

PROMOTING A TRADE PARTNER-
SHIP WITH THE CARIBBEAN
BASIN REGION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 13, 1997

Mr. CRANE. Mr. Speaker, I want to draw my colleagues' attention to two articles on United States/Caribbean relations that have appeared in the New York Times over the past few months.

The articles document a gradual erosion of the United States/Caribbean economic and trade partnership. Over the past few years, in focusing our attention on domestic issues and on other foreign policy matters, we have inadvertently neglected an area of the world that remains critically important to our own strategic and commercial interests.

The Caribbean Basin is our 10th largest export market and one of the few regions in the world where our firms consistently post a trade surplus. As home to the Panama Canal and to the major access routes for ships entering the Gulf of Mexico, the Caribbean is a vital gateway for many agricultural and manufactured goods. Finally, sitting astride the major transit routes of illicit narcotics from South America to our shores, the Caribbean serves as the front line in our defense against drug traffickers. As we have seen too many times—even in the last decade—destabilization and economic loss in the Caribbean often echoes loudly in the United States.

In recognition of the strategic importance of this region, I expect to reintroduce legislation that will aim to restore the vital United States/Caribbean economic partnership that was fostered through the Caribbean Basin initiative. That legislation will ensure that the United States/Caribbean economic relationship is not inadvertently diminished by the relationship we are now fostering with Mexico under the NAFTA. Moreover, the legislation will provide a roadmap to help prepare our Caribbean partners for the challenges in the next century, including membership in the planned Free Trade Agreement of the Americas (FTAA).

In the meantime, I would ask my colleagues to take a few moments to read these articles to gain a better appreciation of the current state of United States/Caribbean relations and a more thorough understanding of a substantial problem that the United States must address.

[From the New York Times, Jan. 30, 1997]

BACKLASH FROM NAFTA BATTERS ECONOMIES
OF THE CARRIBBEAN
(By Larry Rohter)

KINGSTON, JAMAICA.—Three years after the United States, Canada and Mexico agreed to become a single market as part of the North American Free Trade Agreement, their exports to each other are booming. But here in the Caribbean, the economies of America's much smaller neighbors are reeling from the impact of that success and finding it nearly impossible to compete.

From the apparel plants of Jamaica to the sugar-cane fields of Trinidad, Nafta has already resulted in the loss of jobs, markets and income for the vulnerable island nations of the region. The capital and investment projects that are vitally needed for future growth, officials say, are increasingly flowing out of the Caribbean Basin and into Mexico.

"The stark reality is that Mexico can now export its products to the United States free of duty, which makes it more profitable for producers to operate from there," Seymour Mullings, Jamaica's Minister of Foreign Affairs and Foreign Trade, said in an interview here. "Putting it very simply, if that is not stemmed, it could do untold damage to our manufacturing sector and economy as a whole."

Nafta's devastating effect on the Caribbean was widely forecast before the treaty's passage in 1993 and Washington suggested it would cushion the blow by extending similar trade preferences to the island nations.

However, the Clinton Administration's proposals to give the Caribbean "Nafta parity" have twice foundered in Congress in election years and now face an uncertain future in a new Congress that has decidedly mixed feelings about the benefits of free-trade agreements.

The Caribbean now exports more than \$12.5 billion worth of goods to the United States annually, and a recent study by the World Bank estimates that more than one-third of that total could be shifted to Mexico if the existing trade rules remain in effect.

The region's once-flourishing apparel sector has been hard hit, officials say. In the last two years, more than 150 apparel plants closed in the Caribbean and 123,000 jobs have been lost "as a direct result of trade and investment diversion to Mexico," according to the Caribbean Textile and Apparel Institute, which is located here.

Textile manufacturing had been one of the Caribbean's few economic bright spots. Between 1980 and 1995, Jamaica's garment exports, primarily underwear and hosiery, rose from less than \$10 million a year to nearly \$600 million annually, an average annual growth rate of 28 percent.

Since Nafta took effect in 1994, Mexican textile exports have grown at a rate three times those of the Caribbean as a whole. In 1996, the Caribbean Textile and Apparel Institute estimates, Jamaica's garment exports fell by 7 percent, with 7,000 jobs eliminated.

Similar or even larger decreases were recorded in Guyana, Belize and tiny St. Lucia.

More than 600 people, about 95 percent of them women, felt the effects of Nafta when the Youngone Garment factory on Marcus Garvey Drive here closed just before Christmas. The plant had been making T-shirts for export to the United States. But a Mexican factory took the business away with a lower bid, prompting the Korean company to shut down operations in Jamaica and send its employees home. The company then shipped its equipment off to Bangladesh.

"I lost my job back in '95 and haven't been able to find another one since," said Beryl Davidson, 26, a former textile worker and single mother of three small children. "I couldn't pay my rent, and I couldn't feed my kids, so I've had to move back in with my parents to survive."

"But my cousin in Brooklyn tells me there's plenty of work there, so maybe I will join her," she said.

Since Nafta went in effect, the creation of new jobs in this nation of 2.3 million people has stopped altogether and overall unemployment has risen to 16 percent from 9.5 percent, according to the Statistical Institute of Jamaica. Among women working in the apparel sector, the unemployment rate is now more than 33 percent.

Worse yet, the loss of jobs and American support occurs as the pro-American Government here, with an election due sometime in the next year, is completing an economic retrenchment that had been strongly urged by Washington. Over the past decade, Jamaica has sold off state companies, reduced the

budget deficit and increased foreign reserves, but at a high social cost.

"We have no safety net here, no welfare, no Medicare," said Anthony Gomes, director of a large trading company. "So when people go to the street, it has a serious ripple effect. The way things are going, jobs are very difficult to get, and that is not helping our crime rate."

American officials, however, argue that Jamaica and other Caribbean nations are blaming Nafta for deeper-rooted economic difficulties that will remain even if trade rules are eventually eased. In the case of Jamaica, they maintain, those include a revaluation of the currency that increased its value by 12.5 percent last year, making the country's products more expensive, and a host of regulatory obstacles.

"The main problem here is government bureaucracy," one official said. "It is darn near impossible to collect the licenses and approvals you need to get a business off the ground."

Ironically, Jamaica's initial export surge was the result of another American program, the Caribbean Basin Initiative, which the Reagan Administration put in place 15 years ago. A package of aid, trade and investment incentives aimed at the private sector, the program was intended to introduce the Caribbean to what Mr. Reagan called "the magic of the marketplace," and had Jamaica as its centerpiece.

But that arrangement has also benefited the United States. American exports to the region rose 160 percent in the decade ending in 1995, to more than \$15 billion a year. The Caribbean is the only part of the world where Washington recorded a favorable balance of trade every year during that time.

The Caribbean Basin Initiative still exists, but places either duties or quotas on those products in which Caribbean nations enjoy a competitive advantage, such as sugar, textiles and footwear.

"All we are asking is to be put on a level playing field with Mexico," said Paul Robertson, this country's Minister of Industry, Investment and Commerce. "We are not seeking a handout, but only the opportunity not to be prevented from taking full advantage of the North American market."

[From the New York Times, Oct. 24, 1996]

CARIBBEAN NATIONS FIND LITTLE PROFIT IN
AIDING U.S. DRUG WAR

(By Larry Rohter)

BRIDGETOWN, BARBADOS.— Hoping for American gratitude and assistance, the English-speaking countries of the eastern Caribbean have in recent years devoted larger portions of their meager budgets to fighting drug trafficking. But now, to the dismay of many in the region, the United States is responding with a policy of economic retrenchment.

Legislation to give Caribbean countries the same free-trade benefits as Mexico and Canada has been shelved in Congress, and a little-noticed provision of the minimum-wage bill that President Clinton signed in August eliminates Federal tax incentives to encourage low-interest loans to the region. Also, the two sides are in a bitter dispute over export quotas for bananas, the back-bone of most economies in the area.

"What is the message being sent?" Keith Mitchell, the Prime Minister of Grenada, asked. "It is that our friends are abandoning us, that the rug is being pulled from under us, that we are being told we must sink or float on our own."

The scaling back of Washington's economic commitment comes with the region's re-emergence as a favorite transit zone for cocaine and heroin traffickers. Caribbean countries are largely cooperating with anti-drug efforts, United States officials say, and

their leaders are clearly rankled by what they see as a lack of American economic support.

"We've surrendered our sovereignty," James Mitchell, Prime Minister of St. Vincent and the Grenadines, said at a recent meeting of the Caribbean Americas Business Network in Miami. "We've given the U.S. all the cooperation in the world. What else do they want?"

American officials acknowledge some of the complaints, but they also say that eastern Caribbean nations have passed up opportunities through membership in regional lending institutions to ease their economic dependence on Washington.

For their part, leaders of the 14 nations making up the Caribbean Community, a regional economic association known as Caricom, have been urging the Clinton Administration to grant them trade parity with Mexico and Canada, the United States' partners in the North American Free Trade Agreement.

But Congress adjourned this month without taking action on the measure, which was intended to supplement the largely moribund Caribbean Basin Initiative created by the Reagan Administration.

In a report last month, the Council on Hemispheric Affairs, a Washington-based research group, attributed the delay in action to "partisan and special interest opposition" in Congress. The council said American legislators were wary of offending fruit lobbyists.

Caricom leaders say they need access to free trade to help compensate for a drop of nearly 90 percent in American economic assistance to the region over the last decade, from \$225 million to \$26 million. In August, a provision in the new minimum-wage law ended tax breaks for American corporations doing business in Puerto Rico.

At the same time, Washington is challenging the traditional system of trade preferences that allows many Caricom nations to export their products to European nations either duty free or at vastly reduced tariff rates. One such proposal, which Caribbean leaders say could cripple the region's banana industry, is now before the World Trade Organization.

"It seems shortsighted and baffling," said Frank Alleyne of the Institute for Social and Economic Research at the University of the West Indies. "What about the cost in social unrest? If they succeed, drug cultivation will increase, mark my word. Farmers must find another crop, and that crop is marijuana."

RECOGNIZING JUNETEENTH INDEPENDENCE DAY

HON. J.C. WATTS, JR.

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 13, 1997

Mr. WATTS of Oklahoma. Mr. Speaker, today, I am introducing legislation recognizing the Juneteenth holiday as the day of celebrating the end of slavery in the United States. Although slavery was officially abolished by the Emancipation Proclamation in 1863, it took over 2 years for news of freedom to reach all the slaves. On June 19, 1865, Gen. Gordon Granger rode into Galveston, TX, and announced that the State's 200,000 slaves were free. Vowing never to forget the date, the former slaves coined a nickname for their celebration—a blend of the words "June" and "Nineteenth." Though Juneteenth celebrations originated in the Southwest, they soon spread

throughout the South and are now celebrated throughout the Nation.

As we celebrate Black History Month, it is appropriate to recognize this significant moment in American history. Juneteenth Independence Day is an important and enriching part of our Nation's history and heritage and provides an opportunity for all Americans to learn more about our common past.

TRIBUTE TO GEN. BILLY J. BOLES

HON. RICHARD BURR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, February 13, 1997

Mr. BURR of North Carolina. Mr. Speaker, I rise today to honor Gen. Billy J. Boles for his long and distinguished service to his country in the U.S. Air Force. I always consider it a great privilege to have the opportunity to recognize the achievements of a member of the U.S. armed services. These Americans dedicate their lives to the protection and preservation of our freedom, and all too often, we neglect to adequately express our gratitude to them for the sacrifices they and their families gladly make for the sake of our Nation. I take particular joy in this occasion because General Boles is a native son of King, NC in my district.

On April 1 of this year, General Boles ends a 35-year career replete with honors and distinctions that took him through posts in Mississippi, Texas, Washington, DC, and Vietnam. During the majority of his tenure, the Air Force assigned to him one of the most challenging and important duties in the armed services—recruiting and accessing Air Force personnel and training them to become the best pilots in the world. In a very real sense, the Air Force entrusted General Boles with its future.

After receiving his Bachelor of Science degree at N.C. State University in 1961, General Boles completed his military training at the Squadron Officer School at Maxwell AFB in Alabama, the Armed Forces Staff College in Norfolk, VA, and the National War College at Fort Lesley J. McNair here in Washington DC. He then went to his first post at Keesler AFB in Mississippi. In September 1962, he began his career as a military educator when he became an instructor and assistant course supervisor in the Personnel Officer Course at Greenville AFB in Mississippi. General Boles' service also includes two assignments in Vietnam. First, from July 1965 through October 1965 he served with the 6250th Combat Support Group and from October 1966 through June 1967 he served at the 7th Air Force Headquarters both at Tan Son Nhut Air Base in South Vietnam. General Boles' career then took him through several important positions including Director of Personnel Programs at the U.S. Air Force Headquarters here in Washington, DC from June 1987 through June 1988 and Vice Commander of the Air Education and Training Command Headquarters at Randolph AFB in Texas from April 1995 through June 1995.

On July 1, 1995, the Air Force promoted Billy Boles to general and made him Commander of the Air Education and Training Command Headquarters where he has served ever since. His command consists of 13

bases, 43,000 active duty members, and 14,000 civilians and includes two numbered Air Forces, Air University, Air Force Recruiting Service, and Wilford Hall Medical Center. In addition to the tremendous responsibilities General Boles fulfilled over his career, he also found time for his family which includes his wife, Kay, and their son, David, who also serves in the Air Force as a lieutenant.

Over his 35 years in the Air Force, General Boles earned many major awards and decorations including the Distinguished Service Medal, the Legion of Merit with oak leaf cluster, the Bronze Star Medal, the Meritorious Service Medal with two oak leaf clusters, the Air Force Commendation Medal, the Air Force Outstanding Unit Award, the Air Force Organizational Excellence Award with four oak leaf clusters, the National Defense Service Medal with service star, and the Vietnam Service Medal with four service stars.

All of his life, General Boles dedicated himself to excellence in every task he undertook. Born to a tobacco farming family in the Mount Olive Church community of King, NC in Stokes County on July 27, 1938, young Billy Boles grew up in an environment that stressed hard work and dedication. By age 14, he grew his first tobacco crop on his own. While working hard on the farm, he also found time to participate in scouting through his membership in Boy Scout Troop 102. Religion also played an important role in his career, and he became a member of Mount Olive Baptist Church by baptism on October 10, 1948.

During his school years, Billy Boles never rejected an opportunity to work or to learn. He attended North Carolina Boys State at UNC Chapel Hill in 1955, and in addition to going to school and farming, he worked for the U.S. Department of Agriculture as a tobacco acreage measurer. At King High School, Bill Boles' activities included Glee Club, Junior Marshall, Vice President junior and senior year, and salutatorian. Originally planning to work for R. J. Reynolds Tobacco Co. after graduation, encouragement from teachers and friends prompted him to apply to and attend N.C. State University where he enrolled in the ROTC program that launched him on his distinguished military career.

While I feel a small amount of sorrow that the young men and women in our Armed Forces will lose a great leader like General Boles, I also feel confident that his great accomplishments as an educator and trainer have helped ensure the future of the Air Force for years to come. Mr. Speaker, I would like to express my personal gratitude to Gen. Billy Boles for the great sacrifices and service he gave to his country over his long and distinguished career. Finally, on behalf of my colleagues here in the U.S. House of Representatives as well as a grateful nation, General Boles, we say thank you.

CONGRESSIONAL TERM LIMITS AMENDMENT

SPEECH OF

HON. SHEILA JACKSON-LEE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 12, 1997

The House in Committee of the Whole House on the State of the Union had under