

farm families from Arkansas. Even if a disaster bill was passed today, it would be too late for these farm families and many others who are trying desperately to avoid bankruptcy. Every day that passes without providing disaster assistance, more families are auctioning off their farms.

I am a cosponsor of H.R. 3702, an agriculture disaster assistance bill which was introduced in September of last year.

Mr. Speaker, I stand here tonight urging the Republican leadership to give us a hearing and a vote on this bill.

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

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

#### CONGRESSIONAL CONSTITUTION CAUCUS' CONSTITUTION HOUR—CONSENT DECREES

Mr. GARRETT of New Jersey. Mr. Speaker, I rise to claim my time out of order.

The SPEAKER pro tempore. Without objection, the gentleman is recognized for 5 minutes.

There was no objection.

Mr. GARRETT of New Jersey. I do thank you, Mr. Speaker.

Tonight, I come here as we do each week as members of the Constitutional Caucus come here on a regular basis to present a series of 5-minutes following the day's activities and the day's votes. We do so tonight to focus on really one of the most important and significant issues dealing with our Constitution and threats to our constitutional rights as well.

Before I do that, let me just say this, that I wish to show my utmost appreciation earlier this evening for the majority whip coming out and joining us to discuss a piece of his legislation that goes to this very fundamental issue and also for his efforts to work to protect those basic liberties of every American.

The threats that I am referring to is our Founding Fathers' principles of self-government and the jeopardy that comes in the form of consent decrees. For those of you who are not familiar with exactly what consent decrees are, in essence, they are simply this. They are judicial actions that are entered into between opposing parties, in this case by the party bringing the action, private individuals, usually, and State or local entities. State or local governments are basically compelled at the end of a court case to enter into these agreements. They are then, therefore, called consent decrees. In their name and on their face, they sound innocent enough. In reality, they simply can be because they are protecting rights of some sort or the other. But they can

also have in the long-term a cumulative effect, a threat to the legislative process and also to the hardworking American taxpayer who supports it as well.

These decrees have resulted in judges engaging themselves in affairs outside of their constitutional job description, outside of the very framework of the protections that we have established in our documents of checks and balances. I say that their intents are noble and good in many cases, and that is to protect our rights, but by engaging in such blatant activism, they are actually threatening self-government itself, rights outside what our Founding Fathers intended.

I agree with what the majority whip had indicated before. This is not simply a case of dealing with judicial activism because it really goes beyond that and does not engage in that at all times. It is an understanding that our Founding Fathers had, and we have reminded those who have listened to these programs, listened to us coming to the floor each week to discuss constitutional issues, that we must be very mindful always of protecting those rights set forth by the Fathers, especially the rights of States as established in the 10th amendment. All rights not specifically delegated to the Federal Government are retained by the people and the States, respectively.

Consent decrees, therefore, can place an undue burden on the States and local officials. They can last literally for decades, long after the local officials or State officials who may have been involved with those cases in the first instance have long since left office. Newly elected officials may have come into place to find they are bound by those previously entered into decrees. They are now unable to place in policies that could rectify the situation, unable to put in policies that could solve the situation for future generations, and unable to put in policies that basically could save the taxpayers money at the end.

Judges have already tried to engage in other ways in activism, obviously of taking away our rights as we have discussed before, taking away our property rights and the democratic right to construct our marriage institutions.

But consent decrees go one step further. They chip away at the authority of our local officials, allowing judges and not the people who were democratically elected to represent them. This is not just a decision and opinions of Members of Congress. The Supreme Court has also spoken on this. In fact, in a unanimous decision back in 2004, the U.S. Supreme Court called for limiting these types of decrees in the case of *Frew v. Hawkins*. The court proclaimed there that Federal consent decrees could encroach on State and local power. They continued that these decrees may "improperly deprive future officials of their designated and executive powers." They may also lead "to Federal court oversight of State pro-

grams for long periods of time even absent an ongoing violation of the law."

Mr. Speaker, for these reasons, I am more than proud to support my good friend from Missouri and his legislation, H.R. 1229, the Federal Consent Decree Fairness Act. This is legislation that would provide relief to newly elected mayors and other State officials who inherit these overly broad and outdated decrees. It would limit their ability to govern. And it would be able to respond to priorities of their constituents for the future.

This legislation will put term limits on existing decrees while setting out guidelines for the future. We must ensure that they are limited in nature, not opening the doors for future violations. Again, I commend the gentleman from Missouri.

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

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

#### RED INK CONTINUES TO PILE UP

Ms. KAPTUR. Mr. Speaker, I ask unanimous consent to reclaim my time and to address the House for 5 minutes.

The SPEAKER pro tempore. Without objection, the gentlewoman from Ohio is recognized for 5 minutes.

There was no objection.

Ms. KAPTUR. Mr. Speaker, the red ink continues to pile up, both in our budget deficit and in America's trade deficit. The Commerce Department reported on Friday that the trade deficit is rising again, pushed up by oil prices and a flood of more imports from China. With oil imports over \$70 a barrel, we know this trade deficit is going to swell as the year proceeds. The Commerce Department reported that the gap between what the United States sells abroad and what it imports rose to \$63.4 billion in April, 2.5 percent higher than the March imbalance of \$61.9 billion. We know that the trade deficit in both February and March just fell a tad, but it had hit an all-time high this January of \$66.2 billion. And while economists noted that the April deficit was smaller than the \$65 billion that had been expected, it is still the sixth largest trade deficit on record.

□ 2230

This is a chart that takes a look at what has been happening ever since this Congress unfortunately passed NAFTA back in the early 1990s, followed by permanent normal trade relations with China, and what could be normal about that? Every single year the red ink gets deeper.

Through the first 4 months of this year, the trade deficit is running 1.9 percent above the same period a year ago putting our country on track to

run up a record deficit again for a fifth straight year. Last year's deficit, as this chart indicates, was three-quarters of \$1 trillion, three-quarters of \$1 trillion.

To cover this red ink, we have to borrow. We have to import capital to offset what we are not exporting in goods. America is in uncharted waters. We have never, ever experienced this situation before. Some people have commented that our country is handing over \$2 billion a day to foreigners to cover this trade gap. The increase in the April trade deficit reflected a .7 percent rise in imports which climbed to \$179.1 billion, the second highest level on record. In other words, the trend is in the wrong direction.

In addition to higher oil bills, imports of autos and auto parts were up and shipments of consumer goods from China such as furniture, televisions, video recorders and toys all rose. More imports coming in, fewer imports going out. Major U.S. companies like La-Z-Boy are having trouble in the market, because products are coming in from China where workers make pennies a day.

We have lost our entire television industry. Not a single television is made in this country any more. Companies in the automotive parts industry like Delphi are trying to struggle to hang on.

We are living through the hollowing out of our country. We are propping up this loss of real wealth and production capacity with borrowed capital. We are in uncharted waters. America has never been here before.

The markets are reflecting it. Today, in the New York Times, major headline: Broad economic worries drive global sell-off. What is happening is there are huge drops in the market. Standard & Poor 500 stock index fell 1.3 percent, erasing all of its gains for this year and closing at its lowest level since November. The NASDAQ fell more than 2 percent and the Dow Jones Industrial Average fell almost 1 percent. Damage was far worse in markets around the world.

American manufacturers claim, well, you know, the problem is just with China that their currency is undervalued by as much as 40 percent. But I can remember when they said that to me about Japan 16 years ago. MARCY, when the yen-dollar relationship comes into balance, we will have a trade surplus with Japan. No, no.

No trade surplus with Japan because they still have a closed market, and we act like they don't. So we take their products, but they don't take our products. So Japan has now become our largest financier, and every day we pay them interest on their greater and greater loans to us.

Mr. Speaker, America cannot continue on this course. In fact, analysts are saying the deficit will set an even higher record this year, probably close to \$1 trillion, if we keep going at the rate that we are going today. The def-

icit with Japan rose by 2.8 percent in April to \$7.8 billion.

The deficit with Canada rose 16.3 percent to \$6.1 billion in April, while our imbalances with Mexico, with Korea, well, gosh, with about every other country in the whole world, just kept going up. The sad thing for our country is it looks like this year will be the first year in our history we will import more agricultural goods than we export. This is not the America we should be leaving to our children and grandchildren.

Let's elect people to this Congress and to this Presidency who will put America's financial house in order and make us independent again.

[From the New York Times, June 13, 2006]

#### BROAD ECONOMIC WORRIES DRIVE A GLOBAL SELL-OFF

(By Vikas Bajaj and Jeremy W. Peters)

Fears about higher interest rates, rising inflation and a slowing economy sent stocks sharply and broadly lower yesterday, with emerging markets taking the biggest hit.

In the United States, the Standard & Poor's 500-stock index fell 1.3 percent, erasing all of its gains for the year and closing at its lowest level since November. The Nasdaq fell more than 2 percent and the Dow Jones industrial average fell almost 1 percent.

But the damage was far worse in some other parts of the world. Trading at the Colombian stock exchange was briefly halted after its benchmark index fell more than 10 percent. Mexico's benchmark stock index fell 4.3 percent, its biggest one-day decline in more than 3 years. Markets in India, Brazil and Hungary also tumbled.

Emerging markets had enjoyed a strong surge in recent years because low interest-rate policies around the world pumped cheap money into the global economy, analysts said.

"Global liquidity has helped drive a lot of these risky assets," said Larry Adam, chief investment strategist at Deutsche Bank Alex Brown. "And now you are seeing this flight to quality," including cash and investments in developed countries, he said.

At first glance, stocks in the United States and Western Europe do not appear to have benefited from the emerging-market retreat, but money coming out of emerging markets may be helping to cushion the blow, Mr. Adam said.

Yesterday's sell-off started early and gathered pace throughout the day. Some analysts suggested that a major catalyst was a speech by the president of the Federal Reserve Bank of Cleveland, Sandra Pianalto, in which she said that inflation was higher than her "comfort level."

Ms. Pianalto was the latest Fed official to express concerns about inflation in the last several days, a drumbeat that many investors think is a not-so-subtle message that the central bank will raise short-term interest rates, now at 5 percent, at its next meeting on June 29. Earlier, the Fed had indicated that it might pause in its two-year campaign of raising rates.

The Fed is "adding to a little of this hysteria that is building," said James W. Paulsen, chief investment strategist at Wells Capital Management.

To be sure, Ms. Pianalto, who is one of the 11 officials who vote on Fed's interest rate policies, said that inflation, though worrisome, was not an ominous threat to the economy.

"Measures of long-term inflation expectations have been mixed lately, but, on the

whole, I regard them as remaining contained," she said to a gathering of the Broadcast Cable Financial Management Association in Florida. The challenge of Fed policy makers, she said, "is to make sure that they stay contained."

The government will issue reports on wholesale and consumer inflation today and Wednesday. Excluding energy and food prices, economists expect both the producer price and consumer price indexes to have risen 0.2 percent in May, a rate considered to be modest by most experts.

The biggest loser yesterday, as in the last few weeks, was the technology industry. Many large technology companies, struggling to match past growth as they mature, have been lowering their profit projections.

For the second quarter, the technology area's profits are expected to fall 2 percent from the same period last year while the overall increase in the S. & P. 500 is expected to be 10 percent, noted Howard Silverblatt, senior index analyst at Standard & Poor's. "This is supposed to be a growth industry," he said.

The Nasdaq was led downward by Qualcomm, the maker of wireless technology, which fell 5 percent yesterday after it filed a complaint against its rival Nokia as part of a lengthy patent fight.

Shares of Apple fell almost 4 percent, apparently reflecting investors' concerns about efforts by some European countries to force the company to open up its music software to devices other than the iPod.

One of the few exceptions to yesterday's broad sell-off was General Motors, which rose 43 cents, or 1.7 percent, to \$25.78. It was the Dow's biggest gainer. The shares moved higher as the president of the United Automobile Workers, the company's biggest union, told members that the union would have to rethink its traditional positions to ensure the domestic automobile industry's survival.

The stock also appeared to be reflecting investors' reaction to news of an agreement late Friday that could avert a costly strike at G.M.'s largest supplier, Delphi.

Many market experts remain convinced that the recent correction in stock prices will prove temporary and will be contained to a few areas. They note that inflation, though rising, remains low by historical standards.

But the market's volatility has intensified and will probably remain high, analysts say.

"It is a retrenchment," Mr. Silverblatt said. But "companies are still in good shape."

The Dow fell 99.34 points, to close at 10,792.58, its lowest level since Feb. 7. The S. & P. 500 declined 15.90 points, to 1,236.40. The Nasdaq fell 43.74 points, to 2,091.32. The Russell 2000 stock index of smaller-capitalization companies, fell 18.2 points, or 2.6 percent, to 683.19. Declining issues led advancing stocks by 3½ to 1 on the New York Stock Exchange.

Treasuries fell slightly. The price of the benchmark 10-year note fell ½¢, to 101¼¢. The yield, which moves in the opposite direction of the price, rose to 4.98 percent, from 4.97 on Friday.

Here are the results of yesterday's auction of three- and six-month Treasury bills:

(000 omitted in dollar figures)

	3-Mo. Bills	6-Mo. Bills
Price .....	98.786	97.510
High Rate .....	4.800	4.925
Investment Rate .....	4.926	5.121
Low Rate .....	4.760	4.880
Median Rate .....	4.780	4.905
Total applied for .....	\$39,754,505	\$34,750,526
Accepted .....	\$22,838,196	\$20,264,834
Noncompetitive .....	\$2,150,786	\$1,697,043

Both issues are dated June 15, 2006. The three-month bills mature on Sept. 14, 2006 and the six-month bills mature on Dec. 14, 2006.

## THE FAVORITES—STOCKS HELD BY LARGEST NUMBER OF ACCOUNTS AT MERRILL LYNCH

Stock	Close	Change (%)	
		Day	2006
AT&T Inc .....	26.66	+0.2	+8.9
Avaya .....	11.31	-1.6	+6.0
BkoAm .....	48.41	-0.8	+4.9
Chevron .....	57.59	+0.1	+1.4
Cisco .....	19.48	-2.5	+13.8
Citigroup .....	49.33	-0.9	+1.6
Comcast .....	32.47	-0.6	+25.3
ExxonMob .....	58.24	-1.0	+3.7
GenElec .....	33.87	-0.6	-3.4
Home Dep .....	36.26	-1.9	-10.4
Intel .....	16.86	-1.7	-32.5
IBM .....	77.02	-0.8	-6.3
JPMorgCh .....	41.60	-1.2	+4.8
JohnJn .....	61.38	*	+2.1
Lucent .....	2.41	-1.6	-9.4
Microsoft .....	21.71	-1.0	-17.0
Pfizer .....	23.29	-1.0	-0.1
ProctGam .....	54.31	-0.3	-6.2
TimeWarr .....	17.20	-0.9	-1.4
VerizonCm .....	31.33	-0.5	+4.0

## LIMITING CONSENT DECREES

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

Mr. BISHOP of Utah. Mr. Speaker, I appreciate joining the majority whip, Mr. BLUNT of Missouri, as well as the chairman of the Constitution Caucus, Mr. GARRETT of New Jersey. For several weeks now we have tried to come before this body and talk about issues in which the Federal Government in its effort to be helpful has actually caused greater harm than good.

We have talked about the significance of sunset reviews, reviewing administrative decisions, mandates, States that would put on specific pieces of legislation that would help solve some of those problems. Again we come before you today, and I am grateful to be able to talk with these good gentlemen about once again the Federal Government, in an effort to be helpful, not malicious but helpful, tipping the balance of power with the net result that people are harmed, not by design, but that is the way that has happened.

Consent decrees, which shift the horizontal balance of power, have had the net effect of actually harming individuals. It is something that is a phenomenon that every State has experienced. Federal consent decrees are enforced in all 50 States, which end with judges running prisons, schools, welfare agencies, health care systems and on and on, usually on decisions that are based upon the advice of the advocates who brought original lawsuits in the first place.

It has been mentioned there have been a couple of Supreme Court decisions that have talked about these phenomena. The case of *Jenkins v. Missouri* is one of those great ones in which the Kansas City school district was taken over by a Federal judge. In an effort to try to improve the school system, not only did they use the executive authority to control hires and fires as well as curriculum, they assumed the legislative authority by actually advancing a property tax on the

citizens of Kansas City, Missouri, in an effort to try to improve the education system. At least at that time the Supreme Court said in a 5-4 decision that they had gone too far.

That kind of usurpation of other authorities does not actually produce the better result. In the case that Mr. GARRETT spoke about, *Frew v. Hawkins* in 2004, the Supreme Court once again said this can lead to the Federal court's oversight programs for long periods of time, even when there is no violation of the law still in effect.

Now what does this do for individuals? Let me give you a couple of examples. In a west coast city, they recently entered into a 5-year consent, actually in 2001 they went to a 5-year consent decree, in which certain practices would be done by the police department of this particular city. They recently conducted an independent review on how they had done in compliance with the consent decree.

The consent decree had said that every time a police officer uses non-deadly force such as perhaps twisting an arm of a suspect to handcuff him, the captain or above has to write a report of the incident within 14 days. There was a 94 percent compliance with that provision, but not enough to satisfy the consent decree.

The police commissioner was supposed to report within 45 days the quarterly discipline report. He actually took 15 days longer than that and was once again out of compliance. The department took 21 days rather than 7 days to send in its audit report to the Inspector General and was therefore out of compliance.

In fact, it would be possible to comply with all the decisions of this consent decree if the police department actually hired more personnel to keep the paperwork going. In fact, that is exactly what they did. They did hire more personnel to do the paperwork that was necessary to fulfill the details of the consent decree.

One article in the *National Review* talks about how the city's police department and their supervisors would meet to discuss the issues of the police department, and their topics of conversation tend to go almost universally to how to fulfill the provisions of the consent decree.

If I could quote from one article, they said for more than 2½ hours they gathered captains, sergeants lieutenants, and detectives spoke of nothing but processing the paperwork. Not a single word was uttered about reducing crime or otherwise how to improve the quality of life of people in the area in which they serve. The supervisor who attended this meeting simply called the process pathetic.

Oddly enough in the report of how they were doing in fulfilling their consent decree, it also mentioned that what the city needed were more personnel on the street and more supervisor oversight for the officers in the field, which oddly enough, in one of

those ironies of life, they could have done had they not spent their money to hire the personnel to do the paperwork for the consent decree.

In New York City, they have had, since 1974, a consent decree mandating bilingual education in some of the city schools that has now been going on for 30 years, well past the original intent of it, even though the parents do not want to participate in this particular program.

Another west coast city was issued a consent decree in 1991 for their school districts, again claiming there were too few experienced teachers. Again the court stepped in increasing the taxes of these individuals by \$11 million a year, and now, 15 years later, finally, the judge declared herself satisfied and declined to extend this decree for yet another 5 years.

The problem with consent decrees is very simple. Once entered into, those who are subject to those decrees have no recourse. There is no balance, there is no kind of protective area in which to go, in which case in that particular situation it is why the majority whip has asked us to introduce this piece of legislation to put a time limit on consent decrees.

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

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

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

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

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.)

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

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

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

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

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