

more aggressively arm their Shia militias in Iraq.

Worse still, arming the Shia fighters will further inflame Iraq's deep sectarian divide, which ISIS has exploited so skillfully. The Kurdish Peshmerga is perhaps the only reliable and ready force deserving of U.S. military assistance, but no amount of heavy weaponry will defeat ISIS without a concerted political settlement both in Baghdad and Damascus.

All of this comes just days after President Obama has said, yet again, we do not have a complete strategy to defeat ISIS in Iraq or Syria.

The U.S. has few palpable options when it comes to untangling the region's current chaos. However, the administration's current strategy "to arm everyone and let God sort them out" is a serious miscalculation.

FAST TRACK

The SPEAKER pro tempore (Mr. BOST). Under the Speaker's announced policy of January 6, 2015, the gentleman from California (Mr. SHERMAN) is recognized for 60 minutes as the designee of the minority leader.

Mr. SHERMAN. Mr. Speaker, I am going to address the issues that we will be voting on tomorrow: trade adjustment assistance and the trade promotion authority, or fast track.

I know that a number of my colleagues are within the sound of my voice, and I hope that if they share my views on these issues they will come down to the floor and invite me to yield them time. Until then, I am going to first focus on the trade adjustment assistance bill that will be before us tomorrow.

There are so many reasons to vote against trade adjustment assistance in this form, even if it was a freestanding bill. First, it is inadequate. It has got roughly \$450 million, and there is no assurance that that money will be available next year or the year after that.

We know that the majority of this House is actually opposed to funding this program at all. They are doing it in an effort to pass fast track. Once fast track is passed, every effort will be made on this floor to cut this program to zero. Bait and switch, you have been warned.

Second, this amount of money, who is supposed to be eligible? The proponents of fast track have said, well, we have expanded those who are eligible, not just those who lose their jobs because of the Trans-Pacific Partnership trade deal we are planning, not just those who lost their job because of NAFTA, but everybody who has lost their job because of globalization in any of its forms. Well, that is also a bait and switch.

They are able to tell tens of millions of Americans you are going to be eligible for this program, but the program has only \$450 million in it nationwide. So it is like you win because we give

you a lottery ticket, and then we determine whether you will be one of the very small percentage of those who have lost their job due to globalization who benefit from the program.

This program is inadequate. It also explicitly contains language excluding any public sector employee from a benefit. Imagine that great unfairness. If you are at a public university and somehow grading of tests is offshored, you can't benefit. But if you are at a private university, same job, same offshoring, whether it be a call center or any of the other services that can be offshored in today's modern age, you could possibly—you are probably not going to get anything—but you can, at least, apply for a benefit.

The exclusion of the public sector may have made sense 40 or 50 years ago when only manufacturing jobs were subject to foreign competition. Today, anything that is done on the Internet, anything that is done on the phone, anything that is part of the information economy is a job that can be taken offshore. It is going to be very difficult for Members of this House to explain that they voted for a program that slapped in the face those who lose their jobs because it is a public sector job.

The biggest problem with TAA is that it cuts Medicare two different ways. One way we are told is an acceptable way to cut Medicare, and the other we are told isn't going to really happen. It is actually two cuts to Medicare.

The first that they say they have ironed out is the \$700 million cut to Medicare that will, under the rule just passed in this House by a small majority, graft itself onto the Trade Adjustment Assistance bill if that bill unfortunately passes. So you will be in a position to explain why you voted for a bill, knowing full well that as soon as it passed, a \$700 million cut to Medicare was grafted on it and that the President would have on his desk and intended to sign a bill that cut Medicare by \$700 million.

Now, you can present a complicated chart showing how you voted for Trade Adjustment Assistance but you didn't vote for the rule, and the cut for Medicare was supposed to be undone by the other bill that you voted for before you voted against it. And if you are able to make that explanation, more power to you.

But if you are a Democrat, you will be in a particularly weak position to make that explanation, because the AFL-CIO issued a letter today that said a vote for Trade Adjustment Assistance in this form with this rule in this "here you see it, now you don't; we will take it away, don't worry about it" Medicare cut is a cut to Medicare. So you are going to be explaining why your opponent's attack on you is unfair when you are a Democrat and you say it is unfair, but the AFL-CIO says it is not only fair, it is absolutely true. A special problem for Democrats. Repub-

licans will not have the difficulty in explaining why they disagree with the AFL-CIO.

Then there is a Medicare cut that is supposed to become law. This is the dialysis cut, and here is the thinking: Medicare will be more efficient in dealing with dialysis. We pass a statute that allows them to make use of clinics instead of hospitals. So through new procedures and new technology, Medicare will save roughly \$250 million.

Okay. Does Medicare keep that savings? No. It is used to buy votes for fast track.

Now, how is Medicare going to be sustained if every time new technology allows Medicare to save money, we take the savings and use it for something else, but every time new technology creates new medical costs, new things for Medicare to pay for, well, Medicare has to pay for them?

If we establish a principle that every new technology that saves Medicare money is money to be spent on something else and every change in medical technology that increases Medicare's cost has to come out of Medicare, Medicare will be bankrupt and will go bankrupt more quickly as we change medicine.

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That cut is supposed to become law if you vote for TAA, but TAA is on this floor for only one reason. It is a way to put a bandaid on a giant decapitation of the American middle class, a tiny program designed to facilitate the passage of a trade bill which will govern 40 percent of the world's GDP.

Don't be in enabler. Do not go back home and say you opposed fast track, but that you voted for the bill that will enable fast track. If you are against fast track, then you have got to vote "no" on TAA.

Well, what about fast track? What about this new Asia deal that is being negotiated? In the past, the proponents of these trade deals have come forward and said that they were going to reduce our trade deficit and create more jobs than will be lost.

For this deal, they don't even make that assertion. Their bait and switch is to say it will create some jobs in exports, but they are so arithmetically challenged, they don't then subtract out the jobs that will be lost to imports.

The fact is that time and again the proponents of our current trade policy have wildly misestimated the job effect of each action. For example, on this floor, we were told that the trade agreement with South Korea would reduce our trade deficit. That deficit has skyrocketed. We were told that permanent most favored nation status for China would increase our trade deficit by only \$1 billion. The proponents were off by 30,000 percent.

Now, they don't even say that we are going to get more jobs than we will lose; they simply say the jobs we lose don't count because that involves subtraction. The fact is that this is bad for

the American middle class, as has our policy over the years.

Since NAFTA, we have hollowed out the middle class; we have hollowed out American manufacturing. Since NAFTA, we have had a stagnation of wages in this country. Now, as we begin to recover from the catastrophe of 2008, now, as there begins to be the possibility that employers are going to have to pay more in wages to compete for employees, we have a giant trade deal that guarantees that wages will decline or stagnate for another decade or longer.

The economics are against the Trans-Pacific Partnership and the fast track that is designed to carry it, so there is a shift. The argument now is, well, it may be bad for our economy, but it is a great anti-China alliance, great geopolitics, disguised as a bad trade deal.

I have been on the Foreign Affairs Committee for 19 years. I am the ranking member on the Asia and the Pacific Subcommittee. I am here to tell you this deal is not only bad economic policy; it is bad geopolitics as well.

Let's look at how China benefits from this deal. First and foremost, we are told that this deal is going to set the terms of trade in Asia. Then you go to the basement, and you look at this deal, and, as reported in the press, there is a statement that there will not be anything in this trade deal about currency manipulation.

China, if this deal goes forward, wins without even having to sign it. China gets a new approach to world trade, which is currency manipulation, go to it, it will be applauded, it will not be counted; but China gets something even more. Go deeper into the basement and look at the rule of origin provisions. Now, what are these rules of origin provisions?

You would think that under this deal, goods made in Vietnam, goods made in Japan, goods made in the other countries that are part of the deal come into our country duty free, that this deal benefits goods made in Japan, Vietnam, et cetera, but only to the countries that sign the deal.

Then you get down to the details, and you see that goods that are 50 or 60 percent made outside the countries that are parties to this deal, goods that are 50 or 60 percent made in China, are eligible to be fast-tracked into the United States with no tariffs and no limits, and goods where the manufacturer admits that it is 50 or 60 percent made in China may actually be 70 or 80 percent made in China.

Goods that are chiefly Chinese-made get the benefit of this agreement, with China not even having to sign it. Our trade deficit will balloon not only from goods that are really made in Japan and really made in Vietnam—and those are the two countries added to the free trade regime by this agreement; we already have free trade agreements with the others that are part of these Trans-Pacific Partnership; those are the two main countries—not only goods made

in those countries, but goods that are just kind of polished in Vietnam, finished in Japan, but made in China.

We are told that this is part of some clever system to contain China when in reality, we established the international principle, the currency manipulation, the number one tactic of China to run up the largest trade deficit in history. We have the largest trade deficit; they have the largest trade surplus in history. That becomes the norm.

Then second, goods chiefly made in China, finished in Japan, get duty free into the United States.

But finally, think of what an insult it is to our men and women in uniform to be told that our allies in Asia are so disdainful of our help as they fight China over the islets that are in question, that we have to give away our jobs and enter into a bad trade deal just to have the honor of deploying our troops and our Navy to defend the islets claimed by Korea, Japan, and Vietnam.

You would think that the willingness of America to put its blood and treasure on the line to defend not only our allies, but even Vietnam, would be enough, not that we would be told that in order to have that honor, we have to enter into this trade agreement.

Finally—and, Mr. Speaker, I will end with this, there is the issue of admitting Vietnam into this deal. We are told that the purpose of this deal, the upside, is that we get free access to Vietnam's markets, free access to their markets. The only problem is Vietnam doesn't have freedom and it does not have markets.

This deal is great for Nike. They can manufacture shoes in Vietnam and pay 30–40 cents an hour. They can then add a few jobs in Oregon as they hire the marketing skill necessary to push off the shelves the last remnant of American-made shoes.

They can add some jobs in Oregon where they can find the tax lawyers to make sure that they don't pay any U.S. taxes on the enormous profit that you can get by making a shoe for 40 cents an hour and selling it for \$140. A few jobs, which will lead to pushing off the shelves all the American-made shoes. That is what we get on the import side.

The jobs we get are tax lawyers making sure that the importers don't pay any taxes. By the way, it has already been revealed that Nike will save several hundred million dollars in taxes on this, chiefly tariffs.

What access do we get for our exporters? Well, right now, Vietnam does have some tariffs. The tariffs go to the government. The entity paying the tariff is whoever is doing the exporting. Those importers are all owned and controlled—or at least controlled—by the government.

Right now, if Vietnam imports anything from the United States, the Vietnamese Government pays itself a tariff. If this deal goes forward, that tariff will be lower, so they will pay them-

selves less. Paying themselves money is an irrelevancy.

We don't have access to the Vietnamese market just because Vietnamese Government-controlled or Vietnamese Government-owned enterprises will be paying a smaller tariff to the Vietnamese Government of which they are part to begin with.

Tariffs are not the limit on what we export to Vietnam. Vietnam makes a political decision, a nationwide economic planning decision which products to import to the United States. They are importing what they choose to import; they are not importing what they choose not to import, and they are going to keep doing it.

To assume that just because lowering tariffs means you sell more goods in the United States, means lowering tariffs, means you sell more goods in Vietnam, we are required to imagine that the Vietnamese economy, a communist economy, is just like ours. That is an absurd assumption.

The Vietnamese centrally planned economy will or will not import from the United States whatever they choose to. Their published tariffs are an irrelevancy. Their promise to change those tariffs is a promise to change an irrelevancy. We are a nation of free markets. When we change our public tariffs, that opens up our markets to all the tennis shoes that can be made for 40 cents an hour.

This is a terrible deal for the American people. It is part of a continued policy of what they call free trade. What America needs is fair trade. What America needs is to say that those who want access to the U.S. market must be willing to buy U.S. goods and services. What America needs is an understanding that we need results-oriented trade agreements.

We are in the deepest hole ever. We are the largest debtor nation in the world. We have the largest trade deficit in the world. We would expect that the dollar will crash not this decade, but next decade. The first thing you do when you are in a hole that deep is to stop digging.

The first step is to stop this fast track. Then the next step is to deploy our trade negotiators with the power to say—the issue isn't whether we are going to lower our tariffs; we are a sovereign nation; we can increase our tariffs—if you want access to the U.S. market, everything is on the table, and a fair, balanced trade result is the requirement, if you want access to the one thing that the entire world wants, and that is access to the U.S. market.

I see no one seeking time, and I yield back the balance of my time.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CLAWSON of Florida (at the request of Mr. McCARTHY) for today on account of a family emergency.