

been happening with the rise in imports over exports over the last 20 years. Every single year, after every single one of these trade agreements gets signed, the red ink gets deeper and deeper. It will not take long to reach a trillion dollars, which lops real economic growth off our gross domestic product.

According to one report, the higher price of oil this year alone could add an estimated 60 to \$90 billion more to the trade deficit of 2006. The deficit represents jobs lost in our communities, lives changed forever, as well as a very real threat to the economic security of our country.

Trade agreements like, and Members know the names, NAFTA, CAFTA, PNTR, normal trade relations with China. I do not know what is normal about having hundreds of billions of dollars of deficit with any country where our jobs have been shipped elsewhere. We can see the cashing out of America.

The latest company that tells us they are ready to leave is Delphi, based in Flint, Michigan, a corporation that employs over 50,000 people nationwide, telling workers they have to take a two-thirds cut in wages, pensions gone, health benefit gone. And what they are basically doing, they are following their major customer, which is General Motors, which has cashed out to Mexico, and now the suppliers are following suit.

Here is how the trade model works: half of Delphi's sales go to General Motors. Therefore, if General Motors outsources, so will Delphi. If General Motors goes to Mexico, which is has, it is the largest employer in Mexico after the government of Mexico and the oil industry, so will Delphi go. How destructive this trend is to our future as we see our workers work for lower wages and our families shopping now at Wal-Mart to get bargain prices. Imagine, Wal-Mart, the largest employer in the United States of America. We are becoming a distributor not a manufacturer, and our people are not earning enough to shop at the department stores that they used to. Many of those have closed in the major metropolitan areas of our country.

What we find are the Wall Street investors, who have a global reach and love to get richer than any of us could ever imagine, are taking production around the world. Franklin Roosevelt had it right: he called them the malefactors of great wealth. They do great damage in their path.

Today I do not want to just draw attention to what has been happening to our economy and working people, but I want to draw attention to what we can do. Sadly, President Bush appears to be trying to expand NAFTA with his recent trip down to Latin America, and the people down there have awakened to what these trade agreements really mean to them. The Free Trade Agreement of the Americas appears to be dying a slow death.

But I have a different idea, and so do some of my colleagues. This week we are introducing a bill, the Balancing Trade Act of 2005, which will require action on the part of the President when America faces deficits like we see today. It would require the President to take action to correct these imbalanced trading relationships with any nation where our deficit with them would equal \$10 billion in any 3-year period, in other words, where that \$10 billion would exist for 3 consecutive years.

Our trade balance, for example, with both of our NAFTA trading partners has been more than \$10 billion in deficit for the last 3 years. NAFTA has basically been a great sucking sound of jobs out of this country.

Our trade deficit with China has been greater than \$100 billion this year and over the last 3 years, and rising every single year. It is more lost jobs, and this bill says it is time to stop the music; it is time to start doing something about this.

In order to correct accounts that are seriously in the red, someone has to go back and look at the books. It is a responsible approach, one that the executive branch should be taking and one that is long overdue. I ask my colleagues to look at the Balancing Trade Act of 2005 and join us as cosponsors to right America's very imbalanced trading relations with the world.

THIS IS NOT THE TIME TO UNDERCUT AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, just a few minutes ago, many heard my colleagues join in a full discussion on the very important debate that we will engage in this coming week regarding the Budget Reconciliation Act. Frankly, I wish we could go back to the days of old of this institution when you could have a thorough debate. The Founding Fathers established this august body, some 13 colonies; and when they engaged in a debate, it was just that: it was a thorough analysis. It was a long, extended analysis of the issue at hand. I imagine that might have been the setting in the Constitutional Convention when we established this Nation and we premised it on democracy.

One day of debate certainly does not equal the moment of importance to be voting on what we call a budget reconciliation bill when so many lives will be impacted.

Just a few minutes ago, I hung up from a call with my local authorities who were speaking to me about the enormous mounting need for resources in the gulf region. We know how generous Americans have been, but it is important to note that States like Texas, Alabama, and Louisiana are still trying to work with the many

Hurricane Katrina survivors, our neighbors on the east coast and Florida, impacted by Wilma, and now our neighbors to the north impacted by this terrible tornado in Indiana and Kentucky. It says that we must be empathetic and sympathetic and our budget reconciliation has to address the idea of being willing to give people, not a hand out, but a hand up.

□ 1515

Well, Mr. Speaker I do not see how we can possibly do that under the heavy burden of between \$70 billion and \$200 billion in tax cuts. It just does not work, the sacrifice that our soldiers are making in the week of the veterans celebration, commemoration, so many veterans who have come home from Iraq who are now in need of hospital care and counseling and jobs. As we honor them this Friday, what sense does it make to be able to say to these veterans who may ultimately either want to be able to send their young people, their children, to school because so many of them are Reservists, that we would in this day, one day, raid student aid?

The single largest cut to student aid will occur if this budget passes on Thursday, \$14 billion, \$14.33 billion cut from student aid, \$7.8 billion in new charges on student aid for parent-borrowers. Those are the same parents who are seeing their salaries go down, who are seeing a consolidation of their companies and, therefore, layoffs, who are seeing a lack of increase in their salaries, who have not seen an increase in the minimum wage for years.

We cannot afford this kind of raid on the Treasury so that students who are only seeking an opportunity for a hand up and not a handout are going to be the victims of this budget reconciliation.

Might I also suggest that we have better priorities than to give tax cuts to the 1 percent richest in America. We have better priorities than to provide for a \$200 billion tax cut that takes place in 2006. We can document that tax cuts do not energize the economy. We can document that it is jobs, that it is the investment in the building of jobs.

It will be the building of homes in the gulf region, creating opportunities for American workers. It will be, in fact, the investment in students that will be the creation of jobs, not an average tax cut through 2010 without sunsets, this multibillion dollar tax cut that we can see and the income groups that will get it, the top 1% income earners in America. The amount of the tax cut here shows more than \$87,000, going to the richest Americans. This is the kind of difficulty that we will face in this debate, and frankly, I believe that we can wait on those tax cuts.

What else we can wait on, Mr. Speaker, is the raid on Medicaid, because Medicaid will experience \$12 billion in cuts over 5 years, \$47.7 billion in cuts in Medicaid over 10 years. We believe,

as Democrats, that there should be no cuts.

So the message today is, let us do this in a bipartisan manner. This is no time to undercut America with cuts that will not save America. It will only hurt America. And, frankly, in the many constituencies that I have engaged in across America, not just Texas, we have nursing homes that are going to suffer, senior citizens that are going to suffer.

What about the 5-year look-back on a senior citizen to be able to be eligible for Medicaid and that particular senior citizen is destitute right now? We are going to force them to look back 5 years where there may have been a death, that their partner, their husband or their wife, may have died, and their income may have dropped drastically and it does not show that.

Frankly, Mr. Speaker, I think we can do better. Something is not right and we can do better. Let us defeat the budget reconciliation. Let us work on behalf of the American people and the American young people.

THE DEFICIT REDUCTION ACT OF 2005

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentleman from Texas (Mr. HENSARLING) is recognized for 60 minutes as the designee of the majority leader.

Mr. HENSARLING. Mr. Speaker, as the Members can tell, we are having a rather spirited debate in this body over something called the Deficit Reduction Act of 2005. It is a little surprising that we would come here and not work in a bipartisan manner to try to actually reduce the deficit.

So we need to explore, Mr. Speaker, exactly why is it that we need to do this, why is it important that we on the Republican side of the aisle have put forth a plan to help reform the government, to help achieve savings for the beleaguered American family? I believe it is very important, Mr. Speaker, because I still believe that although we face a number of challenges, we still have enemies, terrible enemies, who want to seek to do our country woe; that we have challenges in filling up our cars and pickup trucks; that the cost of health care needs to come down. We have a number of challenges, Mr. Speaker, but ultimately we can address them.

America has faced even greater challenges than that before. If we will just preserve freedom, if we will preserve opportunity, if we will protect the family budget from the explosive growth of the Federal budget, I still believe there is no limit to what we, the people in America, can achieve.

But this is a very important debate. And the vote on this act, the Deficit Reduction Act of 2005, Mr. Speaker, is going to be one of the most important votes that we cast this year because as our Nation faces a number of fiscal

challenges in trying to pay for a number of our programs like Medicare and Medicaid and Social Security and, on top of that, the devastating hurricanes that have hit our great Nation, as we seek ways to pay for those, Mr. Speaker, at the end of the day there are only three different ways we can do it.

Either, number one, we are going to raise taxes again on the American people, as the Democrats want to do, and they do not claim they want to do it, but I assure the Members, Mr. Speaker, they do. So number one, we are either going to raise taxes on the American people; or number two, we are going to pass debt on to our children yet again, as unconscionable as that is; or number three, Mr. Speaker, again we can go to our plan, our plan to reform government programs so that we can achieve savings for the American people. And that is what this debate is going to be about.

We can have a bright future. But if we do not do it, Mr. Speaker, if we do not start today on this plan to reform government programs to achieve savings for the American people, I fear that our future could be dark.

For example, Mr. Speaker, I have a chart here. It is a multicolored chart, and it talks about what we call in Washington "entitlement spending," kind of mandatory spending that is on automatic pilot. Much of it is good, but it is growing beyond our ability to pay for it.

This is 2003, and on this side of our chart we have a percentage, and this talks about the percent of our economy that we are spending right now on government.

Right now, Mr. Speaker, all of this spending here, and this year is 2003, just a couple years ago, we were spending roughly 20 percent of our economy on the Federal Government. This line here is our tax revenues, which stays fairly consistent, just a little bit below 20 percent of our economy.

But, Mr. Speaker, as the years go by, if we do not reform these programs, we can look at the year 2015, the year 2030, and the year 2040. Mr. Speaker, if we do not start to reform today, we are on the verge of doubling the size of government in one generation.

What is that going to mean to our children? What is that going to mean to their standard of living? We are on the verge of being the first generation perhaps in the entirety of American history to leave our children a lower standard of living than we enjoyed. And, Mr. Speaker, I just believe that is absolutely unconscionable. We must begin this process of reforms.

Again, we are on the verge of doubling the size of government, and that is just leaving the programs alone. Doing what the Democrats want us to do, turning our back on future generations, is going to double the size of government, taking away that hope, taking away those jobs, taking away those opportunities. How are we going to afford then to put gas in our pickup

trucks? How are we going to afford to send our children to college? How are we going to afford paying our heating bills when Uncle Sam says, No, we are going to have to take twice as much of the economy just to pay for the Federal Government. What does this translate into for families all across America?

Again, if anybody was listening to the earlier debate, we did not hear the Democrats say this, but this is their plan. We have a plan to reform government programs, to achieve savings for the American people. They have a program to double taxes on the American people in one generation. Look at what is going to happen to the average family as the years go by, and this is 2005.

If the Democrats have their way, they will increase taxes on American families almost immediately by \$4,000 a family. Well, there just went a down payment, a huge down payment on a car to get, perhaps, a parent to work. There just went, in some places, a semester or two of college. There just went no telling how many months of child care with the Democrat plan to immediately increase taxes on the American people. And as time goes by to 2009 and 2017 and 2027, increasingly, taxes go up and up and up.

So, again, Mr. Speaker, it really comes down to the question: Do we have a spending problem in Washington or do we have a taxing problem in Washington? And I think as we carry on with this debate, the American people will agree that what we really have here is a spending problem, that spending is out of control in Washington, DC. But I believe, Mr. Speaker, as do so many of my colleagues, that with a good plan of reform to achieve these savings, that we can actually deliver better health care, better retirement security for our seniors at, frankly, a lower cost.

And it is just so sad, Mr. Speaker, that we cannot seemingly get any Democrat from this side of the aisle to come join with us. And it is my fear, Mr. Speaker, that they are more concerned about the next election than they are the next generation.

Mr. KINGSTON. Mr. Speaker, will the gentleman yield?

Mr. HENSARLING. I yield to the gentleman from Georgia.

Mr. KINGSTON. Mr. Speaker, I think it is really important that if Members look at the deficit reduction package that we are looking at, it is a reform package that creates savings as opposed to the typical tax-and-spend tactics of the other party, and reform is what most of us, Democrat or Republican, have come to Washington to do.

How many times do people running for Congress go to the local Rotary Club and say we have got to run government more like a business, we have got to end the duplications and the bureaucracy, we have to cut the red tape? And yet here is an opportunity to have some great bipartisan reforms, and all we are doing is getting criticism. And