should also vote "yes" because we in the United States benefit from the Andean trade preferences.

U.S. workers and businesses benefit, farmers; U.S. cotton exports to Peru and Colombia totaled \$110 million in 2006, almost double that of 2001. U.S. yarn and fabric exports to Peru and Colombia more than doubled between 2002 and 2006.

And I would note that when we import garments from the Andean region benefiting from the Andean trade preferences, the components are largely from inputs manufactured in the United States. The Andean trade preferences are win/win for both.

It's important to remember they're temporary. We have good trade agreements with Peru and Colombia. We also need to move forward on them. And I urge a bipartisan bill today.

Mr. RANGEL. At this time, Mr. Speaker, I'd like to yield 3 minutes to the gentleman from Washington (Mr. McDERMOTT), an outstanding member on our committee.

Mr. McDERMOTT. Mr. Speaker, is the gentleman from New York willing to engage in a brief colloquy?

Mr. RANGEL. I'd be glad to.

Mr. McDERMOTT. We appreciate the legislation that you've put before us

today. The Andean Trade Preference Promotion Act continues to enjoy broad bipartisan support, and I believe the program is needed because we have a responsibility to ensure that our market, the largest in the world, remains open to the products from developing nations.

ATPA is a program that is helping to reduce poverty and strengthen our economic ties with our hemisphere, but it really is only one scheme of many. The generalized system of preferences is also a vital tool we use to fight global poverty and better engage with developing countries.

As you know, the duty-free treatment GSP provides to imports coming from developing nations like India and Brazil is at risk of being eliminated by the Bush administration. In the case of India, the tariffs the Bush administration will propose on Indian jewelry will cause the loss of 300,000 jobs, and that would weaken our strategic alliance with an important ally. In this case, what's bad for India is also bad for the United States.

Now, in the coming weeks and months, I hope that we can work together to ensure that any GSP benefits aren't revoked for arbitrary reasons that would have a negative outcome in developing countries. And I hope that you would be willing to listen to those kind of proposals.

Mr. RANGEL. Let me thank my dear friend from Washington and indicate that I share your concern. At the end of the day, America must have a trade policy that helps workers here at home and provides opportunities for workers overseas. As the Chairman of the House Committee on Ways and Means, I can assure you that I will work with you and others to be sure that we can improve our trade policy as it relates to developing countries.

In the case of GSP and the benefits the administration may propose to eliminate, let me make it abundantly clear that on our watch we're going to expand opportunities to the developing world and not curtail them.

I'm pleased to know that you're working on some innovative ways to improve our trading ties with Africa and Least Developed Nations. Let it be clear to you, the Congress and everyone else that if the administration proposes to impose tariffs on products coming from poor countries, and that such tariffs serve no development purpose, I will be working with you to move toward legislation to prevent that from happening.

And let me add this, that your constant concern about making America look like it's a country for freedom and opportunity and providing trade with these nations has been indicated by your leadership in the African growth and opportunity bill, the Caribbean Basin Initiative, and I hope to continue to work with you to bring opportunities for people in developing countries and make our country all that she can be.

□ 1830

Mr. HERGER. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. BURTON).

Mr. BURTON of Indiana. Mr. Speaker, I just want to start off by thanking my good friend CHARLIE RANGEL, the chairman of the Ways and Means Committee, for bringing this legislation to the floor. We have talked to a number of the countries involved in the preferences, and they were very concerned.

So, CHARLIE, I want to thank you for bringing this to the floor at this time. I wish it was for a longer period, but 8 months, as has been said by Mr. WELLER, is a good start.

The one issue that I would like to mention, and it has not been addressed, and that is creating jobs in Central and South America helps us with our immigration problem. We are going to be talking about illegal immigration here in a couple of weeks or a couple of days maybe. I don't know when the Senate is going to send it over. But the fact of the matter is where there is poverty, where there are no jobs, where there is conflict, people leave and the people in Central and South America, obviously, would come north to the United States. We have a very serious immigration problem right now. In 1986 we tried to solve it. It didn't work. We gave amnesty then. It won't work now. But one thing that will help and will work to a degree are trade preferences and free trade agreements, CHARLIE, and I hope that you, as chairman of the Ways and Means, will look with some favor on some of the free trade agreements when they come up later on. I think it helps not only their economy and our economy, but it also helps with the illegal immigration problem in the long run.

Mr. RANGEL. Mr. Speaker, I yield the balance of my time to the chairman of the committee, Mr. LEVIN, and ask unanimous consent that he be allowed to control that time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LEVIN. Mr. Speaker, it is my pleasure to yield 3 minutes to the honorable gentleman from New York (Mr. ENGEL), who chairs the Western Hemisphere Subcommittee for Foreign Affairs.

Mr. ENGEL. Mr. Speaker, I thank my friend from Michigan for yielding to me.

I rise today, Mr. Speaker, in strong support of H.R. 1830, which extends trade preferences for Peru, Colombia, Bolivia, and Ecuador. I want to thank Chairman RANGEL, the dean of the New York delegation, and Chairman LEVIN for their leadership on this issue.

I am the chairman of the Foreign Affairs Subcommittee on the Western Hemisphere, and as chairman, I believe that the extension of the Andean trade preferences is crucial in promoting development in the economically and politically fragile Andean region while

also supporting essential U.S. geopolitical goals. My ranking member, Mr. BURTON, just spoke and gave very good reasons why this should be supported. I agree with every one of them.

With anti-Americanism on the rise in the Western Hemisphere, I believe that positive engagement with the Andean region can both improve our image abroad and help us to more effectively engage our neighbors. Many of our neighbors in the hemisphere feel a huge sense of neglect from the United States. The extension of the Andean preferences is a great way to show our neighbors that we are engaged and do indeed care.

I believe that the preference program has been enormously successful, having created hundreds of thousands of jobs in the Andean region. Every job created in the Andean region is another potential illegal immigrant remaining in their home country. Without the extension of these preferences, these jobs, which are in sectors that do not directly compete with U.S. jobs, will be eliminated.

I am also in possession of a letter from the AFL-CIO which gives its approval of these agreements.

Moreover, I feel that without the extension of ATPA, many of the unemployed in the Andean region would turn to drug cultivation after they lose their jobs. The Andean preference program was originally created not only to support economic development in the region but also to divert illegal coca manufacturing toward legitimate industries. Using these trade preferences as a tool in the drug war is still very important today.

Mr. Speaker, let me conclude by mentioning that President Bush recently traveled to five countries in the Americas in an effort to reinvigorate our partnership with our friends in the region. Prior to his trip, President Bush said that "The working poor of Latin America need change, and the United States of America is committed to that change." I believe that the extension of ATPA can help bring this well-needed change to our friends in the Andean region.

I want to emphasize that in my travels in the region, the region feels that the United States is looking elsewhere and is not engaged. The worst thing we could do would be not to pass this because it would prove their fears. We need to pass this. We need to do it quickly, and I urge Members on both sides of the aisle to support this.

Mr. HERGER. Mr. Speaker, I yield 3½ minutes to the gentleman from Washington (Mr. HASTINGS).

Mr. HASTINGS of Washington. Mr. Speaker, I want to thank my friend from California for yielding me the time.

I have to say that I stand here in opposition to this bill, and I am one that generally supports fair trade liberalization efforts. I believe that when properly structured, trade agreements can benefit all parties involved. But, Mr.

Speaker, the Andean Trade Preference Act is not a trade agreement. This is an agreement to give access to the U.S. market in return for reduced drug production by certain Andean countries. Let me repeat that, Mr. Speaker. This is an agreement to give access to the U.S. market in return for reduced drug production by certain Andean countries.

The original idea may have been a noble one, and it probably still is, but the Act has proven to be a failure, and as a result, American asparagus growers have paid the price. In practice, the Andean Trade Preference Act has resulted in higher South American drug production and a steep loss of acreage and processing of asparagus in the United States, as reflected by this chart where in the last 16 years the amount of acreage has been reduced by 50 percent.

A recent International Trade Commission report found that asparagus was the domestic commodity most negatively affected by the Act. Unlike other sectors, American asparagus growers were not provided a transition period before tariffs on Peruvian imports were unilaterally eliminated. Since implementation of the Andean Trade Preference Act of 1991, imports of Peruvian asparagus have increased by more than 20 times. These duty-free imports have decimated U.S. asparagus growers and closed domestic asparagus processing plants in my district.

Now, perhaps, Mr. Speaker, if you are not from an asparagus production area in this country, you may be thinking this trade-off is worth it because it results in less drug production. The unfortunate reality is that this Act is a failure in that regard too. The latest studies confirm that cocaine production in the Andean countries is actually higher today than when the Andean Trade Preference Act was adopted in 1991.

In other words, we have exported jobs from rural America to these Andean countries and we are still seeing narcotics production going up. Nevertheless, we are here asking American farmers to sacrifice their livelihoods to perpetuate a wholly unrelated and unsuccessful anti-narcotics strategy.

Mr. Speaker, I also regret that we are considering an extension of this flawed policy under a process that denies Members the opportunity to amend the bill, the text of which was not even available until a couple of hours ago. This is being rushed to the floor with no time to debate or offer amendments. The markup of this bill in Ways and Means was cancelled. The bill has not gone through the Rules Committee. The House should have an opportunity to have a full and fair debate on this Act, which has a profound negative effect on my constituents.

So I ask my colleagues to oppose this bill.

I will insert into the RECORD an article from the Seattle Times that more fully points out the dilemma that asparagus growers have suffered, and,

also, I will insert into the RECORD an article from the New York Times regarding the plight of asparagus growers as a result of this Act.

[From the Seattle Times, Jan. 2, 2007]

NEW HOPE FOR ASPARAGUS GROWERS

Washington asparagus growers might get a break in the new Democrat-controlled Congress.

They sure need it.

The industry has been decimated by a U.S. drug policy designed to encourage Peruvian coca-leaf growers to switch to asparagus. Passed in 1990 and since renewed, the Andean Trade Preferences and Drugs Eradication Act permits certain products from Peru and Colombia, including asparagus, to be imported to the United States tariff-free.

The act was set to expire Dec. 31, but Congress approved a six-month extension to make time to negotiate a proposed free-trade agreement.

We believe world markets should be more open and barriers to trade should be lowered. But this trade preferences act, when it comes to asparagus, is a one-sided deal that does only harm to the U.S. industry while failing miserably at its stated intent of reducing drug production.

The White House Office of National Drug Control Policy Web site currently notes that the Peruvian coca acreage, mostly in the highlands, is the highest it has been in eight years.

Meanwhile, the small country has become a powerhouse in asparagus production along its Pacific Coast lowlands. Peruvian asparagus production has multiplied 18-fold. The industry has developed a vigorous market and attracted sizable capital investment.

Meanwhile, the Washington industry is a shadow of its former self. Acreage has been cut by 71 percent to just 9,000 acres. In 2005, Seneca closed the world's largest cannery in Dayton, Columbia County, and shipped its state-of-the-art equipment to—no surprise—Peru. So did Del Monte, when it closed its Toppenish plant.

Is it any wonder the U.S. asparagus industry hopes the preferences act will be allowed to lapse in June?

That's not to say the Washington Asparagus Commission has its head in the sand over the global economy. In particular, the commission is willing to support a proposed free-trade agreement with provisions common to other free-trade agreements.

The industry wants the tariff re-imposed on Peruvian asparagus but only during the U.S. growing season—roughly April through June in Washington—and then phased out over a period of years. The tariff on U.S. production would diminish also.

That would be a long, overdue solution for an industry decimated by a drug-reduction policy that failed miserably.

[From the New York Times, Apr. 25, 2004]

WAR ON PERUVIAN DRUGS TAKES A VICTIM:

U.S. ASPARAGUS

(By Timothy Egan)

After 55 years of packing Eastern Washington asparagus, the Del Monte Foods factory here moved operations to Peru last year, eliminating 365 jobs. The company said it could get asparagus cheaper and year-round there.

As the global economy churns, nearly every sector has a story about American jobs landing on cheaper shores. But what happened to the American asparagus industry is rare, the farmers here say, because it became a casualty of the government's war on drugs.

To reduce the flow of cocaine into this country by encouraging farmers in Peru to grow food instead of coca, the United States

in the early 1990's started to subsidize a year-round Peruvian asparagus industry, and since then American processing plants have closed and hundreds of farmers have gone out of business.

One result is that Americans are eating more asparagus, because it is available fresh at all times. But the growth has been in Peruvian asparagus supported by American taxpayers.

"We've created this booming asparagus industry in Peru, resulting in the demise of a century-old industry in America," said Alan Schreiber, director of the Washington Asparagus Commission. "And I've yet to hear anyone from the government tell me with a straight face that it has reduced the amount of cocaine coming into this country."

Government officials respond that it was never their intent to hobble an American industry. But they say a thriving asparagus industry in Peru stabilizes the country and provides an incentive to grow something other than coca leaves, the raw material of a drug used regularly by about 2.8 million Americans.

"Apologies to the people affected," said David Murray, special assistant for the White House's drug policy office, "but the idea of creating alternative development, countrywide, does serve our purposes." Mr. Murray said that net cultivation of coca leaf in Peru had fallen considerably, but that it was unclear how much of a role the alternative crop incentives had played.

Here in Washington, the nation's second-leading asparagus producer, after California, about 17,000 acres have been plowed under since a 1991 trade act prompted a flood of less-expensive Peruvian asparagus, a 55 percent decline in acreage.

During the same period, Peruvian asparagus exports to the United States have grown to 110 million pounds from 4 million pounds.

Two of the biggest asparagus processing factories in the United States have closed. The Del Monte plant in Toppenish is still packing other vegetables, but it buys and packs its asparagus in Peru. The other factory was in Walla Walla.

Peruvian asparagus is sold without tariffs under terms of the Andean Trade Preference Act, signed in 1991 and renewed in 2002. The United States also spends about \$60 million a year in Peru to help farmers grow and develop their industry for asparagus and other crops seen as alternatives to coca.

Many American farmers still compete, saying they offer a better-tasting and fresher product. But others have abandoned the crop.

When the American factories closed, Washington farmers were left without a buyer for millions of pounds of asparagus. Among them was Ed McKay, who has given up on asparagus, a crop that takes three to five years to mature, and then grows perennially. After growing it for 50 years and employing more than 100 people at the height of the season, he turned over his 225 acres in central Washington near Othello last year, and now plants some in corn and wheat, and lets other land go fallow.

"We're a victim of the drug war," said Mr. McKay, 73. "It seems like we still got plenty of cocaine coming into this country, but now we got cheap asparagus as well."

Acreage devoted to asparagus has dropped by a third in California, and the crop has nearly disappeared from the Imperial Valley, once a huge source of asparagus. Growers blame imports from Peru, but also cheaper asparagus from Mexico, which benefits from the North American Free Trade Agreement.

In Michigan, the value of the industry has fallen by 35 percent since the Andean trade agreement. Michigan and Washington have

been hit the hardest because they lead the nation in production of canned or frozen asparagus, a segment that has been in particular decline with the year-round Peruvian crop.

"The irony is that they didn't plow under the coca to plant asparagus in Peru," said John Bakker, executive director of the Michigan Asparagus Advisory Board. "If you look at that industry in Peru and where it's growing, it has nothing to do with coca leaf growers becoming normal farmers. Coca leaf is grown in the highlands. The asparagus is near sea level."

In a letter to the State Department in March, Peru's government said the asparagus industry employed 50,000 people and 40 percent came from coca-producing regions.

"It is important to understand that the war against drugs is another face of the battle against terrorism, and will be successful only if new legal jobs are created as an alternative to illegal activities," the Peruvian Asparagus and Other Vegetables Institute said in the letter.

Yet United States auditors, in a 2001 report to Congress, said the Foreign Agricultural Service "does not believe that Peruvian asparagus production provides an alternative economic opportunity for coca producers and workers—the stated purpose of the act."

Mr. Schreiber, of the Washington asparagus board, said he had made two trips to Peru and doubted many coca growers had turned to asparagus.

"I don't fault the Peruvians," Mr. Schreiber said. "We're in this situation because of what our government has done to us. They say it's a national security issue. Well, the cost of it has been borne on the back of the American asparagus grower."

The 2001 report by the General Accounting Office, the auditing arm of Congress, found that the value of the asparagus processing industry in the United States had fallen by nearly 30 percent, which it attributed to Peruvian imports. The industry was valued at \$217 million in 2000.

Asparagus is labor intensive, and some industry experts have said Washington's high minimum wage of \$7.16 an hour has contributed to the industry's decline. But Mr. McKay, the farmer, said he was able to pay high wages and even give workers housing, and still make a profit before Peruvian asparagus was given trade preference.

Mr. Bakker of the Michigan asparagus board said about 300 farmers in his state had lost a total of about \$25 million because of the cheaper Peruvian imports. The government has bought some Michigan asparagus, but farmers there and in Washington say money that is supposed to be available to industries hurt by free trade pacts is difficult to get, because of a formula that takes prices rather than job losses into account.

"Our industry will disappear before we qualify for any trade assistance money," Mr. Bakker said. "And it's not like Michigan farmers are against the war on drugs. There are certainly social benefits from trying to curb cocaine production, but why should one industry take it on the chin for it?"

Mr. LEVIN. Mr. Speaker, it is my pleasure to yield 2 minutes to a colleague on the Ways and Means Committee, a distinguished colleague, indeed, Mr. KIND from Wisconsin.

Mr. KIND. Mr. Speaker, I thank my friend from Michigan for yielding me this time.

I rise, as a member of the Ways and Means Committee, in strong support of this 8-month extension of the Andean Trade Preference Act. It is the right thing to do at the right time, Mr. Speaker.

There is no question, as my friend from New York just referenced previously, that our image has been tattered and beaten abroad. That is no less true here in the Western Hemisphere, especially with our neighbors to the south, through Central and South America. And I have always believed that our trade policies are more than just the exchange of products and goods between our Nation and others but also an important tool in our diplomatic arsenal. An arsenal that needs to be rebuilt now even in our own Western Hemisphere.

But I also want to remind my colleagues that this is not a free pass for these four Andean nations to get this trade preference. They have certain strict criteria that they have to meet first to gain eligibility for these preferences. Criteria such as respecting internationally recognized worker rights, treating the United States investors fairly, providing market access to U.S. goods, demonstrating a commitment to implement its WTO obligations, and, finally, to meet the U.S. counter-narcotics criteria.

And on that last point, it is not insignificant that there has been substantial progress, according to our own State Department and USTR office, of the drug eradication efforts and partnership that we have established with these four Andean nations. They have also met the criteria, again, through reference of our own State Department, but ATPA is perhaps the single most effective alternative development program we have going in the region. By providing these local citizens with long-term alternatives to narcotics trafficking and illegal immigration, ATPA has helped the governments, especially in Colombia and Peru, to isolate violent extremist groups; to revise their economies; and increase their investments in their education, health care, and infrastructure system.

And I submit that if we are not trying to actively engage these nations to help them build their economy and expand economic opportunities, they are going to come to the United States to realize those opportunities that they are not receiving in their own countries.

That is why I encourage my colleagues to support this extension.

Mr. HERGER. Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I now would like to yield 2 minutes to a very valued Member of this body, and we came to this institution together, Ms. KAPTUR of Ohio.

Ms. KAPTUR. Mr. Speaker, I appreciate the chairman's yielding me the time even though I rise in opposition to this bill and to any bill that will continue to outsource more U.S. jobs, increase our trade deficit, and not stop the import of illegal narcotics into this country.

This is another one of those bills cast in NAFTA model that is already yielding over \$10 billion a year in trade defi-

cits to this country by the outsourcing of our jobs. Why would we want to do more?

The American people elected us to make a difference. They are expecting us to be different than the Thomas committee. Why are we delivering the same kind of bills to this floor?

Procedurally, this bill is being brought up overnight without Members even having the opportunity to read a text. I don't know who made that decision. I doubt it was anyone on this floor. But for people who represent districts like ours, it is truly a tragedy.

One fact we are certain of is that NAFTA-type agreements have cost more jobs, more job losses, more trade deficit every time one of these bills comes to the floor. When are we going to learn?

The idea of the Andean agreement was that it would help to displace coca production with other economic enterprises, and yet we see coca production increasing and more of those illegal drugs coming over our border. When something isn't working, you ought to fix it.

We look at the provisions dealing with labor enforcement. There is no enforcement, especially in the farm-related positions, in the flour industry, in the asparagus industry, and so forth. There is no enforcement in those countries. Why would we do this?

I would love to be a Member of this Congress when a trade agreement is advanced that creates jobs in the United States of America, which is our first responsibility, rather than outsourcing; that yields trade surpluses, not growing deficits that are such a huge drag on this economy, now knocking two points off GDP every year; and that treats the Members of this institution with respect, with respect. Not excluding those who disagree, but putting us around the table, letting our voices be heard, letting us be constructive Members of this institution.

□ 1845

I would say to the leadership of this institution, treat the Members with respect. We were also elected.

I thank the gentleman for allowing me this time to speak in opposition.

Mr. HERGER. Mr. Speaker, I would just like to mention that the United States is the number one trading Nation in the world. Because of the great trade that we have, we have one of the lowest unemployment rates of any Nation in the world, 4.5 percent.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas, a member of the Ways and Means Committee, a very active member of the Trade Subcommittee (Mr. BRADY).

Mr. BRADY of Texas. Mr. Speaker, I rise in support of this bill which would provide a short-term extension of current trade preferences to our Andean neighbors.

I have always supported the Andean trade program designed to help create alternative jobs and economies to

those in the drug trade and to offer hope to these nations.

And it has worked. Millions of jobs have developed in the region in the flower industry, in agriculture, all that contribute to stabilization and economic growth, all of which are in America's interest.

But preferences which are one-way trade into America aren't permanent. They aren't designed that way because they matter. The impact on American asparagus farmers, which has shrunk by a third as a result of these preferences is a good example. And that's why it's imperative that we work with our Andean neighbors to transition to two-way free trade agreements that balance and strengthen our relationships.

Not only is two-way trade fair, but it benefits all parties by encouraging more permanent investment in nations where rule of law, property rights, democracy and higher labor environmental standards are insisted upon. This helps create even more jobs in the legitimate market, more so than the preferences do today.

As an example, Peru's legislature today voted to amend our agreement that incorporates important labor and environmental provisions negotiated by Chairman RANGEL, Ranking Member MCCREERY and others.

Approving the pending free trade agreements with partners Peru and Colombia have significant security and foreign policy implications as well by strengthening our hand against President Chavez in Venezuela and his corrosive influence in the region.

Mr. Speaker, I support the preference extension. We shouldn't disrupt current trade flows or hurt our friends in the region whose livelihoods depend upon this program, but we need to move forward in a timely manner with agreements with Peru and Colombia.

I am hopeful that Ecuador and Bolivia understand that one-way preferences are temporary and require a good faith effort on their part to address outstanding trade and expropriation issues if they wish to continue.

Mr. LEVIN. Mr. Speaker, it is my pleasure to yield 2 minutes to another distinguished member of the Ways and Means Committee, the gentleman from Oregon (Mr. BLUMENAUER).

Mr. BLUMENAUER. I appreciate the gentleman's courtesy, as I appreciate what my colleague from Ohio said a moment ago. But with all due respect, I couldn't disagree with her more.

First of all, what is brought here today is not a NAFTA-type agreement. Bear in mind, this is being urged for approval by the Council of Textile Organizations, the Bush administration and the AFL-CIO. It is an 8-month extension for us to be able to move forward in an orderly fashion.

We have, in fact, heard concerns that have been voiced by our friend from Ohio and others. That's why the committee is hard at work. And I commend the leadership of Chairman RANGEL and

Chairman LEVIN to be able to put together a framework on a bipartisan basis that speaks to those concerns. I am quite confident when we bring forward the FTAs that they are decidedly not NAFTA-type agreements.

I think the gentlelady is right, there are certain parts of this decision that were made beyond perhaps the chairman, but there are also two bodies that are at work. And our chairman has been working to be able to accommodate a complex set of issues going forward.

This 8-month extension ought to be welcomed because it will enable more concrete information to be available that I think will raise the comfort level of the gentlelady. It will certainly speak to the concerns that I have heard back home, and will underscore the hard work that this committee has been doing.

I respectfully suggest that the work that we're going to see, for example, with the environment in Peru, with illegal logging, with what's happening with the environmental sector, labor standards, these are going to provide a more complete package that is going to enable us to have trade, provide that two-way comfort level, and work for all concerns.

In the meantime, I would strongly recommend that we support this extension under an expedited process that will enable us to return to this floor with a more comprehensive approach, and that will enable us to move our entire agenda forward.

Mr. HERGER. I now yield 2 minutes to the gentleman from California, the ranking member of the Rules Committee (Mr. DREIER).

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, I rise in strong support of this extension. I want to congratulate the chairman of the Ways and Means Committee, the subcommittee chairman, and of course my very good friend and fellow Californian (Mr. HERGER) who joins with the distinguished ranking member of the Committee on Ways and Means Mr. McCrery in moving this effort forward in a bipartisan way.

As I listen to this debate, I heard my colleague from Ohio (Ms. KAPTUR) malign the issue of trade saying that she very much wants to see trade agreements that create American jobs. I could not agree with her more. I very much believe that as we look at trade agreements that we have put into place, recognizing that we have an excess of a third of a trillion dollars in cross-border trade between Mexico and the United States of America following implementation of the North American Free Trade Agreement, that has demonstrated that what we're doing here this evening is just a very small step in establishing these very important agreements with Peru and Colombia. We hope very much that we can do it with Bolivia and Ecuador, and we hope

very much that we can do it with Panama.

And frankly, as we look at those agreements, what is it that those agreements will do? They will lower the tariff barriers that exist preventing U.S. workers from having opportunities to send their goods and services into those very important countries in this hemisphere.

I join with my colleagues who have underscored the fact that the threat of Hugo Chavez and other leaders in this hemisphere is a very serious one. The anti-American sentiment is high, and it's being fueled by Hugo Chavez. He is very much opposed to these free trade agreements. He is very much opposed to any opportunity to expand commerce within this hemisphere. And that's why, for national security reasons, for job creation reasons, and to benefit consumers right here in the United States of America, it is very important, Mr. Speaker, that we have strong bipartisan support for this effort. And let it lay the groundwork for us to pass these important trade agreements for our future.

Mr. LEVIN. Mr. Speaker, I reserve the balance of my time.

Mr. HERGER. Mr. Speaker, I yield myself as much time as I may consume.

I support this short-term extension of the Andean preferences.

U.S. trade preferences for Colombia, Peru, Ecuador and Bolivia have furthered important economic development and political purposes, including creating incentives that shift from production of illegal drugs to legitimate products, increasing economic growth in these countries and strengthening democracy in the region.

The Andean trade preference expires on June 30. I believe that extending these preferences is very important, but only as a short-term bridge to implementing bilateral free trade agreements with these countries. Such FTAs are reciprocal, open up more trade opportunities, and provide permanent tariff reductions for U.S. interests as compared to the temporary tariff reductions provided to Andean interests by the preferences.

For example, the pending FTAs with Peru and Colombia will greatly enhance our economic and trade ties to the benefit of the Andean and U.S. industries and workers. According to the Office of the U.S. Trade Representative, once the Colombia and Peru FTAs are implemented, one, 80 percent of U.S. exports of consumer and industrial goods will immediately be duty free, with another 7 percent duty free within 5 years and our remaining tariffs eliminated within 10 years.

Two, a substantial amount of U.S. farm exports will receive immediate duty-free treatment.

Three, Colombia and Peru will provide substantial market access to U.S. service providers with very few exceptions.

Four, all U.S. information technology products will enter duty free.

And five, U.S. investors and intellectual property right holders will receive important protections.

From the perspective of Peru and Colombia, these FTAs will expand their trade opportunities with the United States. The FTAs, with their permanence and, in many cases, immediate tariff reductions will provide more certainty for their own industries and workers.

Moving to FTAs with our Andean trading partners also will greatly build on our growing overall trade relationship with these countries at a time when the EU and other countries are looking to strengthen their own trade ties in the region. We must act now before the EU and other countries pass us by.

At the same time we need to be wary over how Ecuador and Bolivia react over the 8 months. We have been generous with preferences, but I'm very troubled that the response in those countries has been a lack of respect for the rights of U.S. investors. Our generosity has its limits.

Mr. Speaker, I support the extension of the Andean preferences being considered today which will allow these important benefits to continue. At the same time it is important for us to remember that we have the unique opportunity now to go beyond the Andean preferences and expand our economic and trade ties to Peru and Colombia through the pending FTAs. Therefore, I look forward to House consideration of the Peru FTA in July, and then moving through the other pending FTAs.

The time is now to solidify our relationship. I urge my colleagues to support this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. LEVIN. I want to be clear; we're voting on the Andean Trade Preference Act, we are not voting on FTAs. We are not voting for a bridge to other agreements, we're voting on the merits of the extension of this Trade Preference Act.

It has basically worked. On this side, we're opposed to one-way trade agreements. This has been a two-way passage for those countries and for this country.

Our trade, if you include oil not covered by the Trade Preference Act, has essentially been in balance. We should extend this on its own merits.

In terms of asparagus, if you look at the facts, it shows that these agreements are basically complementary and not competitive.

I urge support of this extension, as I said, on its own merits, not because anyone is trying to use this as a path to anything else.

Vote "yes" on this. Be clear. This has been a two-way street, which this side of the aisle has insisted on as a basic part of American trade policy, and we will continue to do that, building upon it with a new model of trade.

I urge a strong vote for this extension.

Ms. SUTTON. Mr. Speaker, trade is a complex issue. But some things are very clear—We need a fair playing field for our workers and businesses and we need a new trade model, with enforceable standards and rules to eliminate unfair trade practices.

So why are we continuing to seek to expand a trade policy that has proven time and time again to be harmful for American workers, businesses, farmers and communities? And why are we seeking to expand the Andean Trade Preference Act or ATPA when there appears no substantive reason to extend the preferences.

According to the Congressional Research Service (CRS), we have a \$10 billion and growing trade deficit with the four ATPA nations, Colombia, Peru, Bolivia and Ecuador. American farmers and workers have been directly harmed by the ATPA as can be seen with our asparagus and fresh-cut flower industries. According to the U.S. International Trade Commission, these domestic producers have been affected by lower prices and many growers have gone out of business as a result.

Under the ATPA, flower imports from Colombia and Ecuador receive duty-free treatment, seven though the workers who grow, harvest, and package these flowers routinely experience a number of labor rights and human rights violations. By law, the ATPA is supposed to condition these trade benefits on improvements in worker rights in these countries. However, labor rights violations in the flower industry and other sectors, including violations of the right to freedom of association, continue unchecked.

Where is the enforcement from the Bush Administration? Where is the outrage from this Congress.

Also promised to us when the ATPA was enacted in 1991 was a reduction in coca production in the four ATPA countries. However, in Colombia, according to the CRS, coca crop size estimates remain mostly unchanged since the enactment of the ATPA and in Peru coca crop cultivation has actually grown. Colombia remains the source of roughly 90 percent of the cocaine entering the U.S. In a 2001 report to Congress, the U.S. Foreign Agricultural Service said that they “do not believe that Peruvian asparagus production provides an alternative economic opportunity for coca producers and workers—the stated purpose of the Act.” And all this is on top of the fact that Colombia has an appalling horrific record on labor and human rights—Leading the world in the number of unionists murdered year after year.

So why are we seeking to give Colombia further trade preferences?

Mr. LEVIN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. RANGEL) that the House suspend the rules and pass the bill, H.R. 1830, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Ms. KAPTUR. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the

Chair's prior announcement, further proceedings on this question will be postponed.

□ 1900

PROVIDING FOR CONSIDERATION OF H.R. 2829, FINANCIAL SERVICES AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2008

Ms. MATSUI. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 517 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 517

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2829) making appropriations for financial services and general government for the fiscal year ending September 30, 2008, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived except those arising under clause 9 or 10 of rule XXI. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. Points of order against provisions in the bill for failure to comply with clause 2 of rule XXI are waived. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII. Amendments so printed shall be considered as read. When the committee rises and reports the bill back to the House with a recommendation that the bill do pass, the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. During consideration in the House of H.R. 2829 pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to such time as may be designated by the Speaker.

The SPEAKER pro tempore. The gentlewoman from California (Ms. MATSUI) is recognized for 1 hour.

Ms. MATSUI. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from California (Mr. DREIER). All time yielded during consideration of the rule is for debate only.

Mr. Speaker, I yield myself such time as I may consume.

GENERAL LEAVE

Ms. MATSUI. I also ask unanimous consent that all Members be given 5 legislative days in which to revise and extend their remarks on the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

Ms. MATSUI. Mr. Speaker, House Resolution 517 provides for consideration of H.R. 2829, the Financial Services and General Government Appropriations Act for 2008 under an open rule.

Under this rule, all Members of the House are afforded the opportunity to offer any amendment that is germane and otherwise complies with House rules. In fact, I want to point out to Members that this is the sixth appropriations bill this year to be considered under an open rule.

In November, the American people demanded a change in direction in Washington and a change in priorities. The past 6 months have been an important down payment on our commitment to change. This new Congress must continue to restore our focus on a domestic agenda that helps all Americans.

To that end, today the House takes up the seventh of its annual Appropriation bills where we will continue this progress in taking America in a new direction.

I applaud Chairman SERRANO, Ranking Member REGULA, and the committee for developing a bill that reflects this needed change in priorities and for doing so through a strong, bipartisan process.

This bill aims to spur job creation and make the economy work for everyone by restoring cuts to small business loans, strengthening consumer protections and rejecting a proposal to reduce capital and financial services to underserved communities through CDFI.

In addition, the funding in the underlying bill will help our citizens to vote through upgrades to voting machines and voter registration databases. It ensures a fair tax system by enforcing the Tax Code for everyone, not just those who play by the rules. By focusing on basic priorities like these, we can help restore the American people's faith in our government again.

The programs funded by this bill demonstrate our commitment to serving all Americans, regardless of economic or social background. The \$21.4 billion bill includes: \$66.8 million for the Consumer Product Safety Commission to protect the public from injury or death from more than 15,000 types of consumer products;

\$247.7 million for the Federal Trade Commission to investigate sub-prime lending, ID theft, and other deceptive practices;

\$908 million for the Securities and Exchange Commission to enhance securities law enforcement;

\$313 million for the Federal Communications Commissions to oversee the changing telecom environment, ensure the continued livelihood of Universal Service Fund and prepare for the transition to digital television;

\$139.8 million to combat terrorist financing;

\$5.9 billion for the Federal Courts, including \$830.5 million for defender services, because every American should