

United States but, indeed, for the entire world.

He talks about the rising budget deficit, which this President supports at \$420 billion more this year, and references the extraordinary trade imbalance, now at a half a trillion dollars, the highest in American history, and he says, these deficits could set off a sudden fall in the dollar and reverse any chance of global recovery.

And others say that these conditions of a high-budget deficit and an extraordinary trade deficit will result in the quiet erosion of American dominance of the world economy.

Similarly, an economist with the New York Times had an article this week, the title of which is U.S. and Trade Partners Maintain Unhealthy Long-term Relationship, and the Institute of International Economics, a center of expertise in this field, says, America's constantly rising deficits, our budget deficit and trade deficit, are a disaster in the making. No one could say it more clearly.

□ 2015

He says, this substitute for Americans, the positive side of the equation is they get to consume more than they produce. And maybe that works for a short time. But the down side of the United States is that most of their imports are purchased on credit extended by trading partners. And that indebtedness is now over \$4.4 trillion, nearly twice what it was just 4 years ago and an increasingly costly arrangement for Americans and a potentially risky one of the Nation's foreign creditors, which means that another institute has agreed with what the head of the international monetary funds as said.

Experts are saying that they are alarmed that this set of arrangements could unravel abruptly with the dollar falling in value and the dollar rising and with inflation rising. The dollar falling, inflation rising, that happened during the Great Depression in the last century.

The United States, this article goes on to say, is caught in a gradual, almost imperceptible deterioration brought on by the yawning deficit in trade and other international transactions and the deterioration is going to continue for a long time. No one knows how this situation will unwind, but it certainly will.

The current account deficit was equal to 5.7 percent of domestic activity in the second quarter and this was a record and unusually rapid rise from the last quarter. In fact, the trade deficit has risen to a level of \$477 billion, a 10-percent rise just over last year. Again, this article says the dollar in response would have to fall in value, forcing prices to rise in the United States.

Mr. Speaker, I know my time has expired, but let me say that the U.S. is headed in the wrong direction. We need a fundamental change. That change can take place on November 2. Let us put adults in charge.

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

(Mr. NORWOOD addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

#### EXCHANGE OF SPECIAL ORDER TIME

Mr. MCDERMOTT. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from Georgia (Mr. NORWOOD).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

#### FISCAL DANGER

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

Mr. MCDERMOTT. Mr. Speaker, the administration has America leading with its chin. You heard the last speaker talk about it, and I am going to talk about the same thing. We are going to get hurt.

This administration has America going hat in hand from country to country looking for money and they intend to just keep on doing it. They cannot make manufacturing jobs, but they have manufactured the largest trade deficit in history. They cannot engineer an economic recovery, but they have engineered the largest budget deficit in history.

They cannot extend the lifeline to unemployed workers but they can expand the number of workers who have exhausted their unemployment benefits to the highest level in 60 years.

It is just 40 days until the election, and the President needs a big win to try to make America forget about Iraq. So instead of setting policy, we are masking massive problems. A lot of Americans here talk about a trade deficit and do not see the connection to their own lives. The administration has run up the largest trade deficit in history and it exports money and it exports jobs right out of the United States economy. It is not called outsourcing. It is called out of control.

The mess this administration has made in foreign trade has claimed 670,000 U.S. jobs in manufacturing, farming and fishing, another 860,000 U.S. jobs in service industries have shifted offshore just in the last 2 years. One and a half million jobs is bad enough, but the story gets worse.

The administration refused to solve its foreign trade issues. So U.S. exports are being hit by tariffs by the European Union and these penalties will rise 13 percent in the next month. The administration knows what is wrong but it will not act to fix it. Canada, Brazil and other nations have won

cases in court about our foreign trade practices. But like so much else, this administration remains in denial and U.S. products could be hammered by another \$3 billion in tariffs.

These penalties can be avoided, but not by an administration that governs by press release. Instead, the administration's failure to act will make U.S. products more expensive and the U.S. economy less competitive in the world market. That is a formula for losing more U.S. jobs.

A new study shows American multinational corporations booked a record \$149 billion worth of profits off shore in countries known to be tax havens. Do not blame the corporations. The U.S. Tax Code rewards U.S. companies for exporting their balance sheets, in effect. The administration knows. The Republican majority knows. They do nothing about it. We need a national policy that puts America first, but we do not have it and we will not get it under this administration. Instead, the administration gives us rhetoric, pledging allegiance to the middle class, but a reality that rewards the wealthy and ignores the consequences.

The administration holds up the middle class when talking about massive tax giveaways passed. "Hold up" is the right term. The Republicans gave away another \$149 billion today. There is no money to pay for it, but they did it anyway. The average middle class household will get a tenth of what the wealthy are getting. It is \$169 for average Americans compared to \$2,000 for the wealthy; \$169 will not make college more affordable for middle class Americans. It will not make a gallon of gasoline less expensive. And \$169 will not provide the business with resources to expand or re-training dollars to inspire Americans to embrace a changing global economy.

This is another bait and switch tax giveaway. It will reward the rich and mortgage America's future.

The administration has America on target to be \$10 trillion in debt in the next 10 years. Nations that are not democratic and never will be are buying huge chunks of America's debt. Do not doubt for a moment that nations that do not share our values cannot exert enormous pressure over America when it hold trillions of dollars of our debt. They can and they will.

The book "After The Empire" by Emmanuel Todd is like a crisis call for emergency action. Every modern nation has three foundation blocks, military, political and economic. Lots of countries have big and well-armed armies. We certainly do. Lots of countries have established and effected political structures, democratic or otherwise.

Only America has had an unequaled economic foundation. It is at risk from the crushing debt burden this administration has pursued with abandon. Ten trillion dollars of debt in the next 10 years. What kind of a military can you afford with a \$10 trillion debt when you