

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

words, they gouged the American people. And these prices were not attributable to either increased costs or national or international market trends.

Mr. Speaker, the American people are fed up. They know price gouging when they see it and they are being gouged. The Federal Government has responsibility to protect consumers from price gouging.

Price gouging legislation is long overdue. Congress needs to pass legislation to allow the Federal Trade Commission to prosecute price gouging.

Just as we must continue to work to protect consumers from gouging and predatory pricing at the pump, we must also investigate the effect that energy futures trading can have on gas prices.

Traditionally, trading of energy commodities such as crude oil, gasoline, diesel fuel and natural gas has taken place on the New York Mercantile Exchange, NYMEX, with oversight by the Commodities Future Trading Commission. However, an increasing amount of trading does not occur on NYMEX but in off-market deals known as over-the-counter trading.

According to the bipartisan Senate Homeland Security Committee report on oil and gas market speculation released on July 27, it says: "As an increasing number of U.S. energy trades occurs on unregulated over-the-counter electronic exchanges or through foreign exchanges, the trading reporting system becomes less and less accurate, the trading data becomes less and less useful, and its market oversight program becomes less comprehensive."

It is estimated that up to 75 percent of all energy trades are now over-the-counter, where speculation occurs without any regulation or oversight by the Federal Government.

Without effective oversight, there is no way to know whether energy speculators are basing their trades on market realities or instead taking advantage of the system to make money at the expense of hardworking Americans. Unregulated trades based on speculation, fueled by fear, result in greed, as we can see from the record profits of the oil companies.

In fact, a recent Justice Department investigation had led to charges against traders for the energy conglomerate, British Petroleum. It is alleged that several traders attempted to corner the market on propane in a pipeline network that serves the Midwest and the Northeast in order to drive up the price for propane in these areas. Court documents show that they were at least temporarily successful in driving up artificially the price of propane.

Investigations into additional civil and criminal violations are ongoing.

When speculators, motivated by greed, take advantage of markets to drive up energy prices, the Federal Government must intervene to prevent this manipulation from being passed on to the American consumer.

Due to these concerns, I have introduce the Prevent Unfair Manipulation of Prices (PUMP) Act, H.R. 5248 to bring over the counter trading under the oversight of the Commodity Futures Trading Commission.

The PUMP Act would require off-market speculators to play by the same rules as on-market traders. This increased oversight will improve confidence in the market and help eliminate the unreasonable inflation of crude oil prices. The legislation would also increase penalties for speculators found to be unfairly manipulating the oil futures market.

Some economists estimate that oversight over all futures trades would lower the price of a barrel of crude oil by as much as \$20.

Unfortunately, rather than proposing real solutions to bring down energy prices, Republicans have instead continued to propose bills to eliminate environmental standards, provide more tax breaks for bill oil, and promote the Republicans' favorite solution: drill, drill, drill.

I find it appalling that anyone could suggest that big oil needs more breaks, given their exorbitant profits. And we can not drill our way towards solving our addiction to oil.

Only by ensuring fair markets for American consumers and the promotion of alternative fuels can we truly reduce energy prices.

Our constituents are looking to us, to Congress, for relief. It is our duty to approve legislation that would provide real solutions, to protect Americans from the increased financial hardship that price gouging and high gas prices artificially created during the summer tourism months.

□ 1630

A MESSAGE FROM THE NORTH CAROLINA GENERAL ASSEMBLY

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

Mr. PRICE of North Carolina. Mr. Speaker, I am here to deliver a message from the North Carolina General Assembly. It is a bipartisan, nearly unanimous message from our State House: Stop underfunding our schools.

Last week, 52 Republicans joined all voting Democrats in the North Carolina House of Representatives in passing a resolution that, "urges the President of the United States and Congress to make a serious commitment to improving the quality of the Nation's public schools by substantially increasing the funding for the No Child Left Behind Act, the Higher Education Act, the Individuals With Disabilities Education Act, and other education-related programs."

This resounding call from both sides of the aisle in my State is a sign that North Carolinians are exasperated with a President and a Congress that refuse

to follow through on their commitments. They are simply fed up, Mr. Speaker.

By consistently underfunding No Child Left Behind, the Federal Government has failed to hold up its share of the bargain it made with our schools when No Child Left Behind was signed into law 4 years ago. In passing the law, the government promised to help improve failing schools by targeting the areas that needed support and providing that assistance.

By failing to come through on promised funding, the administration has turned No Child Left Behind into a program that punishes our schools instead of supporting them.

Two of the resolution's clauses tell the story more fully. "Whereas the Federal government has decreased funding to North Carolina for No Child Left Behind in fiscal year 2006 by almost \$11 million, and overall funding for public education by almost \$12 million, including a deduction of \$759,012 from programs that serve students with disabilities, and, whereas, in addition the Federal Government has cut almost \$11 million from postsecondary education programs in North Carolina."

Mr. Speaker, since No Child Left Behind was signed into law in 2002, counting the President's latest budget proposal, the Bush administration and the Republican Congress have underfunded this law by some \$55 billion. In fact, the House is expected to debate an appropriations bill for the Department of Education soon that will cut the program by another \$500 million as compared to last year.

And what about other Federal education programs? The story is much the same. The government is not fulfilling its promises. Since the passage of the Individuals With Disabilities Education Act in 1975, the Federal Government has failed to fully fund the education of children with special needs to the tune of \$217 billion.

And this President and the leadership of this House have dropped the ball on making college more affordable for students and parents. Student loan rates are going up and Federal support for aspiring students is stagnant or decreasing while the cost of education continues to rise.

To put this in perspective, our alternative Democratic budget would invest far more in education smartly and strategically while at the same time balancing the budget sooner.

Mr. Speaker, North Carolina schools are no strangers to accountability. The teachers and parents and administrators in my State want our students to succeed like none other. They are simply asking that our Federal Government be a reliable partner and live up to its promise of support for the education of our children.

Mr. Speaker, I will insert at this point in the RECORD House Resolution 1811 from the North Carolina General Assembly adopted on July 5th, 2006.