Once you do, you begin to understand their importance and the need to protect them for the continued health of our oceans.

Boating gives us these cherished opportunities to commune with nature. It should be no surprise that boaters can be impassioned stewards of the environment, teaching future generations of boaters a healthy respect and appreciation for our natural resources.

It is for these and other reasons that I introduced House Resolution 505, recognizing the contributions of the recreational boating community and the boating industry to the continuing prosperity and affluence of the United States. This resolution calls upon President Bush to issue a proclamation to observe National Boating Day with an appropriate time being July 1.

I was happy to have so many of our colleagues from the Boating Caucus join me in supporting this resolution, including the distinguished co-chairs of the caucus, the Honorable GENE TAYLOR from Mississippi and the Honorable CANDICE MILLER from Michigan. I am sure that they can attest that boating is an integral part of our economy and our quality of life not just for those along the coast but for the entire country.

Mr. Speaker, I applaud my colleagues for adopting this resolution today and recognizing the contributions of recreational boating and the boating industry.

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

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

THE PROSECUTION OF FORMER U.S. BORDER PATROL AGENTS

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

Mr. JONES of North Carolina. Mr. Speaker, the House Judiciary Committee is scheduled to hold a hearing this week to examine mandatory minimum sentencing laws. Included in this hearing will be the opportunity to examine the issue of mandatory minimum sentencing in the case of U.S. Border Patrol Agents Ramos and Compean.

As the Members of this House well know, in February, 2006, the two agents were convicted in a U.S. District Court in Texas for shooting a Mexican drug smuggler. They were sentenced to 11 and 12 years in prison respectively, and today is the 160th day since the agents entered Federal prison.

The law that the agents were charged with violating, 18 United States Code, section 924(c)(1)(A), carries a mandatory minimum sentence of 10 years. As enacted by Congress, the law requires a defendant to be indicted and convicted either of ''using'' or ''carrying'' a firearm during and in relation to the commission of a crime of violence or ''possessing'' a firearm in furtherance of a crime of violence.

However, neither Mr. Ramos nor Mr. Compean were ever charged with specific elements of the crime. Instead, the Office of the U.S. Attorney for the Western District Court of Texas, Mr. Johnny Sutton, extracted from the U.S. Criminal Code a sentencing factor, ''discharging'' a firearm, and substituted that sentencing factor for the congressionally defined elements of the offense. Ten years of each of their sentences were based on an indictment and conviction for a Federal crime that does not exist. The law they were charged with violating has never been enacted by the United States Congress but rather was fashioned by the U.S. Attorney's Office.

In this case I can imagine how difficult it would be to obtain an indictment and conviction for ''using,'' ''possessing,'' or ''carrying'' a firearm when the Border Patrol agents were required to carry firearms as part of their job. That difficulty may well explain why this U.S. Attorney's Office unilaterally changed Congress's definition of a crime to a definition that would be easier for the prosecution to prove.

When this issue was brought to my attention and to the attention of my colleagues VIRGIL GOODE and former Texas State Judge TED POE, we were pleased to join forces with the Gun Owners Foundation, U.S. Border Control, U.S. Border Control Foundation, and the Conservative Legal Defense & Education Fund to file a friend of the court brief in the U.S. Court of Appeals for the Fifth Circuit. The brief urges reversal of these unjust convictions and 10-year mandatory minimum sentences by spelling out how charges contained in two counts of the indictment against the agents are fatally defective. I want to thank Chairman JOHN CONYERS for scheduling a hearing on this issue, as well as the Subcommittee on Crime and Terrorism and Homeland Security for its willingness to investigate the injustice committed against these two border agents.

I encourage the chairman and the committee to take a thorough look at the action of the Office of the U.S. Attorney for the Western District of Texas and his aggressive prosecution of law enforcement officers like Ramos and Compean.

Mr. Speaker, as I close, I want to let the families of Compean and Ramos know that we are not going to forget these two border agents. They are heroes and should never have been sent to prison.

□ 1845

The SPEAKER pro tempore (Mr. HALL of New York). Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

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

U.S. TRADE DEFICIT

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

Ms. KAPTUR. Mr. Speaker, the U.S. trade deficit continues its relentless spiral upwards. More red ink. More outsourced jobs. More foreign imports. Nothing seems capable of slowing it down, neither the misguided Bush administration policy of forcing down the value of the dollar on global markets, nor a half-hearted, ineffective and ultimately unsuccessful attempt to increase U.S. exports. America wants results, not rhetoric.

According to recent reports, the current account deficit, which is the broadest measure of the trade deficit, reached $193 billion just in the first quarter of this year. Every year the red ink gets deeper. This represents 5.7 percent of our gross domestic product. It is a heavy ball and chain on the economic growth in our country, and it is becoming heavier. The trade deficit in goods in the first quarter surpassed $200 billion, and it dwarfed surpluses in services and income payments.

Although you won't hear it from the economists on the coasts, the gargantuan deficit in goods is a dagger pointed at the heart of the economy in parts of the country such as I represent. We need action in Washington to stop the loss of jobs due to the trade deficit hemorrhage and unfair foreign competition, including the remaining closed markets of the world in first world nations like Japan.

The trade deficit, Mr. Speaker, reveals two fundamental weaknesses in our national economic policy. First is our unforgivable utter dependence on imported petroleum, the primary category of trade deficit. American consumers end up paying twice for the government's failure to declare energy independence, first when they fill up, and second, when their own economy is undermined by the global oil giants working in tandem with the repressive kingdoms of the Middle East and other places.

One would think that our government would have heard the warnings long enough and often enough to take action against our dangerous dependence on foreign oil, and I mean real action, like energy independence within a decade.

The President talked about it in his State of the Union speech, but he has not followed up with action. In fact, in his administration we are importing a billion more barrels of petroleum annually from other countries. So we should not be surprised, maybe, considering the President and Vice President are both oil men at heart.

The other weakness revealed by the current account deficit is our failure to develop a trade policy that makes as its priority the competitiveness of American jobs and American businesses. The government, rather, has pursued a policy that sends manufacturing jobs overseas to third world places like China, which represents a growing share of this red ink. Talk to tool and dye makers in Ohio, those who somehow have survived. Talk to workers in the auto industry or the auto parts sector; they must wonder whether it is the official policy of the United States Government to throw them to the wolves.

Where, they ask, is the policy for making the United States economy competitive here at home in each of the categories where we have lost the edge?

Together, the trade deficit with China from petroleum and from automotive products account for 95 percent of the total, and somebody's got to pay. In order to finance the deficit, Americans are borrowing and selling assets to the tune of approximately $600 billion a year. Anything in your town been put on the chopping block yet? Debt service amounts to approximately $2,000 a year for every working American. We are truly indebted.

Sooner or later somebody has to pay that bill, and the American people know who that somebody is. The Chinese government alone holds enough foreign reserves to purchase about 5 percent of the shares of all publicly traded U.S. companies. The U.S. trade deficit is the main source of that Chinese wealth. Dr. Peter Morici of the University of Maryland has written about the impact of our trade policy on economic growth. He notes that every dollar spent on imports that is not matched by a dollar of exports reduces domestic demand here at home and employment and shifts workers into activities where productivity is lower.

Productivity is at least 50 percent higher in industries that export and compete with imports, and reducing the trade deficit and moving workers into these industries would increase our gross domestic product. If the administration and Congress showed the fortitude to cut the trade deficit, and we're not talking about a balanced trade account, just cutting the deficit by half, the gross domestic product would increase by an estimated $250 billion, or more than $1,700 for every working American. That comes to 1 percent a year due to this halving of the deficit rather than the loss of 1 percent of economic growth every year due to this continuing failed trade policy, which has been in place for at least two decades.

If we could just cut the deficit in half, workers wages could once again keep pace with inflation, families would no longer fall further behind with each passing month, and we would have better jobs, better paying wages and better benefits.

Mr. Speaker, unfortunately we will not see that economic growth until our government deals with this trade deficit and stops the hemorrhage. That would require political courage. I would sure like to see some of it here in this town.

U.S. RECORDS $193 BILLION FIRST QUARTER CURRENT ACCOUNT DEFICIT TAXING U.S. GROWTH

(By Peter Morici)

Today, the Commerce Department reported the first quarter current account deficit was $192.6 billion, up from $187.9 billion in the fourth quarter.

The deficit was 5.7 percent of GDP. The consensus forecast was $203 billion, and my published forecast was 195.8.

The current account is the broadest measure of the U.S. trade balance. In addition to trade in goods and services, it includes income received from U.S. investments abroad less payments to foreigners on their investments in the United States.

In the first quarter, the United States had a $24.1 billion surplus on trade in services and a $10.4 billion surplus on income payments. This was hardly enough to offset the massive $200.9 billion deficit on trade in goods.

The huge deficit on trade in goods is caused by a combination of an overvalued dollar against the Chinese yuan, a dysfunctional national energy policy that increases U.S. dependence on foreign oil, and the competitive woes of the three domestic automakers. Together, the trade deficit with China and on petroleum and automotive products account for about 95 percent of the deficit on trade in goods and services.

To finance the current account deficit, Americans are borrowing and selling assets at a pace of about $600 billion a year. U.S. foreign debt exceeds $6 trillion, and the debt service comes to about $2,000 a year for every working American.

A significant share of these funds was loaned to Americans by foreign governments. China and other governments loaned Americans more than 4.3 percent of GDP.

The current account deficit imposes a significant tax on GDP growth by moving workers from export and import-competing industries to other sectors of the economy. This reduces labor productivity, research and development (R&D) spending, and important investments in human capital. In 2007 the trade deficit is slicing about $250 billion off GDP, and longer term, it reduces potential annual GDP growth to 3 percent from 4 percent.

FINANCING THE DEFICIT

The current account deficit must be financed by a capital account surplus, either by foreigners investing in the U.S. economy or loaning Americans money. Some analysts argue that the deficit reflects U.S. economic strength, because foreigners find many promising investments here. The details of U.S. financing belie this argument.

In the first quarter, U.S. investments abroad were $420.8 billion, while foreigners invested $623.6 billion in the United States. Of that latter total, only $23.5 billion or less. than 4 percent was direct investment in U.S. productive assets. The remaining capital inflows were foreign purchases of Treasury securities, corporate bonds, bank accounts, currency, and other paper assets. Essentially, Americans borrowed $600 billion to consume 5.7 percent more than they produced.

Foreign governments loaned Americans $147.8 billion or 4.3 percent of GDP. That well exceeded net household borrowing to finance homes, cars, gasoline, and other consumer goods. The Chinese and other governments are essentially bankrolling U.S. consumers, who in turn are mortgaging their children's income.

The cumulative effects of this borrowing are frightening. The total external debt now exceeds $6 trillion. The debt service at 5 percent interest, amounts to $2000 for each working American.

The Chinese government alone holds enough U.S. and other foreign reserves to purchase about five percent of the shares of all publicly trade U.S. companies. The U.S. trade deficit is the primary driver behind this phenomenon.

CONSEQUENCES FOR ECONOMIC GROWTH

High and rising trade deficits tax economic growth. Specifically, each dollar spent on imports that is not matched by a dollar of exports reduces domestic demand and employment, and shifts workers into activities where productivity is lower.

Productivity is at least 50 percent higher in industries that export and compete with imports, and reducing the trade deficit and moving workers into these industries would increase GDP.

Were the trade deficit cut in half, GDP would increase by about $250 billion or more than $1,700 for every working American. Workers' wages would not be lagging inflation, and ordinary working Americans would more easily find jobs paying higher wages and offering decent benefits.

Manufacturers are particularly hard hit by this subsidized competition. Through recession and recovery, the manufacturing sector has lost 3.2 million jobs since 2000. Following the pattern of past economic recoveries, the manufacturing sector should have regained about 2 million of those jobs, especially given the very strong productivity growth accomplished in durable goods and throughout manufacturing.

Longer-term, persistent U.S. trade deficits are a substantial drag on growth. U.S. import-competing and export industries spend three-times the national average on industrial R&D, and encourage more investments in skills and education than other sectors of the economy. By shifting employment away from trade-competing industries, the trade deficit reduces U.S. investments in new methods and products, and skilled labor.

Cutting the trade deficit in half would boost U.S. GDP growth by one percentage point a year, and the trade deficits of the last two decades have reduced U.S. growth by one percentage point a year.

Lost growth is cumulative. Thanks to the record trade deficits accumulated over the last 10 years, the U.S. economy is about $1.5 trillion smaller. This comes to about $10,000 per worker.

Had the Administration and the Congress acted responsibly to reduce the deficit, American workers would be much better off, tax revenues would be much larger, and the Federal deficit could be eliminated without cutting spending.

The damage grows larger each month, as the Bush administration dallies and ignores the corrosive consequences of the trade deficit.

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.)