

Recently Maytag announced its closure in the State of Iowa. All the way back to when Goodyear first closed in Los Angeles, we have a reborn steel industry. Our steel industry was killed back in the 1980s, but guess what. It has been reborn all through foreign ownership. We don't even own it anymore.

Won't the American people recognize what is happening to the real wealth creation of this country?

I do not want America to be owned by transnational corporations that have no loyalty to the United States of America and the values for which we stand.

This is the latest example of why we never should have had permanent normal trade relations passed with China, because it only digs us deeper and deeper and deeper into debt. Our people do not have good middle-class jobs. They cannot hang on to their pensions. Their health benefits increase in cost. And we literally are making our children, as graduates of the colleges across this country, debtors, because we cannot even pay the educational bills of the next generation. What a sorry state to begin this new millennium and this 21st century here in the United States of America.

I am deeply distraught by these latest numbers from China, and surely, at a minimum, Members of Congress should sponsor my Trade Balancing Act of 2006, which basically says to any Presidential administration, if we have more than \$10 billion of debt in trade with any nation in the world, we ought to go back and figure out why we do and then renegotiate those trade agreements.

We cannot depend on fiddling around with currency manipulation because they told us if we did that with Japan back in the 1980s, our accounts would just look terrific. If the dollar and the yen came into balance, the trade accounts would heal. But guess what. They never did because you know why? Japan never opened its market to our goods. And neither will China. So you have to deal with the Asian tigers in a different way.

Surely, surely this should be a wake-up call to the American people. Surely, surely this should be a wake-up call to the Members of this Congress who could change the trade laws of this country in order to create a balanced trading environment, a level playing field where our businesses, where our workers, where our communities have a chance to compete again.

Mr. Speaker, I will include in the RECORD this article from the *Toronto Star*, the title of which is "China's Trade Surplus Hits New High."

And I would have to say as it hits a new high, America's economy hits a new low here at home.

[From the *Toronto Star*, July 11, 2006]

CHINA'S TRADE SURPLUS HITS NEW HIGH
(By Elaine Kurtenbach)

SHANGHAI—Month after month, China's export-driven economy pushes its trade surplus with the rest of the world to new heights.

June was no exception. Yesterday, China reported that its global trade surplus rose to a record monthly high of \$14.5 billion (U.S.), after a record \$13 billion surplus in May.

The data from China's Commerce Ministry is sure to raise the likelihood of more tension over Beijing's currency controls, especially with the U.S., which is one of China's \$202 billion in 2005, has fanned antagonism over the persistent imbalance between the two countries. That figure is bigger than China's global trade gap because China has trade deficits with some nations.

June's increase raised the trade surplus for the first half of the year to \$61.5 billion, a 55 per cent jump over last year's first-half surplus of \$39.7 billion.

The surge in exports also has worried China's economic planners, who say the country needs to rely more on domestic demand than on exports and investment to fuel growth if its industrial boom is to be sustained.

The economy grew at an annual rate of 10.3 per cent in the first quarter of the year. First-half figures have yet to be released but state media reports, citing authoritative government officials, have said it likely would remain at about 10 per cent.

But he added "these numbers suggest that the PBOC is fighting back effectively."

The latest trade figures were likely to ratchet up complaints over China's currency controls, which its trading partners say keep the value of the yuan artificially low, making the country's exports cheap in overseas markets.

China still limits daily movement in the yuan's value to just 0.3 per cent above and below its daily official rate. Chinese officials have pledged to make trading more flexible, but have shied away from setting a timetable.

In the meantime, the yuan has risen about 1.5 per cent since it was revalued by 2.1 per cent against the dollar to 8.11 yuan per dollar.

THE FEDERAL DEFICIT

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

Mr. EMANUEL. Mr. Speaker, with very much fanfare yesterday, the President held a press conference to claim vindication for his economic stewardship and his fiscal policies. He announced, and I just now calmed down, that the United States Government would only have a \$3 billion Federal deficit for the fiscal year 2006.

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By this administration's standards, this qualifies as a monumental achievement? \$300 billion deficit and the President wanted applause for what he had done because after creating the three largest deficits in history, you are making progress if you do not set any standards or any records.

This time it is only the fourth largest deficit ever in the United States. In the Nation's capital, the President's budget is becoming known as the "World of Diminished Expectations." Let us go back a little.

In 2001, President Bush inherited a surplus of \$284 billion, and it was predicted by the year 2006 we would have a surplus of \$516 billion, and they are only off by \$800 billion. By Washing-

ton's standards, that is just a rounding error. So it makes sense to put away the champagne glasses for a while.

In addition to celebrating the fourth highest deficit ever, the President touted the significance of his tax increases. What he did not know is, in his administration, we have added \$3 trillion to the Nation's debt, \$3 trillion in 5 years, the largest increase in the Nation's debt in the shortest period of time ever in American history, \$3 trillion, and on the present course, with Iraq spending and spending by the Federal Government and the revenue structure, we are on course to add another \$1 trillion in 5 years.

Now, here is what Greg Mankiw, the President's former Chief Economic Adviser, said about the President's claim that his tax cuts can be paid for and actually help on the economy: "There is no credible evidence" that "tax revenues rise in the face of lower tax rates." That is the President's own economic adviser. He went on to compare an economist who says that tax cuts can pay for themselves to a "snake oil salesman trying to sell a miracle cure."

The Economist magazine recently wrote, "Even by the standards of political boosterism, this is extraordinary. No serious economist believes President Bush's tax cuts will pay for themselves."

Not only have they not paid for themselves, they have left a huge burden on the middle class families and their children for generations to come to pay for.

Let us look at what is also happening in the President's economic stewardship.

In July of 2001, 5 years ago, under President Bush gas was \$1.33 a gallon. Today, in Chicago, my district, it is \$3.40. It has more than doubled. Health care costs have gone up 73 percent in premiums to \$11,000 a year for a family of four. College costs for a 4-year college education at a public school is up 38 percent. And incomes, the median income in this country has declined 2.3 percent.

So while college costs have gone up, energy costs have gone up, health care costs have gone up, the savings rates in this country are down in negative territory for the first time since World War II. Median incomes are flat, and the President wants your applause for a \$300 billion deficit because it is so good.

So while the prices have spiraled out of control for middle class families and the standard of living is coming under increasing pressure from the global economy, energy costs, health care costs, college costs, savings rates, incomes have not gone up, in fact they are flat to declining. The American people need a raise. It is that simple.

Now, the well-to-do are doing well. It is time we make sure that this government is working on behalf of the American people, not the American people working on behalf of their government.

We do not have to go back so far as to remind people what happened in the past when we had an economic strategy that put our fiscal house in order and invested in the education, health care and energy independence of this country. We created 22 million jobs in the 1990s, record unemployment. We had low inflation, below 2 percent, a balanced budget and a surplus 3 years in a row, and we began to pay down the debt. Welfare rolls declined. Poverty went down. Children's health care coverage went up. All the while we also provided the middle class a tax cut so they could send their kids to college known as a HOPE scholarship and the lifetime earning credit. Anytime you want to go back to college, you got a tax cut to do so. So you had the skills and the capability to do what you needed to do to compete in a global economy.

That is when your government is putting its fiscal house in order, being responsible for your dollars and investing in education and health care independence. It is time for new economic priorities. It is time for a change. It is time to put the government back on the side of the American people.

FAILED FISCAL POLICY OF THE BUSH ADMINISTRATION

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

Mr. DEFAZIO. Well, following up on the theme of the failed fiscal policy of the Bush administration, I would like to emphasize two points made by my colleague.

The President's bragging on a \$300 billion deficit. That means the government's borrowing about \$800 million a day, \$800 million a day to run the government, and they are handing the bill to future generations. He is bragging on that as great achievement, but that is not the whole story. He is also borrowing \$182 billion from the Social Security surplus this year. So he is also borrowing from present and future generations. The total borrowing by the Federal Government this year will be \$482 billion, and the President's bragging on it, and that means we are borrowing \$1.3 billion a day to run the government, borrowing against the future, sending the bill to working Americans because we do not want to tax the rich people anymore, and the corporations are moving offshore to avoid taxes.

It is an extraordinarily fiscally irresponsible position for this government, and it is just part of the many failures of this administration, but I am going to talk about another failure today, one where the President has said we are also setting new records, trade policy.

America, month after month after month, is running larger and larger trade deficits. We are hemorrhaging jobs overseas to countries that exploit

labor, countries like China where people work for 25 cents an hour they are so desperate, where they are not allowed to form labor unions, where U.S. capital is feeding their technological investment from corporations who are moving away from our country but want to sell their goods here.

Our trade deficit with China was \$17.7 billion last month. One month, we borrowed \$500 million a day from China to buy stuff from them that we used to make here in the United States of America. That is not sustainable. We are losing the jobs and we are mortgaging our future, and someday that debt is going to be called in by the Chinese and others.

The trade deficit overall went up to \$63.8 billion. We are on track to have a trade deficit of \$765 billion this year. Now, that is a lot of numbers. What does that mean? We are borrowing over \$2 billion a day, \$2 billion a day from foreign interests, number one being China, number two Japan, and others, to buy stuff made overseas that we used to make here. And the Bush administration touts this as a great success, free trade. Why?

Well, because the corporate CEOs, who have outsourced their jobs to China, are getting huge and growing compensation, an average of \$12 million. They live in gated communities. They send their kids to private schools. They fly on private jets. They go to private resorts. They do not care about public infrastructure or public education. They do not care about the rest of us in this country. They do not even care about the American workers anymore because they are making stuff overseas. All they do is hope our credit cards hold up a little bit longer so we can buy more of the stuff they made over there that might be a tiny bit cheaper and put it on the credit card and they can cash in and get out of town before this house of cards collapses.

So we are borrowing over \$1.4 billion a day to run the government. We are borrowing \$2 billion a day to buy stuff made overseas, and President Bush is telling the American people that things are great and getting better, but on Main Street, America, they know that is not true.

Now, in the country clubs and in the boardrooms, sure, better than ever. Corporate CEO pay went up last year about 10 percent, about \$1 million on average, which happens to be 100 times what a minimum-wage earner earns in this country. That was just their increase. The minimum wage has not gone up in 9 years. The Republicans refuse to bring it to the floor of the House because they are favoring these corporate CEOs. God forbid, they should pay more in taxes, and God forbid, they should have to pay the minimum-wage people who wait on their tables, who park their cars and who mow their lawns any more money. It would be a hardship for those rich folks.

So this is the Bush economic success. We are borrowing from overseas. We are borrowing from the Social Security Trust Fund. We are borrowing from other investors. We are financing it on the credit card, and they tout this as great for our country and a strong economy. What a lie.

GAS PRICES

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

Mr. STUPAK. Mr. Speaker, as Congress prepares to leave for the August recess, American families are being forced to make significant sacrifices just to be able to afford to drive to work, let alone try to take their family vacation this summer. I find it appalling that this body has not properly addressed high gas prices.

Over the Fourth of July, the national average price for a gallon of gas was approximately \$3.00. Gas prices in my northern Michigan district exceeded \$3.00, with many areas seeing a 20 to 25 percent increase in gas prices in 24 hours from July 2 to July 3, just in time for the July 4th holiday.

For almost a year now, we Democrats have been calling on the Republican leadership to allow a real price gouging bill to be passed into law.

One hundred thirty-five Members of this body have signed a discharge petition requesting that my legislation, the Federal Response to Energy Emergencies Act, the FREE Act, be brought to the floor for a vote.

After continuing lobbying from Democrats, Republicans finally introduced their own legislation, which was called price gouging, and it was a price gouging bill in theme only. That bill was passed by this body in May, and it has been stalled in the other body, controlled by the Republicans.

Unlike the Republican price gouging legislation, my bill, the FREE Act, would specifically set guidelines for the Federal Trade Commission to use to define price gouging, including provisions that would make it illegal to have unconscionable pricing, providing false price information, and market manipulation.

The FREE Act also contains a provision that would promote price transparency, helping consumers to understand whether or not oil and gas prices are fair and reasonable.

The FREE Act would also apply to natural gas and propane. Neither natural gas nor propane is addressed by the Republican bill.

Despite efforts to sugar coat the Federal Trade Commission's report recently released, called Invasion of Gasoline Price Manipulation and Post-Katrina Gas Price Increases, the Federal Trade Commission did find price gouging. Twenty-three percent of the refineries, 9 percent of the wholesalers and 25 percent of the retailers charged significantly higher prices. In other