

Fair Trade Act. I am a proud cosponsor of this bill, and am pleased that this measure has been brought up for a vote.

American manufacturers are facing numerous challenges during this recession, but China's manipulation of its currency is undoubtedly the most insidious. These unfair practices put U.S. firms at a distinct disadvantage in their efforts to remain competitive and to export goods to a growing global market. By fixing the value of the renminbi to the American dollar, China effectively undervalues its currency by at least 25 percent and affords its manufacturers an unfair advantage, making their exports artificially cheap. As a result of this manipulation, American-made products are unable to compete in the marketplace and American manufacturers and other exporters are forced to lay off workers.

H.R. 2378 will begin to address this market exploitation by allowing the United States to assess countervailing and anti-dumping duties on products exported from any nation that benefits from the export subsidy of manipulated currency. It has been estimated that by implementing these duties as many as 500,000 U.S. manufacturing jobs will be created. And by making American manufacturers more competitive, we can begin to overcome the estimated 1.4 percent annual GDP reduction caused by China's currency manipulation.

While both Presidents Bush and Obama have sought to address China's currency manipulation diplomatically through both bilateral and multilateral channels, China has provided only empty pledges to allow its currency to float freely with the market—pledges that have never truly been realized. When one looks at the value of the Chinese renminbi against the U.S. dollar, it is remarkable how unnaturally flat the rate has remained for the last 2 years. Though the renminbi has appreciated by a tiny amount in recent months, this is an obvious attempt by the Chinese to leave the impression that it is acting responsibly with respect to its currency, when in fact we all know that is not the case. This legislation is crucial to overcoming China's failed promises to operate in the global economy under fair rules and standards.

This is not some esoteric exercise. China's currency manipulation has a direct effect on a wide range of U.S. manufacturers, from steel to paper, machinery to textiles. It has driven firms out of business and cost us millions of jobs, especially in the Midwest. It serves to decrease exports and widen our trade deficit with China at a time when we need to be expanding our exports and growing our economy. As my constituent Zach Mottl, of Atlas Tool and Die and the Tool and Manufacturing Association, said, "a few percentage point difference [in currency value] can make that difference in terms of whether a company buys here or buys overseas."

It is the government's duty to defend the American people. American workers and families have been under assault for years from China's unfair currency policy which steals American jobs. While we've been playing by the rules, China has enriched itself by deliberately ignoring them. Our policy has been all carrot and no stick, with unfortunate but predictable consequences. We cannot continue to allow American businesses and workers to be put out of work by China's currency manipulation. I am pleased to support this much needed, bipartisan legislation, and I urge the Sen-

ate to quickly act on this important measure in order to bring fairness and balance to international trade.

PROVIDING FOR CONSIDERATION
OF H.R. 2378, CURRENCY REFORM
FOR FAIR TRADE ACT

SPEECH OF

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 29, 2010

Mr. PAUL. Mr. Speaker, the imbalances in international trade, and in particular trade between China and the United States, have prompted many to demand a realignment of the Chinese yuan and the American dollar. Since we are running a huge trade deficit with China the call now is for a stronger yuan and a weaker dollar. This trade imbalance problem will not be solved so easily.

I would urge my colleagues to consider the benefits we receive from our relationship with China, one of which is that American consumers benefit from lower-priced goods. Adopting the policy urged by supporters of this bill would cause consumer prices to increase, thus reducing consumers' wealth. Other producers would suffer as a result of the consumers' decreased purchasing power. I doubt that many of our constituents want us to increase the prices they pay for goods and services.

Congress should also consider how the Chinese benefit the United States government by holding our debt. The dollars the Chinese acquire by selling us goods and services must be returned to the United States. Since the Chinese are not buying an equivalent amount of American goods and services, they are using the dollars to finance Congress' extravagant spending.

This deep and legitimate concern for the trade imbalance between China and the U.S. will fall short if the issue of fluctuating, worldwide fiat currencies is not addressed. The fact that the U.S. dollar is the principal reserve currency of the world gives us a benefit that others do not enjoy. It allows us to export paper dollars and import goods manufactured in countries with cheap labor. It also allows us to finance the welfare/warfare state with cheap loans from China and Japan. It's a good deal for the government but according to economic law must come to an end, and the end will be messy for the U.S. consumer and for world trade.

Our current account deficit and huge foreign indebtedness is a reflection of the world monetary system of fiat money. The longer the trade imbalances last, the more difficult the adjustment will be. The market will eventually force these adjustments on us.

Instead of having fluctuating currency exchange rates and the inevitable instability that accompanies them, we should be working to establish a commodity-backed currency whose value is determined by the market. This would provide an objective measurement of the value of economic goods and services and thus strengthen the economy by freeing it from the negative effects of our unstable monetary policy.

Instead of promoting global economic government, the United States Congress should

reform those policies that reduce our manufacturers' competitiveness. The taxes and regulations imposed on American businesses are damaging economic growth and killing jobs. If we were serious about creating jobs, we would be working on an aggressive agenda of cutting taxes and repealing needless regulations.

Congress can also improve America's competitive position by ending the practice of forcing American workers to subsidize their foreign competitors through organizations such as the Export-Import Bank and the International Monetary Fund.

In conclusion, Mr. Speaker, I remind my colleagues that stability in currencies is something we should seek, not something we should condemn. The bill before us today will not solve our problems. In fact, by refusing to address the economic stability created by fiat currency and instead embracing protectionism, it will further weaken the American economy.

PROVIDING FOR CONSIDERATION
OF H.R. 2378, CURRENCY REFORM
FOR FAIR TRADE ACT

SPEECH OF

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 29, 2010

Ms. KAPTUR. Mr. Speaker, I believe in free and fair trade among free peoples conducted under a rule of law. Our nation boasts the most open markets in the world. But not all the world's markets are open house; consequently, since 1975 our nation has amassed an enormous trade deficit that will top ½ billion dollars this year.

This trade gap has resulted in:

35 years of outsourced jobs by the millions to penny wage environments.

35 years of imports dwarfing our exports.

35 years of buying from countries who will not buy as much from us.

35 years of trying to penetrate the markets of countries who contort the trade and currency rules in their favor, not ours.

As our nation climbs out of its deepest recession since the 1930s, we must rebalance our trade policies and take action to dig us out of this deep hole.

Take the case of China. The massive hemorrhage of U.S. jobs and wealth to China is staggering—in 1990 America's trade deficit with China was \$10.4 billion, and by 2000 it was up to \$83.8 billion. As of July of this year we are already \$145.4 billion in the red to Communist China. These deficits mean lost jobs in America, a shrinking middle class as production and wealth get shifted offshore.

The evidence is all around us: Americans working harder each year, plants closing down despite increasing worker productivity. Now people's health and retirement benefits are cut, or they face unemployment, as their jobs are outsourced or destroyed.

This is not a recipe for a healthy economy nor a strong nation.

How did this happen?

The Chinese are gaining a mercantilist advantage in their economic practices, which some experts call "market Leninism." They manipulate trade through several devices, the most potent of which is currency manipulation.

We must take the necessary steps to create a level playing field for American workers and companies by holding China accountable for unfair devaluation by 40 percent or more of its currency.

By making the Yuan cheaper than it should be, their goods are 40 percent cheaper here and in global markets than American-made products, simply because of that government's actions.

China manipulates its currency by making massive purchases of dollars, Euros, and Yen in the global exchange markets, intervening with tens of billions of purchases of other currencies weekly.

The result: the U.S. GDP drops by 1.4 percentage points annually just because of China's currency manipulation.

Jobs are lost, factories closed, and America's competitiveness weakens.

The U.S. has the following four options:

1. Negotiate with the Chinese to end their currency manipulation. The U.S. has been in such negotiations for 6 years. The talks have failed. That is why the Currency Reform for Fair Trade Act is so important.

2. Intervene in the global currency market by selling massive amounts of dollars. Intervention would result in massive inflation and if the Chinese countered, it would not work.

3. Seek WTO approval of global sanctions. This would take 3–5 years and there is no certainty that Europe or Japan would be supportive.

4. Impose an Adjustable Currency Tariff (ACT). An ACT would be set at exactly the amount that the Yuan is undervalued. Under this proposal, the amount of the undervaluation would be set by some neutral international financial organization such as the IMF. The value of the ACT would be adjusted quarterly. As China changed the value of the Yuan, the value of the ACT tariff would be altered correspondingly. When China ended their manipulation, the ACT would be zero. This is not old-fashioned protectionism, but rather a remedy against such protectionism directed towards American-based production and jobs. The crisis is huge and we must act now.

These corrections, including passage of H.R. 2378, if taken immediately, could create an estimated 500,000 manufacturing jobs here in the United States, helping to put Americans back to work and strengthening our economy.

The Chinese government's currency policy is an impediment to this great Republic of ours. It kills American jobs and weakens our nation in the global markets. It is time that we take action to fix this broken policy and stand up for our nation.

I urge my colleagues to join me in voting yes for this bill.

TRIBUTE TO THE CITY OF TAFT

HON. KEVIN MCCARTHY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 29, 2010

Mr. MCCARTHY of California. Madam Speaker, I rise today in honor of the city of Taft, California, which is celebrating its 100th

year of incorporation on Thursday, October 14, 2010.

The city of Taft is located in the southwestern part of the San Joaquin Valley, and has quite a unique history. Named after our 27th President, William Howard Taft, starting in the late 1800s oil was discovered in the western San Joaquin Valley and overnight an oil town was born. The oil that was discovered was in the now-famous Midway-Sunset region and Buena Vista Hills, and by 1910 Taft had officially become a fixture within Kern County. Standard Oil was one of Taft's primary employers and helped lay Taft's foundations by building numerous construction businesses, a machine shop, numerous supply shops, bunkhouses for workers, and dozens of company homes for employees. As one of the only towns remaining in the United States which exists solely because of nearby oil reserves, Taft has a rich historical connection to our County and the history of our Nation's domestic natural energy production.

The operational activities within the oil fields surrounding Taft have been the economic lifeblood of the city for over 100 years. From the remnants of old wooden oil derricks, to the historic Taft Fort, Taft has become a hallmark of the prosperity and endurance that has distinguished our County's industries and progress. State Highway 33 is now called the Petroleum Highway because of legislation that I initiated when I was a State Assemblyman representing the 32nd district of California to recognize the national resource that has put Taft on the map. In celebration of its oil heritage, Taft holds an event every 5 years called "Oildorado." This year will be the first Oildorado celebration that will consist of 2 weekends and will include many traditions and activities such as the grand parade, Maids of Petroleum Oildorado Queen Pageant, barbecues, dances, a World War II aircraft exhibit, arts and crafts fair, and oilfield skills contests. Also included in this year's Oildorado celebration will be the unveiling and dedication of the Oil Worker Monument, built to honor all the men and women who have worked in the oilfields over the years.

Taft has truly developed into a wonderful city of progress and yet through the years has still maintained a familiar, rural atmosphere making Taft a unique and enjoyable community to visit. The city of Taft is a vital component of California's 22nd District, and will continue to remain a place of economic importance and growth for the State of California. I recognize Taft and the members of its community in celebration of the city's 100th year of incorporation.

RECOGNIZING THE 75TH ANNIVERSARY OF THE PENSACOLA GULF COAST REGIONAL AIRPORT

HON. JEFF MILLER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 29, 2010

Mr. MILLER of Florida. Madam Speaker, I rise to recognize the 75th Anniversary of the Pensacola Gulf Coast Regional Airport and its service to northwest Florida and visitors worldwide.

Established during the Great Depression, the grounds for the new municipal airport for Pensacola, Florida, were purchased for the sum of \$50,000 from Mr. and Mrs. Francis W. Taylor on November 1, 1935. Shortly after, the Works Project Administration authorized several hundred men to clear and grade the heavily-forested property, laying out the strong foundation, which 75 years later supports today's modern airport.

The Works Project Administration approved the construction of three paved runways and the airport's first administration building. In 1937, a Stinson Trimotor airplane of Atlantic and Gulf Coast Airlines landed the first scheduled commercial airline passenger service. During the following year, the runways welcomed the first air mail service upon arrival of a Lockheed Electra from National Airlines.

Throughout World War II, the airport played a supporting role and was leased to the United States Navy. During this time, the military invested more than \$1 million into airport improvements, including paving the way for a fourth runway. The Pensacola Municipal Airport was returned to the city's control in 1945 and transitioned to commercial operations in the 1950s. In 1952, a new administration building at Pensacola Municipal Airport was built and named Hagler Field, honoring Pensacola's beloved mayor, the late Conner L. Hagler.

During the next decade, the Pensacola airport embraced the commercial jet age supporting the landing of an Eastern Air Lines Boeing 727 in 1965, which called for lengthening the airport's runways. As its services continued to grow, the airport was renamed Pensacola Regional Airport in 1972, and in 1978, the increased commercial air traffic led to making arrangements for the airport's first regional airlines. To accommodate the expansion of their operations, the airport further enhanced its physical structure. In the 1990s, a two-story air terminal was built that included the airport's first enclosed jetways, and entering into the new millennium, plans were launched for a multi-million dollar modernization.

In 2008, the Pensacola Regional Airport was renamed the Pensacola Gulf Coast Regional Airport. While over the course of its history, the airport has undergone several name and structural changes, one thing has remained constant—the professionalism and hospitality of all those who have dedicated their time and hard work to maintain the airport's daily operations and who make it all possible.

Madam Speaker, over the last 75 years, the airport has grown and transitioned into one of the largest commercial airports in the Gulf Coast. Whether dropping by for a visit or calling Pensacola or its surrounding areas home, the Pensacola Gulf Coast Regional Airport and its staff provides all those who pass through it a warm welcome to the Emerald Coast. On behalf of the hundreds of thousands of passengers it serves annually and the communities of northwest Florida, my wife Vicki and I would like to congratulate the Pensacola Gulf Coast Regional Airport on their 75th Anniversary and wish its employees all the best for continued success.