

Trademark Office, the USPTO. Our biotechnology, electronic, pharmaceutical and nanotechnology industries rely on the United States patent system. But because of record innovation and growth beginning in the 1990s, the USPTO is overburdened to the breaking point.

The Under Secretary of Commerce For Intellectual Property, Jon Dudas, testified that the USPTO may be facing the greatest workload and operational crisis in more than 200 years; in other words, in the USPTO's history. The backlog is now 475,000 patent applications. By comparison, the backlog in 1981 was 190,000 applications. By 2008, the backlog is expected to grow to more than 1 million applications. That is 1 million ideas, 1 million innovations, 1 million potential money makers and job creators that will sit on the shelf until patent examiners clear the backlog of cases in front of it and consider that application. Once an application reaches its way to the front of the line, the time a patent application takes to be approved is also increasing dramatically, from 22 months in 1981 to more than 3 years for many of our critical technologies. By 2008, the average pendency is expected to grow to 6 to 8 years.

The House has already passed a bill that would alleviate the backlog. H.R. 1561 would raise patent fees and allow the USPTO to use the revenues to reduce the backlog and patent pendency delays.

I urge my colleagues in this House, as well as the members of the Senate and the administration, to meet the needs of an innovative economy by allowing the USPTO to collect the increased patent fees, to improve their work.

Mr. Speaker, our most innovative technologies, our research intensive technologies, the very folks who will be paying the increased fees, are desperate to pay those fees and to improve the effectiveness of the USPTO in processing patent applications. The status quo is just unacceptable. We must have an efficient, cost effective patent and trademark system to remain the leader in today's global economy.

Mr. Speaker, as to the next nanotechnology industry, the administration's preference for partisan dogma over investment guarantees that most of the nanotechnology industry will develop in other countries, regardless of how much we spend here in the United States on research. The administration did support H.R. 766 which authorized funding for more nanotechnology research and development, but every amendment to that bill that would have increased the competence by our industry in nanotechnology-related manufacturing jobs was defeated in the Committee on Science along party lines. My colleague, the gentleman from California (Mr. HONDA), offered an amendment that would have authorized money specifically to enhance the advanced technology program efforts

in nanotechnology. Again, that amendment was defeated on a party line vote.

The ATP, the Advanced Technology Program, is the only source of patient capital for many high-tech, small companies in areas like nanotechnology, and there is usually nowhere else to turn in the United States for a company that is 3 to 5 years from the market and 2 to 4 years from interesting venture capitalists in their ideas. To the administration, though, the ATP is just a corporate welfare program that should be abolished.

Mr. Speaker, highly-skilled, well-paid jobs are going to exist in the nanotechnology industry whether or not we support those companies, that is true, but they are not going to exist here.

Mr. Speaker, the triumph of dogma over practicality and over our economic future is unacceptable.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BURTON) is recognized for 5 minutes.

(Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### EXCHANGE OF SPECIAL ORDER TIME

Mr. MCCOTTER. Mr. Speaker, I rise to claim the time of the gentleman from Indiana (Mr. BURTON).

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

There was no objection.

#### ACCEPTING THE TRUTH OF INTERNATIONAL ALLIANCES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. MCCOTTER) is recognized for 5 minutes.

Mr. MCCOTTER. Mr. Speaker, the basis of international alliances rests not upon ephemeral, nebulous sentimentality, but upon concrete national interests. To willfully ignore this truth and instead wallow in the wistful mists of melancholy and nostalgia is injurious for a nation at peace and lethal to a nation at war. To prove the point, I cite the Democratic presidential nominee's recent New York speech in which he said, "In the dark days of the Cuban Missile Crisis, President Kennedy sent former Secretary of State Dean Acheson to Europe to build support. Acheson explained the situation to the French President de Gaulle, and then he offered to show him highly classified satellite photos as proof. De Gaulle waved the photos away saying, the word of the President of the United States is good enough for me.

It is a fine story, but what proves the point about changes in world circumstance I think is a story from 1966 about the Johnson administration's experience.

In 1966, upon being told that President Charles de Gaulle had taken France out of NATO and that all U.S. troops must be evacuated off of French soil, President Johnson mentioned to Secretary of State Dean Rusk that he should ask de Gaulle a rather pointed question. Dean implied in his answer that de Gaulle really should not be asked that in a meeting, but LBJ, a Texan, insisted.

During his meeting with de Gaulle, the Secretary of State did ask if his order to remove all U.S. troops from French soil also included the 60,000-plus soldiers buried in France from World War I to World War II. President de Gaulle did not respond.

Mr. Speaker, September 11 was a defining moment in the life of our country and, indeed, all the world. In such perilous times we must accept the hard truth of international alliances. While we regret the state of our erstwhile alliances, we must always strive to honor and expand the valorous new alliances that we have forged that are fighting for freedom throughout the world.

#### NATION HEADED IN WRONG DIRECTION FOR JOBS AND ECONOMY

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

Ms. KAPTUR. Mr. Speaker, our Nation is headed in the wrong direction on jobs and our economy. And one-party control in the White House, in the Congress, in the House and in the other body, the Senate, has made for a plundering of our national wealth. We have not seen the type of actions that have been going on in this Capital since the time of the 1920s in the last century: extravagant borrowing, historic debt levels, a rising gap between the rich and the poor and a sluggish job market, real softness, even with the new term being invented, "jobless recovery."

Now, the President says that the reason this is happening is because we are at war. Well, Mr. Speaker, this is the first administration since the time of Roosevelt that has not been able to create jobs during war. In fact, if you look, after World War II, we have had job creation by every U.S. President, Democrat or Republican, until now. War always leads to job creation, but not under this President, because the fundamental economic policies are all out of whack.

This week, in the business pages of the New York Times, the chief of the International Monetary Fund talked about the hazards to the international economy as well as to the U.S. economy because of our budget and fiscal policies. He says that the United States is going to have to tackle its growing indebtedness to avoid a threat to the entire world economy. He says that our deficit remaining well over 4 percent of gross domestic product for years to come is a risk not just for the

United States but, indeed, for the entire world.

He talks about the rising budget deficit, which this President supports at \$420 billion more this year, and references the extraordinary trade imbalance, now at a half a trillion dollars, the highest in American history, and he says, these deficits could set off a sudden fall in the dollar and reverse any chance of global recovery.

And others say that these conditions of a high-budget deficit and an extraordinary trade deficit will result in the quiet erosion of American dominance of the world economy.

Similarly, an economist with the New York Times had an article this week, the title of which is U.S. and Trade Partners Maintain Unhealthy Long-term Relationship, and the Institute of International Economics, a center of expertise in this field, says, America's constantly rising deficits, our budget deficit and trade deficit, are a disaster in the making. No one could say it more clearly.

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He says, this substitute for Americans, the positive side of the equation is they get to consume more than they produce. And maybe that works for a short time. But the down side of the United States is that most of their imports are purchased on credit extended by trading partners. And that indebtedness is now over \$4.4 trillion, nearly twice what it was just 4 years ago and an increasingly costly arrangement for Americans and a potentially risky one of the Nation's foreign creditors, which means that another institute has agreed with what the head of the international monetary funds as said.

Experts are saying that they are alarmed that this set of arrangements could unravel abruptly with the dollar falling in value and the dollar rising and with inflation rising. The dollar falling, inflation rising, that happened during the Great Depression in the last century.

The United States, this article goes on to say, is caught in a gradual, almost imperceptible deterioration brought on by the yawning deficit in trade and other international transactions and the deterioration is going to continue for a long time. No one knows how this situation will unwind, but it certainly will.

The current account deficit was equal to 5.7 percent of domestic activity in the second quarter and this was a record and unusually rapid rise from the last quarter. In fact, the trade deficit has risen to a level of \$477 billion, a 10-percent rise just over last year. Again, this article says the dollar in response would have to fall in value, forcing prices to rise in the United States.

Mr. Speaker, I know my time has expired, but let me say that the U.S. is headed in the wrong direction. We need a fundamental change. That change can take place on November 2. Let us put adults in charge.

The SPEAKER pro tempore (Mr. MCCOTTER). Under a previous order of the House, the gentleman from Georgia (Mr. NORWOOD) is recognized for 5 minutes.

(Mr. NORWOOD addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### EXCHANGE OF SPECIAL ORDER TIME

Mr. MCDERMOTT. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from Georgia (Mr. NORWOOD).

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

There was no objection.

#### FISCAL DANGER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. MCDERMOTT) is recognized for 5 minutes.

Mr. MCDERMOTT. Mr. Speaker, the administration has America leading with its chin. You heard the last speaker talk about it, and I am going to talk about the same thing. We are going to get hurt.

This administration has America going hat in hand from country to country looking for money and they intend to just keep on doing it. They cannot make manufacturing jobs, but they have manufactured the largest trade deficit in history. They cannot engineer an economic recovery, but they have engineered the largest budget deficit in history.

They cannot extend the lifeline to unemployed workers but they can expand the number of workers who have exhausted their unemployment benefits to the highest level in 60 years.

It is just 40 days until the election, and the President needs a big win to try to make America forget about Iraq. So instead of setting policy, we are masking massive problems. A lot of Americans here talk about a trade deficit and do not see the connection to their own lives. The administration has run up the largest trade deficit in history and it exports money and it exports jobs right out of the United States economy. It is not called outsourcing. It is called out of control.

The mess this administration has made in foreign trade has claimed 670,000 U.S. jobs in manufacturing, farming and fishing, another 860,000 U.S. jobs in service industries have shifted offshore just in the last 2 years. One and a half million jobs is bad enough, but the story gets worse.

The administration refused to solve its foreign trade issues. So U.S. exports are being hit by tariffs by the European Union and these penalties will rise 13 percent in the next month. The administration knows what is wrong but it will not act to fix it. Canada, Brazil and other nations have won

cases in court about our foreign trade practices. But like so much else, this administration remains in denial and U.S. products could be hammered by another \$3 billion in tariffs.

These penalties can be avoided, but not by an administration that governs by press release. Instead, the administration's failure to act will make U.S. products more expensive and the U.S. economy less competitive in the world market. That is a formula for losing more U.S. jobs.

A new study shows American multinational corporations booked a record \$149 billion worth of profits off shore in countries known to be tax havens. Do not blame the corporations. The U.S. Tax Code rewards U.S. companies for exporting their balance sheets, in effect. The administration knows. The Republican majority knows. They do nothing about it. We need a national policy that puts America first, but we do not have it and we will not get it under this administration. Instead, the administration gives us rhetoric, pledging allegiance to the middle class, but a reality that rewards the wealthy and ignores the consequences.

The administration holds up the middle class when talking about massive tax giveaways passed. "Hold up" is the right term. The Republicans gave away another \$149 billion today. There is no money to pay for it, but they did it anyway. The average middle class household will get a tenth of what the wealthy are getting. It is \$169 for average Americans compared to \$2,000 for the wealthy; \$169 will not make college more affordable for middle class Americans. It will not make a gallon of gasoline less expensive. And \$169 will not provide the business with resources to expand or re-training dollars to inspire Americans to embrace a changing global economy.

This is another bait and switch tax giveaway. It will reward the rich and mortgage America's future.

The administration has America on target to be \$10 trillion in debt in the next 10 years. Nations that are not democratic and never will be are buying huge chunks of America's debt. Do not doubt for a moment that nations that do not share our values cannot exert enormous pressure over America when it hold trillions of dollars of our debt. They can and they will.

The book "After The Empire" by Emmanuel Todd is like a crisis call for emergency action. Every modern nation has three foundation blocks, military, political and economic. Lots of countries have big and well-armed armies. We certainly do. Lots of countries have established and effected political structures, democratic or otherwise.

Only America has had an unequaled economic foundation. It is at risk from the crushing debt burden this administration has pursued with abandon. Ten trillion dollars of debt in the next 10 years. What kind of a military can you afford with a \$10 trillion debt when you