the economic liberties of the common American citizen.

Now, those favoring protectionism tonight have cited several fallacious arguments for rejecting CAFTA and other free trade efforts. Some argue CAFTA will hurt business and jobs. The opposite is true. Even more than previous free trade agreements, U.S. producers have so much to gain under CAFTA. You see, our U.S. markets are already open to Central America. Eighty percent of imports from the six CAFTA countries already enter duty free. Since our markets are already open to goods from these countries, CAFTA will level the playing field like never before for American exports.

CAFTA could expand U.S. farm exports by $1.5 billion a year as prices of U.S. wheat and other crops are free from tariffs. Manufacturing and information technology could see exports increase by $1 billion annually when duties are removed. And the list goes on and on. A vote against CAFTA is a vote against new American jobs.

Another argument used by those who oppose trade is concern for the trade deficit, but as I just pointed out, our markets are already 80 percent open to the CAFTA countries. It is their markets that are mostly closed to us. Therefore, CAFTA can only help ease the trade deficit.

Now, other people argue that CAFTA will somehow increase illegal immigration. The opposite is, of course, true. Most illegal aliens do not come to America because they love hot dogs, baseball, and apple pie. They come quite simply because they are poor, and they need to feed their families. Trade with these Central American countries will help make the Central American countries more prosperous. Greater Central American prosperity will lead to fewer desperate workers, which in turn will lead to fewer illegal immigrants than would otherwise come over.

The CAFTA understanding on immigration measures explicitly states that it does not impose on the parties any obligations with respect to foreigners seeking employment or residency. Simply put: A vote against CAFTA is actually a vote for more illegal immigration.

Another argument which just simply does not stand up to scrutiny, Mr. Speaker, is that somehow, some way, somewhere the U.S. loses sovereignty. CAFTA is a voluntary agreement with our neighbors to lower tariffs according to a mutually agreed-upon schedule. If any country violates their commitments, other countries, of course, are free to retaliate as they wish. But no international body can make or change U.S. law. Again, no international body can change or make U.S. law. All we do is agree to a nonbinding dispute resolution that we are free to ignore at our will.

Mr. Speaker, we must pass CAFTA and the free trade it represents. Free trade delivers greater choice of goods and services to our consumers at lower prices. That means American families can buy better products using less of their paychecks. It is all about competition, and competition has always helped the consumer. We have over 200 years of history to prove it. And it does not matter if that competition comes from Nashville, Nicaragua, El Paso, or El Salvador.

Over the past few years, prices have dropped for a wide array of goods and services that are produced around the world, such as video equipment and toys, yet we pay a whole lot more for products that do not compete with foreign countries; for example, prescription drugs and cable TV. Competition works. Trade works. No one should come to this floor claiming to speak for low-income Americans and oppose CAFTA.

Mr. Speaker, beyond all the obvious economic benefits of free trade, we must recognize that this is fundamentally an issue of personal freedom. Nations do not trade with nations. People trade with people. With the exception of national security considerations, every American citizen should have the right to determine the origin of the goods and services that they want to purchase. Is this not the land of the free? Have not generations fought and sacrificed to secure the blessings of liberty?

Now, maybe we in Congress have the power, but do we have the right, do we have the moral authority to tell a waitress in Topeka, Kansas, she cannot buy a can of beans to help feed her family because it comes from El Salvador? Do we have the right, do we have the moral authority to tell a construction worker in New York that he cannot buy a pretty blue dress for his 3-year-old daughter because it comes from Honduras? Shame on us if we claim we do have that right.

Mr. Speaker, for over 200 years America has benefited from more trade and greater competition. I urge my colleagues to once again reject raw protectionism, reject bitter partisanship, and stand for freedom, stand for prosperity, stand for free trade and vote for the Central American Free Trade Agreement.

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

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

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

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

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

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

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. KAPTUR) is recognized for 5 minutes.

(Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

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

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

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Tennessee (Mrs. BLACKBURN) is recognized for 5 minutes.

(Mrs. BLACKBURN addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

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

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

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

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

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

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

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

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

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

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

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

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

STATE OF U.S. ECONOMY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 2005, the gentlewoman from New York (Mrs. MALONEY) is recognized for 30 minutes as the designee of the minority leader.

Mrs. MALONEY. Mr. Speaker, there has been a great deal of happy talk lately from the Bush administration and its supporters about the state of the American economy. To hear them tell it, you would think that some kind of supply-side miracle has taken place in the past few months and that the economy is now performing so well that jobs are plentiful, workers are well paid, that the budget deficit is being slashed in half, and that the trade deficit, which happens to be the largest in history, is nothing to worry about.

□ 2300

Of course nothing could be further from the truth, and all we have to do is go out and talk to our constituents to know that. Tonight my colleagues and I want to set the record straight on the economic policies of the Bush administration.

We want to look at the real record of job creation, the continued presence of unemployment, the failure of wages to keep up with inflation, and the widening disparity between the haves and the have-nots which is tremendously troubling. We will document how ordinary workers have been shortchanged in this economy, which has gone through the most protracted job slump since the Great Depression.

This chart summarizes the point well. The Bush administration has the worst job creation record of any administration back to Herbert Hoover. This chart shows the average rate of job creation by this administration. For most of his term, President Bush was the only President since President Hoover to actually lose jobs. Now he is at least in positive territory, but with a very anemic job growth of just 0.2 percent per year. Compare that with the 2.4 percent annual job growth under President Clinton, which is more than 10 times greater. Compare this from the Clinton administration back to the Hoover administration.

The Bush administration and its supporters will not take responsibility for the failure of their policies. Instead they keep saying the same thing over and over again: tax cuts. But the Bush administration's economic program has not created an economy that works for America's ordinary citizens, and they have mortgaged our future.

Responsible analysts have shown that the Bush tax cuts were poorly designed for generating jobs and putting people back to work in the wake of the 2001 recession. They had very low ''bang for the buck'' in terms of job stimulus in the short run, but they were so massive, they created a legacy of large budget deficits and mounting debt that will be a drag on the economy in the long run.

President Bush has squandered the hard-won fiscal discipline achieved in the 1990s. He inherited a 10-year budget surplus of $5.6 trillion and turned it into a stream of deficits. This chart shows what has happened so far. This chart shows that when President Bush took office, the Congressional Budget Office was projecting that the budget surplus of $236 billion in 2000 would grow to over $433 billion in 2005. In fact, the latest projection from the administration is that the budget will have a deficit of $333 billion this year.

In their mid-session review, the administration proclaimed this a major improvement because they had projected an even larger deficit in their January budget. But $333 billion is still the third largest deficit in the history of our country and a far cry from the $435 billion surplus that was being projected at the start of the Bush administration.

The administration is portraying a future of declining deficits over the next few years, but that is not what responsible analysts say. They observe instead that special factors were probably the reason for the jump in revenue this year, and they point out how much is left out of the budget projections, including the ongoing cost of the war in Iraq and Afghanistan and a fix for the alternative minimum tax.

We have become a Nation of debtors, relying on the rest of the world to finance our budget deficits and the rest of our excessive spending.

Last year we had to finance a record current account deficit of $668 billion, and that deficit was even larger at an annual rate in the first quarter reaching 6.4 percent of our gross national product.

Foreign governments are holding large quantities of our public debt, putting us at risk of a major international financial crisis if they should decide that the benefits of holding dollars are no longer worth the risk.

Mr. Speaker, our future prosperity depends on increasing our national savings and making wise investments. It depends on being ready for the retirement of the baby boom generation and the pressure we know that will be put on the budget. But how is the Bush administration preparing us for this future? With more deficits and more debt. They want to make the tax cuts that have gotten us into part of this mess permanent, and they have a plan for privatizing Social Security that would cut benefits substantially and add even more to our debt. We need a better plan.

Mr. Speaker, in the remainder of our time, we will look more closely at the realities of this economy and the failures of the current economic policies, including the weak labor market that continues to be a major characteristic of the Bush administration economy.

Mr. Speaker, I yield to the gentlewoman from California (Ms. LORETTA SANCHEZ), an economist by training.

Ms. LORETTA SANCHEZ of California. Mr. Speaker, I thank the gentlewoman from New York (Mrs. MALONEY) for putting together this Special Order.

I think the chart that was just up is a very important chart to talk about. A lot of people ask me what is the most important thing you are worried about when you go to sleep at night. They know that I sit on the Committee on Armed Services and the Committee on Homeland Security. I tell them the problem is the debt and the deficits that we are creating in Washington, D.C. because they will come back to haunt each and every family in this United States.

The chart there shows that when President Bush took office we were running a surplus, a surplus in the annual budget that we had, in other words, our annual spending plan. President Clinton had structured our taxes in such a way that he brought down the deficit from earlier years, and we were in a surplus. We were collecting more taxes than we were spending in a year, which allowed us to take those additional taxes and bring down the debt, the actual debt that this country carried.

But what happened when President Bush came into office? He began to change that around because spending went up and we collected fewer taxes. We have given three large packages of tax cuts in the time that President Bush has been in office. His own controller has said that the reason we are running deficits, 70 percent of that is due to the fact that we just do not collect taxes. We do not collect enough taxes to pay for the programs that we are spending on an annual basis. So 70 percent is due to the fact of those tax cuts. And those tax cuts, quite frankly, were not even very good; they are haphazard. They were used to buy votes and to make everybody think they had gotten a tax cut, but when you look at the tax packages and what has happened to us as a Nation in order to invest in our future, they were very poorly written and really do not do very much for our overall economy.

But this deficit problem that we see on this chart, every year we are spending more than the moneys we are taking in in Washington, D.C. That is a problem because it adds to our debt. It is a problem because this just keeps growing and growing. Our debt is now over $7 trillion, and no one seems to mind here in Washington, D.C.

We can give you tax cuts, we can spend $1.5 billion a week on a war in Iraq, and everything will be fine. When will that happen? Who will pay this debt? Well, sooner rather than later we will, my generation. And then when we cannot get to it, our children. After our children, our grandchildren. This is