

thank this outstanding gentleman for his magnificent service to our community. I wish him well with all his future ventures.

IN MEMORY OF SERGEANT  
KENNETH J. SCHALL

**HON. TRENT FRANKS**

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 17, 2005*

Mr. FRANKS of Arizona. Mr. Speaker, I rise today to pay tribute to a fallen hero—Sergeant Kenneth J. Schall of El Mirage, Arizona.

On May 22, 2005, we tragically lost this soldier of freedom when his military vehicle was involved in an accident. Kenneth was nobly serving his country in Yusafiyah, Iraq as a vital and supportive member of Operation Iraqi Freedom.

At the young age of 22, Kenneth has marked history as a true American hero. He sacrificed his life to protect the citizens of this great Nation and the cause of human freedom. Today, we deeply honor his memory with our profound gratitude and extend our most loving condolences to his family and parents, Mr. and Mrs. John and Terri Schall.

JUNETEENTH, 2005

**HON. TOM DeLAY**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 17, 2005*

Mr. DELAY. Mr. Speaker, it has been 140 years now since the United States finally severed its ties with the ancient inhumanity of slavery.

At the end of a great civil war—a war fought over slavery and won to eradicate the “curious institution”—600,000 Americans were dead, but 4 million were freed.

The last of those 4 million were freed 140 years ago Sunday, June 19th, 1865, in Galveston, Texas—by a man named Gordon Granger.

On his arrival in Galveston, Major General Granger of the United States Army, issued General Order Number Three to the people of Texas, informing them of the end of the war and the emancipation of slaves.

As he read the words of President Lincoln’s self-consciously legalistic Emancipation Proclamation, the world changed in front of him:

“This [order] involves an absolute equality of rights and rights of property between former masters and slaves, and the connection heretofore existing between them becomes that between employer and free laborer.”

The United States, the first nation in history “conceived in liberty and founded on the proposition that all men are created equal,” was, at long last, fulfilling that conception and proposition for the millions of African-Americans whose freedom had theretofore been denied.

Juneteenth, then, is not merely a celebration for African-Americans, or for Texans—it is a celebration for all men in all times.

It should instead be a celebration of humanity itself, and of the human race’s universal yearning to be free.

How many Americans—black and white—joined in arms decades after emancipation, to

pass along the gift of human freedom to the continent of Europe in World War II?

How many more risked and gave their lives together in the Cold War against communist aggression?

How many more today are serving together to bring a new emancipation to the people of Afghanistan and Iraq, who for too long have suffered under slave-like conditions at the hands of their oppressors?

The answer? As many as it takes.

Americans of all races today are joined in our hope for the freedom of all mankind, and will stand united against any enemy who would deny any people their human rights.

Juneteenth, then, is a reminder not simply of the great freedom won 140 years ago, but of the great freedom to be secured in the coming years, around the world.

COMMEMORATION OF  
JUNETEENTH DAY

**HON. BENJAMIN L. CARDIN**

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 17, 2005*

Mr. CARDIN. Mr. Speaker, I am pleased to be here today to celebrate the 140th Anniversary of Juneteenth Day. Today we remember the events of June 19, 1865, when Major General Gordon Granger led his Union troops through Galveston, Texas, to spread the news of the Emancipation Proclamation. This was more than two years after President Lincoln issued this directive. Initially celebrated by African Americans who had been slaves in the southwest, Juneteenth Day officially commemorates the ending of slavery in the United States.

This important anniversary represents how far we have come as a nation. With an emphasis on freedom, education, and achievement, Juneteenth Day recognizes the ending of one of the most sinister periods in our Nation’s history and the beginning of a new era of liberty, not just for the slaves that were freed, but for all Americans.

Today, a growing number of Americans celebrate Juneteenth Day. People of all faiths, races, and creeds from cities and towns across our country are gathering together to both rejoice in the progress this Nation has made and reflect upon how much work there is still to be done. We celebrate this day by spending time with our close friends and family, enjoying ourselves and listening to others.

In my own district in the State of Maryland, Juneteenth Day is being observed at Fort McHenry. In addition, on June 22nd, the members of the Boys and Girls Club of Central Maryland will re-enact the events of that historic day.

By celebrating this holiday, we recognize the progress that this Nation has made in advancing the fundamental values to which we, as a country hold true—life, liberty and the pursuit of happiness.

I call upon my colleagues to join me in celebrating this monumental day. Juneteenth Day has become part of the fabric of this Nation’s history, and deserves to be acknowledged and celebrated.

OUTSTANDING HIGH SCHOOL SENIORS, FIRST CONGRESSIONAL DISTRICT OF NEW MEXICO

**HON. HEATHER WILSON**

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 17, 2005*

Mrs. WILSON of New Mexico. Mr. Speaker, the following high school students from the First Congressional District of New Mexico have been awarded the Congressional Certificate of Merit. These are exceptional students that serve the community and participate actively in school and civic activities. It is my pleasure to be able to recognize these outstanding students for their accomplishments. Their parents, their teachers, their classmates, the people of New Mexico, and I are proud of them.

CERTIFICATE OF MERIT AWARD WINNERS 2005

Juanita Martizes, Albuquerque High School; Laura Rogers, Cibola High School; Britten Smith, Highland High School; Gary R. Stinnet, La Cueva High School; Robert Cordwell, Rio Grande High School; Cameron Baner, Creative Education Preparatory Institute; David Gullet, Temple Baptist Academy; Adam Geoffry Cowan, Calvary Christian Academy; and Leanne Raskob, St. Pius X High School.

Merethy Billian, Cornerstone Christian School; Jordan Spence, Evangel Christian Academy; Markenzi Williamson, Hope Christian Schools; Aaron Smith, Menaul High School; Emily Wildsmith, Southwest Secondary Learning Center; Nicholas Trumbley, Albuquerque Evening School; Karl Nieman, Career Enriched Center; Takesha Haynes, New Future High School; and Suzia Vanswol, East Mountain High School.

Jane Yein Song, Sandia High School; Erika Anaya, Moriarty High School; Samuez Luban, Charter Vocational High School; Danielle Treadgill, Bernalillo High School; Jessica R. Siegel, Sandia Preparatory High School; Ruth Ann Huning, Los Lunas High School; Kenneth David Rael, Sierra Alternative High School; Marie Jiron, Career Academy; Maggie Elizabeth Crank, Albuquerque Academy; and Orlando Pacheco Los, Puentes Charter School.

HOW MUCH TO FEED A DRAGON

**HON. TIM RYAN**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 17, 2005*

Mr. RYAN of Ohio. Mr. Speaker, I rise today to share with you an article written by Scott Lilly, the former Democratic Staff Director to my distinguished colleague and Ranking Member of the Committee on Appropriations, David Obey. Scott, a longtime friend and valued resource to Members and staff on both sides of the aisle, left Capitol Hill last year after 32 years of distinguished service. His departure was and continues to be deeply felt by many of us, but as the article below reveals, Scott remains a tremendous resource for this institution as we work to deal with serious policy issues that impact our constituents, our communities and our nation.

In this article, How Much to Feed a Dragon, Mr. Lilly discusses the extremely important issue of the threat of China to the United States as an economic and world power. As Scott articulates so well, the time to act

against China and its currency undervaluation is now I urge my colleagues in the House to heed the warnings detailed in this article and to stop the rhetoric. We must act immediately and decisively to address the serious risk China poses to the American way of life—our nation's future depends on it.

#### HOW MUCH TO FEED A DRAGON

A few weeks ago the Bush administration took action to cap the growth of Chinese textile imports to no more than 7.5 percent a year, professing grave concern for what is left of America's textile industry. The controversy generated by that move largely obscured a far more profound decision by the administration only a week earlier. In a formal report to Congress, Treasury Secretary John Snow refused to designate China as a currency manipulator despite massive evidence of China's continuous intervention in global currency markets—keeping the yuan at levels far below what most economists believe is its true value. Snow stated that Chinese officials "have repeatedly vowed" to move toward "a more flexible" currency. When they will move or how far they will move is an issue that Snow will apparently continue to leave to the discretion of China's central planners.

While this issue sounds arcane, it may also rate as one of the most important economic issues of this generation. The intense manipulation of the Chinese yuan impacts greatly on numerous problems facing American households, ranging from high gas prices to weak job growth and stagnant wages. It has materially contributed to the problem of our growing foreign debt, the weakness of the dollar and a potential worldwide currency crisis that could lead to global depression. In addition, it has serious implications for the balance of global power in the decades ahead.

How has China impacted U.S. gasoline prices? World demand for energy grew by more than 3.4 percent last year—the largest yearly increase since the gas lines of the 1970s and more than twice the average yearly growth over the past two decades. Furthermore, it is clear that the big players in world energy markets see this spike in demand as anything but temporary. They are not only buying up oil futures and the shares of companies that own and sell oil but companies that explore and drill for oil as well.

The reason for this rapid growth in oil demand is attributable to one single fact: Oil consumption in China is growing at astronomical rates. During 2004 Chinese consumption of oil averaged more than one million barrels a day above the previous year, an increase of 19.3 percent, or eight times faster than the growth of energy consumption in the rest of the world. Without China, the global growth in oil consumption during 2004 would have been just 2.2 percent—a rate that the normal expansion of world oil exploration and production can accommodate without significant upward pressure on oil prices. Even in per capita terms, China's oil consumption is growing three times faster than the rest of the world.

Why is China guzzling so much petroleum? China's skyrocketing demand for energy is largely a function of the nation's skyrocketing rate of economic growth. For several years China has been growing at a rate of more than 9 percent per annum even after accounting for inflation. Some experts expect growth in the 8 to 10 percent range for the indefinite future. This rate of growth drove China last year to consume 40 percent of the globe's increased demand for crude oil in 2004—more than the rest of the developing world combined.

How can China maintain such a rapid pace of growth? The answer to that is also rel-

atively simple. According to a report released in Beijing last month by the State Information Center, foreign trade is the major driving force of China's economy. In particular, China's net exports, or trade surplus with the rest of the world, are credited with bringing strong growth to the nation. The report discloses that Chinese exports totaled \$156 billion in the first quarter of 2005 while imports totaled only \$143 billion. More than 60 percent of Chinese surplus came at the expense of the United States. Last year, the U.S. bilateral trade deficit with China exceeded \$162 billion, while the rest of the world actually ran a trade surplus with China. As a result, it is almost entirely the Chinese trade surplus with the United States that is providing the country with this extraordinary pace of expansion.

What makes China so competitive with U.S. and other foreign producers? It is important to remember that China is not a market economy. Prices in a particular sector can easily be manipulated by central economic planners. This goes for all inputs: labor, land, capital and energy. If China wants to compete and be the low price producer for a particular product, no other producers functioning in a market economy with fixed prices can match the price at which China will be able to sell.

But even more important has been China's manipulation of its currency, the yuan. The central government has gone to extraordinary lengths to cap the value of the yuan to no more than 8.3 to the dollar. As Secretary Snow points out, leaders in Beijing have talked at great lengths about future plans to allow the yuan to trade more freely on world currency markets.

But they have taken no such action and the rapid export-led growth of the Chinese economy would drop back to more normal levels if they did. Since rapid growth is seen by the leadership in Beijing as central to the nation's economic, political and geopolitical goals, it is hard to imagine that significant change will occur without strong external pressure. Since the United States alone represents nearly all of China's net trade surplus, the lever to force revaluation of the yuan is almost entirely in the hands of the United States.

Isn't China's growth good for the world? It depends on what part of the world you are talking about. Oil producing countries are having a bonanza. Saudi Arabia, a country in danger of not being able to make payments on its foreign debts just a few years ago, is now raking in revenues at a rate that dwarfs even the oil price boom of the 1970s.

Oil executives in this country are also prospering. The 3 million shares of Exxon Mobil held by Board Chairman and CEO Lee R. Raymond are now worth about \$170 million, up more than \$62 million or about 59 percent from the level such shares would have sold for only 18 months ago. Raymond is only one of thousands of oil company executives enjoying the new prosperity that China's demand for petroleum has created for the industry.

There are also other domestic winners in the unbalanced trade relationship between the U.S. and China—at least over the short term. Companies ranging from Mattel to Boeing have increasingly moved production operations from the U.S. to China in recent years. They reap two benefits in such transactions. First, the lower wages paid in the Chinese factories provide savings that go largely to the bottom line on corporate balance sheets. Chinese workers make about one-twentieth of what U.S. workers make.

But secondly, the mere threat of moving more production to China keeps downward pressure on wages paid to U.S. workers. Since 2001, the hourly output of U.S. workers

has increased by more than 16 percent, but the average wage production and non-supervisory worker wage remained virtually flat after adjusting for inflation. Corporate profits, on the other hand, have jumped by about 58 percent since the beginning of 2001 despite slower than normal economic growth. Not since the 1920s have workers' wages fallen so far behind their increases in productivity and at no time in the post-World War II era have corporate profits accounted for such a large portion of the growth in national output.

So while American corporations have at least thus far been winners in U.S. acceptance of China's trade and currency policies, U.S. workers have been major losers. Not only have wages been stagnant, but so have the number of jobs. The number of Americans with manufacturing jobs has dropped by 2.8 million, or 16 percent, since January of 2001. At the same time, the U.S. population has continued to grow. About 12 million more individuals are now being supported with paychecks that are no bigger in either size or number.

Whether or not U.S. corporations—outside the oil patch—will be long-term winners in this arrangement is a matter of increasing concern on Wall Street. Many on the street are expressing concerns that U.S. corporate profits cannot grow over the long term if American families have less and less income with which to make purchases. Since production and non-supervisory workers make up about 80 percent of the total workforce, the long-term health of the U.S. consumer is inextricably linked to the earning power of the U.S. worker.

There are also losers in other countries around the world. Underdeveloped countries with large pools of low-wage and underutilized labor are among those who suffer the most. Their dreams of development have been stymied by China's export gluttony and they have not only lost out in the struggle to attract industry and earn hard currency, but they now live in a world where the winner has driven the cost of energy they need for their own development to prices they can no longer afford.

But there are implications to our unbalanced trading relationship with China that may be grimmer than the impact it is having on the U.S. and world economy. Those implications involve China's geopolitical ambitions, which are clearly less benign than proponents of unbridled U.S.-Chinese trade would want us to believe.

While the CIA may have overestimated Iraq's military capabilities, it has consistently underestimated (at least until recently) the pace of Chinese military modernization. China has taken the politically painful steps of slimming down its uniform forces to levels compatible with high-tech, modern, Western military doctrine. It has invested heavily in the development of highly capable fighter planes, air-to-air missiles, radars, landing craft and other military resources needed to confront U.S. forces in the Formosa Straits and eventually in other parts of Asia.

China now has hundreds of nuclear weapons which are both strategic and tactical in type. It maintains at least twenty intercontinental ballistic missiles capable of hitting targets in the western United States and is believed to have recently recommissioned a submarine capable of launching nuclear missiles from waters off U.S. coasts. China is working on the DR-41 missile, believed to have greater range, accuracy and a shorter launch time than existing Chinese ICBMs. They are believed to be working on between four to six new submarines capable of launching nuclear armed missiles.

As Thomas Kane wrote last year in *Parameters*, a publication of the U.S. Army War

College, "Nuclear weapons allow the People's Republic of China to take diplomatic and military positions with a much greater level of confidence."

China's booming economy also has geopolitical implications beyond the mere contribution it makes to military modernization. If China's economy continues to experience real growth in the 9 percent range, it could surpass the United States as the world's largest economy within a single decade, even if GDP growth in the United States remains relatively strong. As the magnitude of China's economy grows, so will its geopolitical will. One does not need to go to Asia to find examples. Brazil has become a major source for Chinese raw materials and in turn China is discussing financing the construction of a long sought after road from the Amazon basin across the Andes to ports on the Pacific. Korea is becoming something of a "Silicon Valley" for Chinese industry, and even old adversaries such as India and Japan have to rethink how to accommodate the new reality that a rapidly growing China presents.

Some of these changes are inevitable. China needs to grow and will grow almost regardless of U.S. policy. But does China have the political maturity to absorb such a rapid increase in economic, political and military power and use it wisely? Its record on human rights, democratic reform and the treatment of its own citizens should raise serious doubts. We should want a growing economy and rising prosperity for the world's most populous nation, but we should question whether the current torrential rate of growth—growth driven almost entirely by huge net export surpluses with the United States—is a positive for the economic well-being of our own citizens or the prospects for world peace over the coming decades.

COMMENDING JAKE DILLENBURG  
FOR EXEMPLARY COMMUNITY  
SERVICE

**HON. BRIAN HIGGINS**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 17, 2005*

Mr. HIGGINS. Mr. Speaker, I rise today to commend the exemplary public service of Jake Dillenburg, a resident of the Town of Arkwright in Chautauqua County, upon the occasion of his recognition as the 2005 Chautauqua County Democrat of the Year.

Jake's dedication to public service has been manifest, and his commitment to the residents of Chautauqua County has been outstanding.

Jake's served as an appointed member of New York State Assemblyman Rolland Kidder staff from 1976 until 1982.

During that time Jake continued to work very hard for his constituents back home. In 1975, Jake was elected to the Forestville Village Board of Trustees where he served until 1977 when he was elected Mayor.

In 1980, Jake began a four term streak as a member of the Chautauqua County Legislature. During his time as a Legislator, Jake's leadership and consensus building skills led him to be chosen by his colleagues to be both the Majority Leader and the Minority Leader.

The year 1992 ushered in six terms as the Arkwright Town Supervisor where there is no doubt that he did all he could to better the community.

Over 20 years later, Jake decided to hang up his hat as an elected official and in 1998 he began a five-year duty as the Clerk of the Chautauqua County Legislature; a responsibility, he was well suited to fill following his years of experience in the Legislature.

In addition to all of these outstanding achievements in public service, Jake still gave his all and served as the Town of Arkwright's Democratic Chair for 27 years.

Mr. Dillenburg deserves recognition and congratulations for the vast contributions he has made over the last three decades, not just to the Democratic Party in general, but to the people of his community, his county and to all of West em New York. Chautauqua County is a better place because of Jake Dillenburg's commitment to public service, and I am proud, Mr. Speaker, to have an opportunity to honor him today.

RECOGNIZING THE 94TH BIRTHDAY  
OF PAOLI TROOP 1 OF THE BOY  
SCOUTS OF AMERICA

**HON. JIM GERLACH**

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 17, 2005*

Mr. GERLACH. Mr. Speaker, I rise today to recognize Paoli Troop 1 of the Boy Scouts of America on its 94th birthday.

In 1911 at the Good Samaritan Church in Paoli, Pennsylvania, Paoli Troop 1 was established. Its name was derived from it being the first Boy Scout Troop in the Paoli area. The Reverend Horace A. Walton was the Troop's first Scoutmaster and he established two patrols within the Troop called the Wolves and the Lions. As the group grew in membership, three additional patrols were created. The Colour Patrol guarded and carried the Troop colors. Thereafter the Eagle Patrol was established and, most recently, the Fox Patrol was added in 2003.

At the outset, Paoli Troop 1 had significant challenges. They were poorly equipped in both uniform and camping gear. During World War I, Troop activity diminished due to the lack of available young men. Following the War, Colonel Clifton Lisle became Scoutmaster and the Charter was resurrected under a "Group of Citizens" as sponsor. In 1924, the Troop moved to Wayne, PA.

Tradition has always been the foundation of Paoli Troop 1. Adherence to the Scout Law and Scout Oath constitute the bedrock principles of the Troop, but other traditions play an important role in the Troop's daily life, such as giving a sailor hat as a memento of the first summer trip. The Troop also adheres to the tradition of military dress (the wool shirt and military press) as started by Colonel Lisle. For 20 years, Richard T. "Dick" Bensing led the Troop until his retirement in 2004. Today, Scoutmaster Mike Manotta heads the Troop.

Paoli Troop 1's approaching 94th birthday is a wonderful achievement. With a rich, long history, the Troop has maintained its core purpose of promoting, maintaining, and carrying out the principles of the Boy Scouts of America and to work for the best interests of its members.

Mr. Speaker, I ask my colleagues to join me today in recognizing Paoli Troop 1 on its 94th birthday. The Troop's efforts to create a positive environment to shape our youth into exemplary role models and citizens is a marvelous contribution to our state and nation and we commemorate them for this.

HONORING THE CAREER OF LIEU-  
TENANT GENERAL RICHARD V.  
REYNOLDS

**HON. JOHN A. BOEHNER**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 17, 2005*

Mr. BOEHNER. Mr. Speaker, I rise today to pay tribute to Lieutenant General Richard V. Reynolds. Lieutenant General Reynolds is retiring as the Vice Commander of Air Force Materiel Command after thirty-three years of faithful and distinguished service to our country.

In addition to being an effective Air Force officer, Lieutenant General Reynolds has been a positive contributor to the Wright Patterson Air Force Base community for the past eleven years. I met Lieutenant General Reynolds when I began to serve areas surrounding the base after the re-districting of 2002. I have always appreciated his candor, professionalism, and accessibility. In addition, I appreciated his willingness to educate my staff about both the Air Force and Wright Patterson at our 2003 staff retreat.

I am also greatly impressed by Lieutenant General Reynolds' dedication to our country and his commitment to advancing the competitive edge of the United States Air Force. He has a distinguished service record and has worked with some of the best aircraft and service technologies in our military. His service to both the Air Force and our country will be greatly missed.

To you Dick, I thank you for your service to our country, and I wish you and your family best wishes in your future endeavors. Congratulations for a successful and dedicated career.

DEMOCRATIC RIGHTS LEADER  
AUNG SAN SUU KYI HONORED

**HON. TOM LANTOS**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Friday, June 17, 2005*

Mr. LANTOS. Mr. Speaker, this Sunday the world will celebrate the 60th birthday of Nobel Laureate and Burmese democracy leader Aung San Suu Kyi. It's usually not polite to discuss a lady's age—but in this case, I'm sure that this feisty fighter known by her supporters simply as "the Lady" will forgive us, because this occasion provides an opportunity to highlight the horrendous human rights situation in Burma.

Today Aung San Suu Kyi is under strict house arrest. Isolated from her family, her colleagues, and the Burmese people who so strongly support her. Sadly, this is not a new state of affairs. Suu Kyi has spent nine of the past 16 years either behind bars or under house arrest.

We must remember that Aung San Suu Kyi is not simply another democracy campaigner toiling away in a totalitarian nation—her party actually won elections in 1990, only to find the halls of power to be locked when she tried to assume the role she had won by right.

Aung San Suu Kyi is an inspiring figure. She could have left Burma countless times to rejoin her family, but she refused. Suu Kyi