

If we can overcome these barriers, we will bring jobs back into America. That is the plan the Republicans have in the House.

Mr. Speaker, I want to thank the gentleman from Minnesota (Mr. KENNEDY) for joining me this evening. I think we have covered some good territory. We have covered the topic, I think, very well, and next week we will move on to bureaucratic red tape.

#### PETROLEUM PRICES AND THE TRADE DEFICIT

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

Ms. KAPTUR. Mr. Speaker, today the United States Department of Commerce announced a record U.S. trade deficit of over \$46 billion for just the month of March as imports coming into our country swamped our exports going out. That means more good U.S. jobs are being off-shored to China, to India, to Latin America, jobs everywhere but here in the United States.

Since this President took office, 2,740,000 more people in this country have lost their jobs; and we have record trade deficits, as these numbers indicate today, record budget deficits, unemployment, people who cannot get unemployment benefits, and soaring gas prices at the pump. It sounds to me like we are trading away America's economic independence.

This chart describes the trade deficits keep growing year after year after year as we keep losing our good jobs. This year it is projected over one-half trillion dollars in trade deficit. The numbers today confirm this.

One of the interesting aspects of the numbers today is the trade deficit related to petroleum, imported petroleum, which has grown by \$1.3 billion more imports into our country since February, with rising prices. In fact, the new record trade deficit increased by one-third due to our trade deficit related to petroleum. Every time an American goes to the gas pump and spends one dollar, 54.5 cents goes out of this country. Saudi Arabia gets 7.5 cents, Mexico gets about 6.5 cents, Canada gets 6.5 cents, Venezuela 6.25 cents, Iraq gets nearly 5 cents, and a penny goes to Kuwait.

Over years and months, this totals billions of dollars of wealth draining out of this economy. Today, our trade deficit for petroleum is over \$12.5 billion a month. Imagine if we were investing those dollars in ourselves here at home in new energy industries, which we are not.

Becoming energy independent at home could yield the strongest impetus to job creation that this Nation has seen since we began to move to launch a Moon shot nearly 40 years ago.

This evening, I would like to insert into the RECORD an excellent editorial done by Paul Craig Roberts entitled

"Disaster Lurks in April Jobs Numbers." He says there is no good news in the April payroll data because disaster lurks in the job numbers. The U.S. Labor Department is becoming Third World in character. He says the troubling pattern is that despite a massive trade deficit that pours \$500 billion of our money into foreign pockets, the U.S. economy cannot create jobs in the export or import competitive sectors. The U.S. economy is creating domestic service jobs only, and that cannot create real wealth.

The 280,000 private sector jobs created in April break out as follows: over half were in temporary work. As the prior Special Order had to do with health insurance, believe me, there are no health benefits associated with temporary work. There were 34,000 American hired, but as waitresses and bartenders, lucky to make the minimum wage and lucky if they have any health insurance at all.

Since January 2001, the United States has lost nearly 3 million jobs. We can tick them off, and we will submit them for the record: in wood products, 50,000 lost jobs; in computer and electronic products, which was supposed to save us, over 536,000 jobs; in transportation equipment, similar losses; in petroleum and coal products, another 10,000 more lost jobs. And the service jobs that are partly trying to replace them simply cannot replace the hundreds and hundreds of thousands of jobs lost in tradeable services, including telecommunications, computer services, bookkeeping, architecture, and engineering. This leaves the U.S. economy with 2.2 million fewer private sector jobs at the end of April, this year than existed 3 years ago.

Once free trade was a reasoned policy, hopefully based on sound analysis. But today it is an ideology that hides labor arbitrage. Because of the low cost of foreign labor, U.S. firms produce off-shore for U.S. customers, bring their products in here, and then wipe out U.S. jobs. Where does this leave Americans? It leaves them in the lowest paid domestic service jobs.

Mr. Speaker, these types of trade deficits are sapping America's wealth and our strength. It is time to change the policies, starting here in Washington, D.C., and begin to move free trade into fair trade, or the American people are going to continue to suffer the hemorrhage of wealth and jobs out of this society.

So, here we go again. Sometimes it feels like a broken record. The administration touts trade deals. The president negotiates more deals in secret. The Congress gets an up or down vote. The agreement goes into effect. Trade surpluses turn to deficits. More good jobs are lost. Small deficits reach record deficits. When are we going to learn?

The American people have learned and, unfortunately, they are paying the price. Since this President took office, 2.74 million people have lost their jobs. Not many of those are corporate executives. When THEY go, they go with massive severance packages. What are

we giving to America's working families? Record trade deficits, budget deficits, unemployment and soaring prices at the gas pumps. That does not sound like a fair trade. Sounds like we are trading away our economic independence.

Let's just take a look at three of our trading partners. Before NAFTA we had a trade surplus with Mexico and a small deficit with Canada. After the signing of NAFTA, companies skipped town from U.S. cities to exploit the workers across the border. Who wins? Not the working families of the U.S. with little hope for the future. Not the families forced off their land in Mexico only to crowd into the cities and maquiladora zone. In fact, companies are skipping right over the Mexican workshops for the next lowest common denominator—China.

Boy did we hear great promises about the Chinese marketplace and its one billion consumers. Strangely enough, the most recent trade statistics put China's trade deficit for one month at over \$10 billion. That is just for one month. What is the administration doing to shore up our economic security? Are they pursuing limits on China's manipulation of currency? No. Are they willing to stand up for workers in the U.S. and China by officially pressing the government of China to address atrocious workplace conditions? No. They have grand plans of talking to the Chinese. All of that talking has taken us to record setting deficits. That is not what most Americans would call a plan for economic independence.

When it comes to oil, there is not much of a difference—unless you count the media reports that the Saudis have promised to lower the price of oil in time for the elections. Are we going to stake our energy independence on the whims of the Saudis? Does not sound like a good idea to me.

The Department of Commerce today issued a release that announced "The deficit increased \$3.8 billion from February to \$46 billion in March as imports increased more than exports." Fairly typical jargon from this Administration. What they fail, and I repeat fail to mention is that the trade deficit related to petroleum has grown by \$1.3 billion since February. The new record trade deficit increased by one third due to our trade deficit related to petroleum. Let me repeat myself because this is the key, the new record trade deficit increased by one third due to our trade deficit related to petroleum. That is \$1.3 billion more that was drained out of our nation and sent to the nations of OPEC.

The \$5.6 billion trade deficit with oil-producing countries, including Saudi Arabia and Venezuela, is the highest on record. For every dollar that an American spends at the gas pump 54.49 cents goes out of the country, Saudi Arabia gets 7.35 cents of that dollar, Mexico 6.57 cents, Canada 6.52 cents, Venezuela 6.26 cents, Iraq 4.96 cents, and 1.03 cents go to Kuwait.

Today our trade deficit for petroleum is over \$12.5 billion a month. That is an increase of over \$1.3 billion from the previous month. The average price of imported crude oil rose to \$30.64 a barrel in March, the highest since February 1983, today the price of crude peaked at \$40.92, this is only 23 cents less than the all time record.

The United States annually consumes roughly 7,171,885,000 barrels of petroleum. (164 billion gallons of vehicle fuels and 5.6 billion gallons of heating oil) In 2001, 55.4 percent of these fuels were imported, part of a

total \$358.2 billion trade deficit with the rest of the world. Since 1983, the United States importation of petroleum and its derivatives has nearly quadrupled, rising from 1.21 billion barrels in 1983 to 4.65 billion barrels in 2003.

In 2003 the total deficit for trade of petroleum between the United States and the rest of the world totaled \$120.5 billion. Our total trade deficit for 2003 was only \$489.9 billion. That means if we as a nation were energy independent we would cut our trade deficit by one quarter annually. If we were truly energy independent it would mean we would have the creation of jobs, be a step closer to a trade surplus, real urban revitalization and rural development, and wealth being generated right here at home as opposed to increasingly exporting our jobs, capital and wealth.

Becoming energy independent here at home would yield the strongest job creation this Nation has experienced since we landed a man on the moon. Just focusing more effort in agricultural fuels production would produce growing economic security here at home.

Continued dependence upon imported sources of oil means our Nation is strategically vulnerable to disruptions in our oil supply. Renewable biofuels domestically produced directly replace imported oil.

Increased use of renewable biofuels would result in significant economic benefits to rural and urban areas and also reduce the trade deficit.

According to the Department of Agriculture, a sustained annual market of 100 million gallons of biodiesel alone would result in \$170 million in increased income to farmers.

Farmer-owned biofuels production has already resulted in improved income for farmers, as evidenced by the experience with State-supported rural development efforts in Minnesota where prices to corn producers have been increased by \$1.00 per bushel.

Biofuels hold the potential to address our dependence on foreign energy sources immediately. With agricultural surpluses, commodity prices have reached record lows; concurrently world petroleum prices have reached record highs and are expected to continue rising as global petroleum reserves are drawn down over the next 25 years. It also is clear that economic conditions are favorable to utilize domestic surpluses of biobased oils to enhance the Nation's energy security.

In the short term, biofuels can supply at least one-fifth of current United States fuel demand using existing technologies and capabilities. Additional plant research, newer processing and distribution technologies, and placing additional acres under cultivation can yield even greater results.

Biofuels can be used with existing petroleum infrastructure and conventional equipment.

The use of grain-based ethanol reduces greenhouse gas emissions from 35 to 46 percent compared with conventional gasoline. Biomass ethanol provides an even greater reduction.

The American Lung Association of Metropolitan Chicago credits ethanol-blended reformulated gasoline with reducing smog-forming emissions by 25 percent since 1990.

Ethanol reduces tailpipe carbon monoxide emissions by as much as 30 percent. Ethanol reduces exhaust volatile organic compounds emissions by 12 percent. Ethanol reduces toxic emissions by 30 percent. Ethanol re-

duces particulate emissions, especially fine-particulates that pose a health threat to children, senior citizens, and those with respiratory ailments.

Biodiesel contains no sulfur or aromatics associated with air pollution.

The use of biodiesel provides a 78.5 percent reduction in CO<sub>2</sub> emissions compared to petroleum diesel and when burned in a conventional engine provides a substantial reduction of unburned hydrocarbons, carbon monoxide, and particulate matter.

Mr. Speaker, I submit herewith for the RECORD the article I referred to earlier:

DISASTER LURKS IN APRIL JOBS NUMBERS  
(By Paul Craig Roberts)

There is no good news in the April payroll data released last Friday by the Bureau of Labor Statistics. Disaster lurks in the jobs numbers: the U.S. labor market is becoming Third World in character.

The April jobs data show a continuation of the troubling pattern established in recent years. Despite a massive trade deficit that pours \$500 billion annually into foreign hands, the U.S. economy cannot create jobs in the export or import-competitive sectors of the economy. The U.S. economy can only create jobs in non-tradable domestic services-jobs that cannot be located offshore or performed by foreigners via the Internet.

The 280,000 private sector jobs created in April break out as follows: 104,000 were hired as temps and in administrative and waste services, 34,000 were hired as waitresses and bartenders, 30,000 were hired in health care and social assistance, 29,000 in wholesale and retail trade, 21,000 in manufacturing (half of which are in fabricated metal products), 20,000 plumbers, electricians and specialty contractors, 10,000 hired by membership associations, 10,000 in legal, architectural and engineering services, 8,000 in management and technical consulting, and 4,000 in real estate.

The vast majority of these jobs do not require a college degree. One can only wonder what will become of the June graduating class.

Since January 2001, the U.S. has lost 2.7 million manufacturing jobs. Job loss by sector: wood products 50,000, nonmetallic mineral products, 61,000, primary metals, 145,000, fabricated metal products, 272,000, machinery 300,000, computer and electronic products, 536,000, electrical equipment and appliances 136,000, transportation equipment 209,000, furniture and related products 97,000, misc. manufacturing 79,000, food manufacturing 53,000, beverages and tobacco products 13,000, textile mills 128,000, textile product mills 33,000, apparel 172,000, leather and allied products 18,000, paper and paper products 90,000, printing and related support activities 137,000, petroleum and coal products 10,000, chemicals 79,000, plastics and rubber products 125,000.

Since January 2001, financial activities created 247,000 jobs, and nontradable domestic services (education services, healthcare and social assistance, leisure and hospitality, and membership associations) created 2,026,000 jobs.

These service jobs were offset by 302,000 lost jobs in retail, 261,000 lost jobs in transport and warehousing, 124,000 lost jobs in management of enterprises, and 1,222,000 lost jobs in tradable services such as telecommunications, ISPs, search portals, and data processing, accounting and bookkeeping, architecture and engineering, computer systems design, and business support services.

That leaves a net increase of 488,000 jobs in domestic services created during the past 3

and one quarter years. Offsetting these jobs with 2.7 million lost manufacturing jobs, leaves the U.S. economy with 2.2 million fewer private sector jobs at the end of April 2004 than existed in January 2001.

Once free trade was a reasoned policy based in sound analysis. Today it is an ideology that hides labor arbitrage. Because of the low cost of foreign labor, U.S. firms produce offshore for their U.S. customers. The high speed Internet permits people from all over the world to compete against Americans for knowledge jobs in the U.S. Consequently, the "New Economy" is being outsourced even faster than the old manufacturing economy.

Where does this leave Americans? It leaves them in low-pay domestic services. As the BLS 10-year job forecast made clear, 7 of the 10 areas that are forecast to create the most jobs do not require any university education—definitely not the picture of a high-tech economy.

Why then will Americans attend universities? Will Wal-Mart require an MBA to stock its shelves? Will nursing homes want their patients bathed by engineers?

Obviously, education and retraining are not answers to job loss from US employers substituting foreign labor for American labor.

One does not have to be an economic genius to understand what is happening. Capital is most productive where labor is most abundant, and labor is most productive where capital is most abundant.

Thus, we see US capital flowing to Asia where labor is cheapest, and Asian labor flowing via the Internet to the US where capital is abundant.

US labor loses both ways. Products Americans used to make are now made offshore, and the Internet lets foreigners compete against Americans in the US labor market.

An engineer in Boston, Seattle, Atlanta, or Los Angeles cannot compete with an Internet hire in India, China, or Eastern Europe, because the cost of living in the US is much higher. The Boston engineer cannot work for the Indian salary, because his mortgage debt and grocery prices will not adjust downward with the salary.

The man in the street has no difficulty comprehending this simple fact, but for ideologues, free trade is a virtue—regardless of the harm done to American labor and the US economy.

## NATIONAL COVER THE UNINSURED WEEK

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentlewoman from Wisconsin (Ms. BALDWIN) is recognized for 60 minutes as the designee of the minority leader.

### GENERAL LEAVE

Ms. BALDWIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on the subject of this Special Order.

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

There was no objection.

Ms. BALDWIN. Mr. Speaker, I rise today in the midst of National Cover the Uninsured Week to draw attention to the 43.6 million Americans who do not have health insurance and the millions more who are underinsured.