$1,000 tax credit for expenses related to living in their own home or if the seniors live with their kids or somebody else, that tax credit would be eligible for that particular family.

In conclusion, overspending is dangerous for the economy. It is dangerous for our kids and our grandkids. In fact, it makes us more susceptible to international pressures. It makes us vulnerable. If one were to guess, Mr. Speaker, how much of our deficit this year is being financed by foreign countries, foreign investments, what would you guess? Seventy percent. Foreign investment is picking up 70 percent of the money that we have to borrow this year for overspending.

Right now, foreign investments lend to the United States Government 33 percent of our debt in this country. A huge challenge. Our trade deficit of now over $500 billion means that some countries have decided that they would prefer to keep those dollars and invest them by buying our businesses, by buying our equities, by buying our Treasury bills rather than buying the products that we make in this country. China, of course, is a huge challenge. I just recently returned from China. China's trade deficit with the United States, our deficit, has gone up to $125 billion. That means China takes these $125 billion and buys part of our Treasury bills, buys some of our equities. That results in us being more vulnerable to trade negotiations. If they say, well, look, United States, you're not being fair with us, we might just have to pull our money out of your Treasury bills. With foreign investments borrowing 30 percent of our money, tremendously vulnerable, it would put us at a huge disadvantage. Not only is this overspending and overpromising a burden on our kids, it is a tremendous challenge to our future economy.

CONSOLIDATION IN MEDIA OWNERSHIP

The SPEAKER pro tempore (Mr. COLE). Under the Speaker's announced policy of January 7, 2003, the gentleman from Vermont (Mr. SANDERS) is recognized for 60 minutes.

Mr. SANDERS. Mr. Speaker, as the only independent in the House of Representatives, not a Democrat, not a Republican, I want to take this opportunity to share some ideas that many Americans may not get a chance to hear very often. One of the concerns and one of the most important issues that I think is facing this country is increased corporate control over the media and the fact that fewer and fewer large corporations control what we see, what we hear and what we read.

What concerns me about that is not just that, for example, the Disney Corporation has just announced that it will not distribute Michael Moore's new film, Fahrenheit 9/11. They will not distribute that as had been previously arranged, because it is apparently too critical of President Bush and that it also might endanger some tax breaks that the Disney Corporation gets in Florida through President Bush's brother, the governor, there. That concerns me. That is not my major concern.

And it is not just that recently, as I think most Americans know, Sinclair Broadcasting, a right-wing company, decided that it would not carry Ted Koppel and Nightline's sensitive and respectful tribute to the over 700 young men and women who have been killed in Iraq, because somehow Sinclair believed that that was too political, too antiwar. Apparently it is not appropriate for the American people to actually see the face of war and the men and women who have died in that war.

But that is not my major concern about corporate control over the media and it is not just that when we turn on commercial talk radio, what we hear almost always, and with few exceptions, is the fact that there are extreme right-wing voices out there who pound away at right-wing themes and despite the fact that our Nation is almost equally politically divided, for millions of Americans, their only option on talk radio is one right-wing extremist after another. That is a concern, but not my major concern.

My major concern when I talk about corporate control over the media is that while we get inundated every single day by stories of Michael Jackson or Kobe Bryant or Martha Stewart or Britney Spears or a host of other celebrities, what we do not hear about much in the media and what we do not hear much about on the floor of Congress is the reality of what is happening to the middle class of this country, what is happening to ordinary working people. That, in fact, is the most important issue that we should all be talking about. It is the most important issue that the media should be focusing on and that Congress should be discussing.

□ 1815

So let me talk a little bit about some of those issues today, not about Michael Jackson, not about Britney Spears, but about what is happening to the middle class of this country.

Mr. Speaker, let me be very blunt. The United States of America today is rapidly on its way to becoming three separate Nations, not one Nation, but three separate Nations. One part of that Nation is an increasingly wealthy elite composed of a small number of people with incredible wealth and economic and political power; a small number of people, tremendous wealth, tremendous power.

Then we have the second part of America, the largest part, which is the middle class, the vast majority of our people; and that middle class tragically is shrinking, getting smaller. It is a middle class where the average American worker is now working longer hours for lower wages; and that is what is happening to the middle class.

And then the third segment of our society are those people at the bottom, and that is a growing number of Americans who are living today in abject poverty, barely keeping their heads above water, barely paying the bills that they need in order to survive. And those are the three Americas: a handful of great wealth, great power; a shrinking middle class; and more and more people who are living in poverty.

Mr. Speaker, there has always been a wealthy elite in this country. That is not new, and there has always been in this country and in every country a gap between the rich and the poor; but the disparities in wealth and income that currently exist in this country have not been seen since the 1920s. In other words, instead of becoming a more egalitarian Nation with a growing and expanding middle class, we are becoming a Nation with by far the most unequal distribution of wealth and income in the industrialized world. In other words, we are moving in exactly the wrong direction.

Today, the wealthiest 1 percent of Americans own more wealth than the bottom 90 percent. The wealthiest 1 percent of Americans own more wealth than the bottom 90 percent. The CEOs of the largest corporations in America today earn more than 500 times what their employees are making. While workers are being squeezed, while workers are being forced to pay more and more for health insurance, while their pensions are being cut back and promises made to them being swept back under the rug, while retiree benefits are being cut, while workers' jobs in this country are being sent abroad, the CEOs of the largest corporations make out like bandits. Their allegiance is not to their employees; it is not to the American people. It is to their own bottom line.

I am not just talking about the crooks who ran Enron, WorldCom or Arthur Andersen, all of those companies. I am talking about the highly respected CEOs, like the retired head of General Electric, Jack Welch, who, when he retired in 2000, received $123 million in compensation, and $10 million a year in pension for the rest of his life; and he did that after throwing many, many thousands of American workers out on the streets as he moved his plants abroad.

And I am talking about people like Lou Gerstner, the former CEO of IBM, who received $366 million in compensation while slashing the pensions of his employees. And I am talking about Charles A. Heimbold, Jr., of Bristol-Myers Squibb, who received almost $75 million in 2001 while helping to make it impossible for many seniors in this country to pay the outrageously high prices that his company and other companies are charging for prescription drugs.

Mr. Speaker, today this Nation's 13,000 wealthiest families who constitute 1/100th of 1 percent of our population receive almost as much income as the bottom 20 million families in this country; 1/100th of 1 percent earn almost as much income as the bottom 20 million families in the United States.

New data from the Congressional Budget Office show that the gap between the rich and the poor in terms of income more than doubled from 1979 to 2000. In other words, what we are seeing is movement in the wrong direction. The gap is so wide that the wealthiest 1 percent had more money to spend after taxes than the bottom 40 percent.

According to data from the Congressional Budget Office between 1973 and 2000, the average real income, inflation accounted for income of the bottom 90 percent of American taxpayers actually fell by 7 percent. Meanwhile, the income of the top 1 percent rose by 148 percent and the income of the top 1/100th of 1 percent rose by 599 percent. Middle class shrinking, people working longer hours for lower wages, the very, very wealthiest people in this country seeing huge increases in their income.

Mr. Speaker, in my view, growing income and wealth inequality is not what America is supposed to be about. A Nation in which so few have so much and so many have so little is not what America is supposed to be about.

Mr. Speaker, it is increasingly common to see people in our country in today's economy work not at just one job but at two jobs, and occasionally it is not uncommon to see American workers have three jobs. Is that what this global economy in which we were promised so much is supposed to be about?

When some of us were growing up, the expectation for the middle class was that one worker in a family could work 40 hours a week and earn enough income to pay the family's bills. One worker, 40 hours a week. Well, in my State of Vermont and all over this country, it is increasingly uncommon when that occurs. In my State and all over America, the vast majority of married couples have both husband and wife out in the workforce. Sometimes that is the way they want it to be, but more often than not it is the way it has to be because inadequate wages and inadequate income require two breadwinners to work incredibly long hours in order to pay the family's bills. And then with husband and wife out working, we wonder and we are surprised when kids do not get the attention that they need and when kids get into trouble. Well, we should not wonder too much as to why that happens.

Mr. Speaker, in terms of what is happening to the middle class, we have lost over 2.6 million private sector jobs in the last 3 years; and with 8.4 million workers unemployed, unemployment today is at 5.7 percent officially. In real truth, however, the unemployment numbers are much higher than that because there are a lot of unemployed and underemployed people who do not fall within the official unemployment statistics. These are the people who are working part-time because they cannot find full-time jobs, and those numbers are soaring. We have seen an increase of 300,000 part-time jobs just last month. And there are people who are not counted as part of the unemployment statistics because they have given up looking for work when they are located in high unemployment areas.

Furthermore, there are millions of people today who are counted as employed, but are working at jobs that are far below their educational levels and their skill levels; but they also count as part of those people who are employed.

Now, when we talk about unemployment and we talk about the economy, one of the more important points to be made is that since the beginning of the Bush administration we have lost 2.8 million manufacturing jobs in our country; 2.8 million manufacturing jobs. That is an issue that I want to spend a moment on because what is happening in manufacturing today is a disaster for this country and bodes very, very poorly for our future.

The bottom line is, and Congress must finally recognize this, that our trade policies are failing. They are failing. NAFTA has failed, our membership in the WTO has failed; and perhaps above all, permanent normal trade relations with China, PNTR with China, has failed. The time is now, and it is long overdue for the United States Congress to stand up to corporate America, to stand up to the President of the United States, to stand up to editorial writers all over this country, all of whom have told us year after year after year how wonderful unfettered free trade would be.

Well, they were wrong. The answer is in. They were wrong. These people told us that unfettered free trade would create new jobs. Instead, we have lost millions of jobs, and we have run up a record-breaking trade deficit. They told us that unfettered free trade would improve the standard of living of the middle class; they were wrong. Real wages have gone down or have stagnated for millions of American workers.

Let us be very clear. The decline of manufacturing is one of the reasons why our middle class is shrinking and why wages for middle-class workers are in decline. When we talk about the loss of almost 3 million private sector jobs in the last 3 years, we should appreciate that the vast majority of that job loss has taken place in manufacturing. Further, the collapse of manufacturing is one of the reasons that real inflation accounted for wages have declined.

Today, American workers in the private sector are earning 8 percent less than they were in 1973. Now, just think for a moment, just for one moment let us take a look at this rather incredible piece of information. Every American knows that in the last 30 years there has been an explosion in technology. We all know what computers have done. We know what e-mail has done; we know what faxes and cell phone and satellite communications have done. We know what robotics in factories has done. In other words, we are a much more productive Nation than we were 30 years ago, and almost every worker in our economy is producing more.

□ 1830

Given the fact that productivity is expanding and increasing, that technology is exploding, what common sense might suggest is that workers today would be working fewer hours and earning more money because of the increase in productivity. But the reality is exactly the opposite. Why is it that in 1973, the average American worker, in inflation accounted for wages, made $14.09 per hour, while in 1998, 15 years later, he or she made only $12.70 per hour, a significant decline in real wages? And that is, to my mind, one of the most important economic issues that we have to deal with, productivity going up, technology exploding, and yet the real wages for millions of American workers is declining and the middle class is shrinking.

Let us be honest and acknowledge that manufacturing in this country today is in a state of collapse. In the last 3 years, we have lost 16 percent of all manufacturing jobs, 16 percent in the last 3 years, and we are back to levels that were last seen in the 1950s, early 1950s. We only have 14.3 million manufacturing jobs.

And, Mr. Speaker, here is the tragedy. People would not be all that upset if when we lost manufacturing jobs, if the new jobs that were created were paying as much or more as the manufacturing jobs that we lost. But the fact of the matter is that when we are losing manufacturing jobs, we are losing jobs that pay in almost every instance a living wage. In Vermont manufacturing, for example, pays over $42,000 a year. That is a good wage and those jobs often have good benefits. And what is happening now is that the new jobs that are being created which are replacing the old jobs that we are losing are paying significantly lower wages with significantly lower benefits than the manufacturing jobs that we have lost.

According to a study by the Economic Policy Institute, the new jobs being created in America on average pay 21 percent less than the jobs we are losing. So despite what some politicians and what corporate leaders might tell us, the trend is not toward better-paying jobs. The trend is toward lower-paying jobs with fewer benefits.

When we talk about the economy not only for the current generation, but for our children and for our grandchildren, the key question that we should be asking is what kind of new jobs will be created in the future? Will these jobs be good paying? Will they be challenging jobs that a well-educated American population can jump into with enthusiasm? Are those the kinds of jobs that will be available for our kids and for our grandchildren, or is it, in fact, going to be something very different? Because when we talk about the future of America, to a large degree that is what we are talking about. What kinds of new jobs will be created in the future?

In that regard, the Bureau of Labor Statistics every 2 years does an important study forecasting the top ten occupations that will have the largest job growth in a 10-year period. In this case, the Bureau's forecast which was released on February 11, 2004, covers the years 2002 through 2012, a 10-year period.

And let me quote from Business Week Magazine as to what the results of that study showed: ''According to a forecast released February 11 by the Federal Bureau of Labor Statistics, a large share of new jobs will be in occupations that don't require a lot of education and pay below average.'' And pay below average. Those are the jobs, the newly created jobs, that our children and our grandchildren will be looking forward to receiving, jobs that require minimal education and pay low wages. The fastest growing of all of those jobs will be for medical assistance, nursing aides, orderlies and attendants, jobs that require nothing more and ''moderate on-the-job training.''

So the key point here is that instead of creating an economy where future generations will be challenged with jobs that require good education, good skills, the new jobs that are being created will require high school degrees. They will be low wage. They will have minimal benefits. In fact, of the ten occupations pinpointed by the Bureau of Labor Statistics, seven of them require only a high school degree; two require college degrees; and one an associate's degree, a 2-year education in college.

And that is an issue, in my view, that we should be paying a great deal of attention to because, Mr. Speaker, it tells us that a profound lie is being perpetrated on the American people. It tells us that unless we fundamentally change our public policies and do that very quickly, the middle class will continue to shrink and the jobs being created for the coming generations will be, by and large, low-wage and unskilled work, and that, in my view, is not what we want the future of America to be.

Mr. Speaker, when we talk about the economy and when we talk about trade and manufacturing, let us remember that in the year 2003, the United States had a $500 billion trade deficit, $500 billion record-breaking trade deficit. In 2003, the trade deficit with China alone, one country, China, was over $120 billion and that number, trade deficit with China, is projected to increase in future years. In recent years that deficit has gone up and up and up. In 1990, it was $11.5 billion; in 2001, it was $83 billion; 2002, $103 billion; in 2003, it was $120 billion.

The National Association of Manufacturers estimates that if present trends continue, our trade deficit with China will grow to $330 billion in 5 years, and that means, of course, that we are importing more and more and the gap between what we are importing and what we are exporting is growing wider and wider.

Mr. Speaker, our disastrous trade policy is not only costing us millions of decent-paying jobs, it is squeezing wages. Many employers are making it very clear that if workers do not accept cuts in their health care coverage or do not take cuts in wages that they will be moving their operations to China, to Mexico, to India, or to other developing countries. Today, wage growth is the slowest in 40 years. Millions and millions of Americans are working incredibly long hours, and yet they are not making anything more than they made a year ago.

One of the sectors of our economy, and we do not talk about this too much, where people are being hurt the most is among young workers without a college education. Not everybody goes to college. For entry level workers without a college level education, the real wages that they have received dropped by over 28 percent from 1979 to 1997, which are the latest figures that I have seen. And the drop for women during that period was only 18 percent. And the reason for that is quite clear.

Twenty-five or 30 years ago, if someone did not go to college, and most people did not, what they would have been able to do is to go out and get a job in manufacturing, and millions of workers did just that. And with those wages and with those benefits, people without a college degree were able to enjoy a middle class life-style. They were able to take care in an adequate way for their kids. They were able to save up so that their kids could have a better life than they did.

But all of that is changing now, and when young people leave high school and do not go to college, the job opportunities for them are most often very limited. There are jobs available at McDonald's, at Wal-Mart, at service industry jobs like that, but unfortunately those jobs pay low wages and do not allow people to earn a middle class income.

Mr. Speaker, what is happening to our economy today can be best illustrated by the fact that not so many years ago, the largest employer in America was General Motors, and workers in General Motors earned and still earn a living wage somewhere around $26 an hour with very strong benefits and with a strong union to represent their needs. Today, in contrast, our largest employer, private employer, is Wal-Mart, and that is what has happened to the American economy. We have gone from a General Motors economy where people produce real products, earn good wages with good benefits, to a Wal-Mart economy where people earn low wages and minimal benefits.

Today Wal-Mart employees earn $8.23 an hour or $13,861 annual. These are wages, paid by the largest employer in America, that are below the poverty level. And that is what the American economy is about today. The largest employer in America, Wal-Mart, pays its workers below-poverty wages. In fact, many of these workers qualify for the Federal Food Stamp program, which means that Wal-Mart is being directly subsidized by U.S. taxpayers.

Obviously Wal-Mart is not the only company receiving welfare from the taxpayers of this country, but they are the largest. Wal-Mart has been sued by 27 States for not paying the overtime pay their workers are entitled to. And not so long ago, Federal agents raided their headquarters, and 60 of their stores across the country, arresting 300 illegal workers in 21 States. Wal-Mart is vehemently anti-union and will do everything that it can to make sure that workers in a Wal-Mart store do not have the rights to collectively bargain.

□ 1845

Mr. Speaker, a recent study indicated that for every Wal-Mart superstore that employed 200 workers, taxpayers were subsidizing their low-paid workers to the tune of $420,000 per year, which equates to about $2,100 per employee. In other words, we have the absurd situation that many of the employees at Wal-Mart need Federal help in order to keep their families alive, whether it is food stamps, whether it is health care for their children or for themselves, whether it is subsidized housing. So you have the taxpayers of this country pouring huge amounts of money into subsidizing Wal-Mart's employees.

Meanwhile, and what an irony this is, five out of the 10 wealthiest people in America are in the Walton family, the family that owns Wal-Mart. They are each worth, each one of the five, are worth $20 billion each, collectively $100 billion. And last year the Walton family of Wal-Mart saw an $8.5 billion increase in their wealth. So what you have is one of the richest families in America growing much richer. We are seeing Wal-Mart workers earning subsistence wages, and you are seeing the taxpayers of this country forced to subsidize those workers because they cannot earn a living wage in Wal-Mart.

What an outrage. One of the richest families in America sees a huge increase in their wealth, and they need Federal help in order to keep their workers alive. This is something that should not continue to go on.

That, Mr. Speaker, is what the transformation of the American economy is all about. We have gone from an economy where workers used to work producing real products, making middle-class wages with good benefits, to a Wal-Mart-style economy where our largest employer pays workers poverty wages with minimal benefits, and, in the process, has a huge turnover.

Incredibly, since 1989, 98 percent of the new jobs created in the United States have been in the service sector, where on average workers earn substantially less than they do in manufacturing.

Mr. Speaker, before I talk about China and my great concerns about our current trade relations with China, let me say a few words about the North American Free Trade Agreement, NAFTA. That is an agreement, as you know, that the President wants to expand into a Free Trade Agreement for the Americas.

In 1994, the United States had a $2.4 billion trade surplus with Mexico. That was pre-NAFTA. Today, 10 years later, we have a $36 billion trade deficit with Mexico, one of the results of NAFTA. Through the end of 2002, the United States lost over 879,000 jobs as a result of NAFTA, jobs that formerly existed and were eliminated, as well as those created in other countries instead of here as a result of the growing U.S. trade deficit. Nearly 80 percent of those job losses were in manufacturing industries.

Now, some people, they think, well, if NAFTA was bad for the United States in terms of job loss, then it must have been good for our friends in Mexico and Mexican workers. Well, guess again. NAFTA has been a disaster for the poor and working people of Mexico.

Since 1994, when NAFTA went into existence, the number of people classified as poor or extremely poor has risen from 62 million to 69 million out of a population of 100 million. Since 1994, Mexico's agricultural sector has lost well over 1 million jobs, and NAFTA has played a major role in decimating rural employment on farms in Mexico.

Frankly, Mr. Speaker, in hindsight, it did not take a genius to predict that unfettered free trade with countries like China would be a disaster. In all honesty, if we check the CONGRESSIONAL RECORD, what is happening now in terms of trade and its impacts on American workers is precisely what many of us predicted would happen.

Why should we be surprised about what is happening? With educated, hard-working Chinese workers available at 20 cents an hour or 30 cents an hour or 40 cents an hour, and with corporations having the capability of bringing their Chinese-made products back into the United States tariff-free, why would American multinational corporations not shut down their plants in this country and move to China? Why would they not?

Essentially, the trade agreement we established with China says to them, throw American workers out on the street. Go to China; hire cheap labor and bring your product back here. That is what many of us predicted over the years when the debate about most favored nation status with China was taking place; and that, of course, is precisely what has occurred.

Mr. Speaker, General Electric, as we all know, is one of the largest corporations in America. Here is what their CEO, a gentleman named Jeffrey Immelt, had to say about China at a GE investor meeting on December 6, 2002, a year and a half ago. This is Mr. Immelt, CEO of GE: ''When I am talking to GE managers, I talk China, China, China, China, China. You need to be there.'' This is what he is saying to GE plant managers.

Then he continues: ''I am a nut on China. Our sourcing from China is going to grow to $5 billion. We are building a tech center in China. Every discussion today has to center on China. The cost basis is extremely attractive.''

What Mr. Immelt is saying is, frankly, what almost every CEO of a major corporation in America is saying, and they are saying, see you, American workers. We are out of here. We do not have to pay you a living wage. We are going to China.

China, for CEOs of American corporations, is a wonderful, wonderful place to do business. Do they have to worry about democratic rights in China? Of course not. If workers stand up for their rights, they go to jail. If workers try to form a union, they go to jail. There are virtually no environmental protection regulations in China, a very polluted country. So for corporations like General Electric, China becomes a wonderful place to work, and that is why they are moving there as fast as they can.

Should anybody in this country be surprised that Motorola, another major corporation in America, eliminated almost 43,000 jobs in this country in 2001, while investing $3.4 billion in China? Who is shocked that General Electric has thrown hundreds of thousands of American workers out on the street, while investing billions in China? Boeing, another great American corporation, has laid off 135,000 American workers, while it has increased outsource design work to China, Russia, and Japan.

In the last 30 years, General Motors has shrunk their U.S. workforce by over 250,000. IBM has signed deals to train 100,000 software specialists in China over 3 years. Honeywell is going to China. Ethan Allen Furniture is going to China. And on and on it goes. In fact, the exception to the rule is that company that says, we are going to grow jobs in the United States of America.

In terms of General Motors, just a few months ago that company announced plans to increase by 20-fold, 20 times, the number of auto parts it buys from China and uses in the U.S., Europe, Mexico, elsewhere, a 20-fold increase. According to the Detroit Free Press, ''GM, the world's largest auto maker, will more than double the number of parts it buys in China for cars it makes there, going from $2.8 billion for Chinese parts to $6 billion annually.''

There are people who believe that that move might be the beginning of the end for auto manufacturing in the United States and all of those decent-paying jobs that exist there.

Mr. Speaker, one of the most distressing aspects of this entire discussion regarding our economy is the degree to which the Bush administration has sold out the needs of American workers. Let me quote from a recent report written by Mr. Gregory Mankiw, the President's Chief Economic Advisor. Here is the man who is the President's major adviser on economic issues. Here is what he says on page 25 of the report that he sent to Congress: ''When a good or service is produced at lower cost in another country, it makes sense to import it, rather than produce it domestically.''

In case you did not fully get it, let me read it again: ''When a good or service is produced at lower cost in another country, it makes sense to import it, rather than to produce it domestically.''

Let us think for a moment what Mr. Mankiw, the President's Chief Economic Adviser, has just told the workers of the United States. What he has said is that companies should throw you out on the street because they can produce cheaper in China and in other countries, where wages are a fraction of the price that they in the United States of America. That is what companies should do. That is what the President's Chief Economic Adviser is telling corporations: go abroad, if you can produce cheaper.

What is wrong with that? Well, what happens to the many millions of American workers who lose their jobs? Well, apparently the President's economic adviser and the President himself are not worried too much about that. They are more worried about corporate profits and the ability of companies to produce with workers who are paid 30 cents an hour.

Over the years, Mr. Speaker, advocates of unfettered free trade have tried to gloss over the bad news about the decline in factory employment by promising us that a new high-tech economy was in the making.

In other words, American workers, do not worry. Yes, it is true you are going to lose jobs. In auto manufacturing, in steel, in textiles, in footwear, in almost every industry, you are going to lose those blue collar jobs. But you do not have to worry about that, because there is a new high-tech economy that is being developed, an information technology. You do not have to work in those loud, noisy factories. You and your kids are going to be able to have those wonderful jobs, high-paying jobs in quiet offices, and all you have to do is learn how to master the computer and become an expert in information technology, and those great jobs will be there for you and your kids.

We have heard that mantra over and over and over again: yes, we lose blue collar; but we are going to gain high-paying white collar jobs. We do not have to worry about that old economy any more. We have got a new economy coming.

Well, I think that many Americans are beginning to catch on that the people who told us that are dead wrong in terms of the future of this country; that in fact not only have we lost and we will continue to lose good-paying blue collar manufacturing jobs, we are now at the cusp of beginning to lose millions of even better-paying white collar information technology jobs.

In 2003, the estimate is that the United States lost 234,000 information technology jobs. Many of them ended up in India, which saw a gain of over 152,000 information technology jobs.

□ 1900

When Americans argue with the phone company as to whether or not they are being ripped off, more often than not, they are going to be talking to somebody in India. When you are trying to figure out how to get your computer working again, as often as not you are going to be talking to somebody not in New York, not in L.A., but in India.

One of the new areas where information technology jobs are leaving the United States is in tax preparation. Tax experts say that Indian Chartered Accountants, and that is India's equivalent to our CPA, certified professional accountants will prepare 150,000 to 200,000 returns this year, up to 20,0000 something returns in 2003. In other words, so long as there is a skilled worker behind a computer, and there clearly are skilled workers in India, China, the former Soviet Union countries, they are prepared and will and can do the work that Americans used to do at a fraction of the wages that Americans have earned.

Among many other companies moving high-tech jobs abroad is Microsoft, which is spending $750 million over the next 3 years on research and development, and outsourcing in China. Recently, Intel Corporation Chairman Andy Grove warned that the U.S. could lose the bulk of its information technology jobs to overseas competitors in the next decade, largely to India and China. In other words, Mr. Speaker, not only has our unfettered free trade cost us much of our textile industry, footwear industry, steel, tool and dye industry, electronics, furniture, as well as many, many other industries, it is now going to cost us, unless we change it, millions of high-tech jobs as well, and the future of our economy.

Lou Dobbs who, in my view, has done an excellent job on CNN talking about this issue, reported on a recent University of California at Berkeley study warning that as many as 14 million white collar jobs in the United States could be shipped overseas to India, China, and other countries, representing 11 percent of all U.S. employees. These jobs include over 2.8 million computer and math professionals with average salaries of over $60,000 a year, and over 2.1 million business and financial service support jobs with average annual salaries of over $52,000. And what the University of California at Berkeley study showed is that there is ''A ferocious new wave of outsourcing of white collar jobs'' which is sweeping across America. And we know why American companies will be going to India and elsewhere, because the wages are a fraction of what they are in this country.

In the U.S., a telephone operator earns $12.57 an hour; in India, less than a dollar an hour. A payroll clerk in the U.S. averages over $15 an hour, while in India, it is less than $2 an hour. An accountant in the U.S. makes over $23 an hour, while in India that wage is between $6 and $15 an hour.

Jobs most vulnerable to this new wave of outsourcing the researchers tell us include medical transcription services, stock market research for financial firms, customer service call centers, legal online database research, payroll and other back-office activities.

Mr. Speaker, last month, I held a town meeting in Montpelier, Vermont dealing with the issue of outsourcing, and we had many, many hundreds of workers who came to that meeting and a number of them were employed by National Life, an insurance company in Montpelier, and these workers felt betrayed, sold out by the fact that National Life had now outsourced a number of jobs from that company which were going to India. In fact, some of these workers were being asked to train their Indian counterparts.

Mr. Speaker, let me be very clear on this issue. The United States needs to have a strong and positive relationship with countries like China and India. I am not antiChinese; I have a lot of respect for the Chinese people. And I am not antiIndian; I have a lot of respect for the people of India. I am an internationalist. In fact, it is my view that not only the United States, but every other industrialized country on earth has a moral obligation to do everything that we can to address the terrible poverty that exists all over this world, where 1 billion people are living on less than a dollar a day, where children are dying of preventable diseases, where people do not have access to clean water, where people cannot get affordable prescription drugs and die of preventable diseases.

The United States has a moral obligation to work with those countries to improve their health care systems, their educational systems, their infrastructures, to do everything that we can to improve the standard of living of those people. But, Mr. Speaker, we do not have to destroy the middle class of this country and wipe out millions of decent-paying jobs to help poor people abroad. We can and should help poor people, but we do not have to destroy what is best in our economy.

Mr. Speaker, the issue here is whether we continue to be engaged in a race to the bottom where American wages and the quality of our jobs and our working conditions goes down, down, down, or whether we are asking poor people in the world to see their wages and working conditions go up, up, and up. And unfortunately, we are moving today in the wrong direction.

Mr. Speaker, by definition, a sensible and fair trade agreement works for both sides, not just for one. Trade is a good thing. It is a good thing when it benefits both parties. The New York Yankees do not engage in free trade by exchanging their top ballplayer for a third-string, minor leaguer. They do not say, hey, we are opening up our roster, you can take anybody you want, you give us anybody you want, because hey, that is what free trade is about. They trade for equal value. Every time we go shopping and every time we buy a product, we are trading money for a product, equal value. And that is what we have to do in terms of our overall trade policy.

Trade is good when it works for America and it works for the other country. It is not good when it throws American workers out on the street, when it lowers wages, and when the only beneficiaries of it are the CEOs of large corporations who make huge compensation packages, earn huge compensation packages at the expense of American workers.

Mr. Speaker, in order to address some of these problems, I have introduced two pieces of legislation that would move us forward in protecting the middle class of this country and the decent-paying jobs that we have. The first bill that I have introduced is H.R. 3228 which would repeal once and for all permanent Normal Trade Relations with China. It will acknowledge finally that our current trade policies with that country, with China are a failure and that we need a new beginning. I am happy to say that this tripartisan legislation has garnered well over 50 cosponsors, including 14 Republicans. So we are beginning to move forward in a tripartisan way to establish positive trade relations with China and not one that is costing us huge-paying jobs.

The second piece of legislation that I have introduced, H.R. 3888, will end corporate welfare for those corporations who are laying off American workers and moving to China and other low-wage countries.

Mr. Speaker, it is not acceptable to me that taxpayers of this country are providing tens of billions of dollars in corporate welfare to the same exact companies who are saying to American workers, bye-bye, we are off to China. That is an insult to our working people and an insult to the taxpayers of this country.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BACA (at the request of Ms. PELOSI) for today on account of personal reasons.

Mr. TAUZIN (at the request of Mr. DELAY) for the week of May 3 on account of medical reasons.