

sparsely populated but has so much potential for our future. This wind farm in Prowers County is part of an effort in our State whereby, at the end of 2008, we project we will be producing over 1,000 megawatts of power from wind in Colorado. That is the equivalent of the amount of electricity produced by three coal-fired powerplants, and we have been able to do that in a period of 2 years.

We planted the seeds for these kinds of projects in the 2005 Energy Policy Act and in the Energy bills we passed earlier this year, which I hope we get to refurbish and pass again in the next several days. But the farm bill is also part of that.

The 2007 farm bill takes the next step by helping farmers and ranchers deploy the renewable energy technologies that have been developed in lots of places around our country, including the National Renewable Energy Lab in Golden, CO.

With the \$1.3 billion that this bill devotes to energy programs, farmers will be able to apply for grants to develop biorefineries and to improve the handling, harvest, transport, and storage of feedstocks for biofuels. The bill includes tax credits for small wind turbines and cellulosic biofuel production. And it stimulates research into the methods and technologies that will allow the most productive lands in the world to provide more and more of our energy. The farm bill, in title IX, shows us how rural America will help us grow our way to energy independence.

Reducing our dependence upon foreign oil will be the central national security, environmental security, and economic security challenge for all of us in the coming decades. It is also a tremendous opportunity.

The country that successfully replaces its imports of foreign oil with clean home-grown energy will reap competitive and technological advantages that will keep it out front in the world for decades to come.

Mr. President, it is time to put the interests of rural America before the politics of obstructionism. I urge my colleagues, Democrats and Republicans, to find a way forward in which we can narrow the number of amendments that have been filed on this legislation, so that under the leadership of Senator HARKIN and Senator CHAMBLISS we can have an opportunity to vote on a final farm bill as part of the Christmas present that we should be delivering to the American people. It is my hope that, as we move forward on the farm bill, we move forward with equal fervor in having the Energy bill concluded, which is now on its way to passage in the House of Representatives.

I yield the floor.

#### CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, morning business is closed.

#### UNITED STATES-PERU TRADE PROMOTION AGREEMENT IMPLEMENTATION ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to the consideration of H.R. 3688, which the clerk will report.

The bill clerk read as follows:

A bill (H.R. 3688) to implement the United States-Peru Trade Promotion Agreement.

Mr. SALAZAR. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, is the business of the Senate at this point the Peruvian Free Trade Agreement?

The ACTING PRESIDENT pro tempore. Yes.

Mr. DORGAN. Mr. President, I am going to speak about that subject, and I will confess, as I start, that the old admonition never argue with someone who buys ink by the barrel is something I should have learned long ago. I take issue with a company that buys ink by the tanker truck: the Washington Post.

Speaking of trade, the Washington Post described, I think, why there is not so much of a thoughtful debate about trade as there is a thoughtless debate about it. In this editorial, they say this about trade in an attempt to criticize some of those who are running for President and are distancing themselves from the brand of free trade. What the Washington Post says is that a candidate said the following quote:

NAFTA was a mistake to the extent that it did not deliver what we had hoped it would, and that is why I call for a trade time out.

One candidate said NAFTA was a mistake, and they quoted the candidate saying it. The Washington Post says:

Such demagoguery.

So it is now demagoguery for a candidate for President to allege that a trade agreement was a mistake. That is demagoguery? I don't quite understand the Washington Post. The Washington Post says that NAFTA didn't cause the current U.S. trade deficit with Mexico. Really? That is an interesting conclusion, with no facts to support it. There are no facts to support that conclusion.

I think I will show a chart that shows what has happened to our trade with Mexico since the North American Free Trade Agreement, NAFTA, was signed. The evidence is pretty substantial

about what happened with our trade between the United States and Mexico: Just prior to negotiating a free trade agreement with Mexico, we had a very small surplus with the country of Mexico of \$1.5 billion. Now, last year, it went from a very small surplus to a \$65 billion deficit. The Washington Post says—about a candidate that said NAFTA was a mistake—that is demagoguery. Give us a break. It is not demagoguery to suggest that something doesn't work when we have gone from a \$1.5 billion trade surplus to a \$65 billion deficit.

The Washington Post also says that the agreements contributed marginally to the shifting of workers from some less competitive sectors to others. That is arcane language to describe what happened. After NAFTA, the three largest imports from Mexico to the United States are automobiles, automobile parts, and electronics. The contention was made by those who supported NAFTA that this would only mean the migration of low-skill, low-income work to Mexico. It didn't happen quite that way. Automobiles, automobile parts, and electronics represent the products of high-skill labor in this country, and those jobs have been lost.

I only wished to point out that the Washington Post described for us today why this debate about trade has largely been thoughtless. Yes, it is a global economy, I understand that. There are many faces to the global economy—some very attractive and some not so attractive. I will try to describe them both today. The global economy has galloped forward at a very aggressive pace, but the rules have not kept pace. So the result is we have some very significant problems and dislocations. We are drowning in trade debt in this country, and I will describe that.

What is before us is another free trade agreement, the free trade agreement with Peru. Let me say that I can count votes. I understand what will happen in this Chamber. The Senate will support and vote for the free trade agreement with Peru.

I maintain again today that I am not going to vote for additional free trade agreements until benchmarks are attached and there is accountability for those benchmarks. Had we had benchmarks in the NAFTA, we would not have gone from a \$1.5 billion surplus to a \$65 billion deficit. We would have, at some point, said, wait a second, something is happening that is not right for our country.

First of all, I don't think we should be signing new trade agreements until we fix some of the fundamental problems in the old agreements. Two, I believe that the Peru agreement represents an expansion of a failed model. It has failed before and will fail again. And, No. 3, I don't think it contains—I know it doesn't contain any benchmarks or accountability or a mechanism for withdrawal should the trade agreement fail at least relative to what we expect the trade agreement to accomplish.

So I don't intend to support this trade agreement, not because I don't support trade. I support trade, and plenty of it. I believe, however, it ought to be fair. And the failed model brought to us time and time again I will demonstrate today has failed this country. It has not failed everybody, but it has failed this country, and it is not in this country's best interest. This is language I assume the Washington Post would call demagoguery. If they suggest that it is demagoguery for a candidate for President to say NAFTA was a mistake, when all of the evidence demonstrates it was a mistake, I assume they may want to turn off their television sets when I am speaking at this point because they will certainly consider that demagoguery. It is rather, however, not a thoughtless debate. It is a thoughtful debate from the standpoint of those of us who come to the floor of the Senate who say we want trade, we support trade, we believe expanded trade is helpful to this country, but we insist for a change that the model of a trade agreement be a model that is mutually beneficial and stands up for the interests of both sides to that agreement.

The agreement with Peru by itself will not do damage to this country. That is not what I allege today. Let me describe our trade: With China, \$343 billion; Mexico, \$332 billion; Japan, \$120 billion; Peru, \$9 billion. I don't allege that trade with Peru, which is about three-tenths of 1 percent of our trade, is going to be a serious problem because of the passage of a failed model. We have very large trade deficits with China, Japan, Mexico, the European Union, and Canada, all of whom are major trading partners. Instead of doing something about those significant and growing problems—China, Japan, Canada, the European Union, and Mexico—instead of doing something about that, we bring the same failed model to the floor of the Senate.

I recognize and admit that this model with respect to Peru has labor standards in it that did not exist and environmental standards that did not exist in some other trade agreements. I will talk about that in a moment, especially with respect to Jordan. But the fact is, the foundation of this agreement is the same failed model that we have seen in the past.

I want to talk about that failed model. I want to talk about the issue of China, especially because when we talk about trade—and we must talk about trade, we have to talk about the 500-pound gorilla with respect to our trade problems. This chart represents what our trade with China looks like since 1995 through last year, 2006. Success? No. These red lines going down represent huge trade deficits. Does anybody think that is a success? I think it is a huge failure for our country to be so fundamentally out of balance in our trade relationship with China. It just continues and continues and continues.

The question is: What will we do about that? Some of the cheerleaders

for the free-trade movement and the cheerleaders who would look at this would say: You need to understand something. And, obviously, they would say: Senator DORGAN does not understand it. Here is what it is. They say: We have increased our annual exports to China by \$39 billion from 2000 to 2006. That is what they would say. They would say: Look at this, we have increased our exports by \$39 billion in just 5½ years. They just will not tell you the rest of the story, as Paul Harvey would suggest. The rest of the story is, yes, we did increase our exports to China by \$39 billion, but we increased our imports from China by \$188 billion. Isn't it interesting the picture you get that is very different if you have both sides of the equation? What will happen is those who support the free-trade model who think it works, who want to bury their head in the sand with respect to anything that represents something we should fix in our trade circumstance, they would only show you this \$39 billion, only tell you that. They will strut around, thumbing their suspenders, puffing on their cigars saying: Look at all this; isn't this wonderful? We had a \$40 billion increase in exports to the country of China in the last 6 years. What do you think about that? Do you think that is not successful? We are dramatically increasing our exports to China. How on Earth can you suggest that is not in this country's best interest? They would stop the story right there.

But if you pick up the story where it should be picked up, you would say: Yes, that is true we had almost a \$40 billion increase in exports, and good for us. The problem is, it was more than four times that amount in increased imports to this country, which means we had a net reduction in our trade relationship—that is, a net increase in our deficit—with China of over \$140 billion. That is the rest of the story.

So for every \$6 of merchandise we buy from China, the Chinese buy \$1 of merchandise from us. That is not mutually beneficial trade. There are a lot of reasons for this surging trade deficit with China.

If I might show the bar chart that shows the surging deficits, there are many reasons for this surge, but among them is that we have a pretty bankrupt trade agreement with China. China is rampant with what is called intellectual property theft. Walk down a street in China and buy a brand-new American movie, a CD. Piracy, they manipulate their currency, they have unfair barriers against U.S. exports, they have an unfair relationship in which U.S. jobs go to China because of, in many cases—not all cases but in many cases—sweatshop conditions in China. And so we have these circumstances with China that contribute to this dramatic increase in the U.S. trade deficit with China.

China has increasingly become a platform for manufacturing that used to occur in this country. Why? Because

they are better manufacturers? No. It is because you can get products manufactured for a fraction of the price of manufacturing them in this country.

I indicated earlier the situation with Mexico. I described the situation with China. The trade deficit increased dramatically with China, and the trade deficit increased dramatically with Mexico. The same is true with Canada. With Japan, it hasn't increased dramatically. It has always been large and never changed because that is the way Japan wants it.

In the Wall Street Journal on October 4 of this year, there was a very interesting story. It said in the headline: "Republicans Grow Skeptical of Free Trade." And the story described a poll—understand, this is in the Wall Street Journal—that by a 2-to-1 margin, Republican voters believe free-trade deals have been bad for our country's economy. I suppose the Washington Post would also suggest that is demagoguery. Again, by a 2-to-1 margin, Republican voters believe free-trade deals have been bad for our economy.

The poll found that 59 percent of polled Republican voters agreed with the following statement:

Foreign trade has been bad for the U.S. economy because imports from abroad have reduced demand for American-made goods, cost jobs here at home, and produced potentially unsafe products.

Only 32 percent of the polled Republican voters agreed with the following statement:

Foreign trade has been good for the U.S. economy because demand for U.S. products abroad has resulted in economic growth and jobs for Americans here at home and provided more choices for consumers.

This poll in the Wall Street Journal suggests, I think, a dramatic change in the way Americans view this free-trade movement.

In December 1999, the Wall Street Journal did a poll that found that only 31 percent of Republican voters thought free-trade agreements hurt our country. But in this past month's poll, they found the number of Republican voters went from 31 percent to 59 percent. These are Republican voters. That is where the substantial support has come from for these free-trade agreements. Clearly, the American people have seen the results of the free-trade agreements. They understand these red lines, these giant trade deficits are not just red ink. It represents lost jobs, lost dreams. It represents somebody coming home at night to their family saying: Honey, I lost my job, not because I am a bad worker but because I can't compete with 20-cent-an-hour labor in Shen-chen, China.

When NAFTA was debated in Congress in the early 1990s, its proponents argued, as I indicated earlier with respect to the U.S. deficit with Mexico, the proponents argued this would result in the creation of a couple hundred thousand new jobs in the United

States. But it is widely acknowledged by any economist who knows anything that this did not lead to the increased promise of U.S. jobs. The 200,000 jobs created annually, that was from a study by Mr. Hufbauer and Mr. Schott, a couple of economists.

I have indicated that I previously taught economics in college, but I was able to overcome that experience. Hufbauer and Schott gave us this best economists' analysis we can find, I guess. They said this will be a couple hundred thousand new jobs, 170,000 new jobs by 1995, and they rounded that up to 200,000 when it was sold to the Congress. We now know at least 412,000 jobs have been certified as lost due to NAFTA under just one program at the U.S. Department of Labor.

Ten years after NAFTA had been approved, I commissioned a study from the Congressional Research Service which identified the top 100 companies that laid off U.S. workers as a result of NAFTA between 1994 and 2002. When I asked the question of the Congressional Research Service: Tell us how many Americans have lost their jobs due to NAFTA—they went to the Department of Labor, which has a program called trade adjustment assistance. It is a program that gives temporary benefits to those who are laid off as a result of NAFTA. This program requires companies to actually certify that they intended to eliminate U.S. jobs specifically because of NAFTA.

The question of whether we have lost jobs due to NAFTA is on this chart coming from the Congressional Research Service that got the data from the U.S. Department of Labor. It tells us where these jobs came from, where they were lost. Vanity Fair, 16,000 jobs; Levi Strauss, 15,676 jobs. These are certifications by the companies that they intend to lay off or did layoff these employees because of NAFTA. You can just go down the list. This isn't me saying it, these are the certifications these companies have made to the Department of Labor that these jobs are gone because of NAFTA, and they want trade adjustment assistance for the workers who lost their jobs.

Sara Lee, Lucent, Fruit of the Loom, Texas. Fruit of the Loom underwear left. It is not that people stopped needing or wearing underwear. It is just they stopped making them in America. So Fruit of the Loom is gone; 5,352 people who made underwear in this country lost their jobs. That is certified by Fruit of the Loom to the Labor Department saying: We laid them off.

This is not a question of whether there has been a loss of jobs as a result of NAFTA. Just the top 100 companies have certified to that, the top 100 companies laid off 201,000 U.S. jobs due to NAFTA. And if we look at all U.S. companies, the total number of U.S. jobs certified as lost to NAFTA are 412,000, and that is just under this one program, trade adjustment assistance.

I wanted to focus on the top 100 companies, but we could have done all of

them. This is sufficient, however, to show what has happened with respect to NAFTA.

Some familiar products: Levi Strauss. I don't know that there is anything more American than wearing a pair of Levis, right? So we all buy Levis, except they don't make one pair of Levis in America, not one. Is it because we don't make good pockets, can't sew good seats? No, not all. It is just that all those jobs migrated out of this country in search of cheap labor.

There is a company called Nabisco. Do you know what it stands for? National Biscuit Company. Nabisco is short for National Biscuit Company. Presumably "national" is in this country, except that the National Biscuit Company now belongs outside this country when it comes to making cookies. So Fig Newton cookies moved from America to Mexico. The National Biscuit Company Fig Newton cookies migrated to Mexico. Is it because they can't shovel fig paste as effectively in New Jersey as they can in Mexico? No. Shoveling fig paste is the same all over the world. It is just you can get somebody to shovel fig paste a whole lot less expensively in Mexico than in this country, if you use low-wage labor that is not protected by the kinds of basic labor protections we have in this country. So the National Biscuit Company is no longer national, at least with respect to Fig Newton cookies.

I mentioned Fruit of the Loom, Mattel. We hear a lot about Mattel these days, of toys from China. They closed their last factory in the United States, a western Kentucky plant, that produced toys—Barbie playhouses and so on, battery-powered pickup trucks—for 30 years. They shipped production from the 980-person plant in Kentucky to factories in Mexico.

John Deere, 1,150 workers, on this chart—made lawn mowers, chainsaws—gone to Mexico.

Well, we understand the Peru trade agreement is an agreement that is not going to threaten the economic interests of this country. I don't assert that is the case. I do assert, however, that it is a failed model, and we have seen plenty of it. I have been on the floor of the Senate on many occasions saying why don't we fix that which is wrong in previous agreements before we bring new agreements to the floor of the Senate. But we never do that. We just keep bringing new agreements to the Senate.

The Peru trade deal does include some labor protections. That is true. And that is a welcomed development. But labor protections in a trade agreement don't mean very much if there is not the political will to enforce them. Under the Peru deal, the only party that can seek enforcement of labor violations is the administration. And the Bush administration has, apparently, I am told, given assurances to the U.S. Chamber of Commerce these labor provisions are not going to be vigorously enforced. When the deal was announced

on May 2007, the U.S. Chamber issued a statement saying it had received assurances that the labor provisions could not be enforced. Let me quote:

We are encouraged by assurances that the labor provisions cannot be read to require compliance with ILO Conventions.

That is from the president of the U.S. Chamber of Commerce. He was saying: I am comfortable because these aren't going to work. He was referring specifically to a promise made by the U.S. Trade Representatives that the Peru agreement wouldn't require that U.S. workers be assured the minimal labor rights guaranteed by the ILO.

Mr. President, if the Chamber had been assured the agreement will not be enforced with respect to the rights for U.S. workers, you can bet the labor provisions would not be enforced at all.

Even during the negotiations for the Peru agreement, the administration made it very plain it has no interest in having labor protections in the trade deal.

In fact, in 2005, the President of Peru offered to include in the text of the original agreement a commitment to comply with the International Labor Organization's standards for basic labor rights. That came from the President of Peru, saying: We will do this. In fact, the U.S. trade ambassador's office quickly rejected it. They quickly said no. They vowed not to include a commitment to labor standards in the free-trade agreement. It was only after the 2006 elections, in which a number of very interesting people were elected to this body on these very issues—standing up for American interests, for the American economy, and for the rights of American workers—only then did the U.S. Trade Representative, realizing these trade agreements would not move forward, only then did they decide to budge.

But I think the true colors were demonstrated the year previous when the administration turned down the request or the offer by the President of Peru. It is clear to me there is no interest in enforcing these labor provisions, and I have just suggested the evidence of that.

It is interesting, the only other previous trade agreement that included labor provisions was Jordan, and in the Jordan agreement—and I give the previous administration some credit, again, for including a labor provision in the Jordan trade agreement. Those provisions have not been adequately enforced, and the result has been the proliferation of sweatshops in the country of Jordan—the only country with whom we have a free-trade agreement that includes labor provisions.

Now, our trade balance, when we signed the trade agreement with Jordan, we had a trade surplus of about \$243 million. That disappeared very quickly, which is the case with all our trade agreements. That surplus disappeared by 2002, and by 2005, that \$200-plus million surplus had turned to a \$600-plus million deficit, and our balance with Jordan has gotten worse

every year since the agreement was signed. Let me say that again. Our trade balance with Jordan has deteriorated every single year since the trade agreement was signed.

In May of this year, the New York Times exposed how the free-trade agreement with the country of Jordan has been used to create sweatshops all over Jordan. It turns out that when the agreement was signed in 1999—this is the story in the New York Times, titled “An Ugly Side of Free Trade: Sweatshops in Jordan”—there began to be imported into Jordan guest workers—guest workers from Bangladesh, from Sri Lanka, and elsewhere—to work in factories and in plants in sweatshop conditions.

Have you ever heard of a 40-hour work shift? No, I am not talking about a 40-hour week. I am talking about a 40-hour shift. Well, it is happening in some of these plants. Have you heard of people working 100 to 110 hours a week every single week, 7 days a week, with 1 day off every 3 or 4 months? Have you heard of people working for a month, a second month, a third month, and never getting paid; and when asked to be paid, getting beaten? Have you heard of people who spend 3 minutes making a colorful bikini for a lingerie shop in this country that is going to be sold for \$14 and they receive just a pittance, working in sweatshop conditions? A story from the National Labor Committee just described such a circumstance with a widely known American company.

Mr. President, despite the fact labor provisions existed in the Jordan Free Trade Agreement, no one has sought to enforce those requirements, those labor provisions.

Now, the other reason I do not support moving ahead with additional free-trade agreements is, there are no benchmarks. It seems to me, and it seems to a number of my colleagues who have introduced legislation with me, that we ought to have benchmarks. Whether it is with agreements with China, agreements with Canada, or Mexico, or Japan, we ought to have benchmarks to decide what is the result of what we have just done. It doesn't matter to people in this Chamber, apparently, that we are drowning in trade debt that gets worse and worse and worse, and yet the worse the trade debt becomes, the more they come to the floor of the Senate crowing about how wonderful it is. I mean, I don't understand it.

Mr. President, we have proposals to have free-trade agreements coming behind the Peru agreement. One is with Panama, one is with Colombia, and one is with South Korea. All of them, by the way, are negotiated under something called fast track, where the legislative branch generously decided it would wear a straitjacket and promise if an administration, any administration, negotiated trade agreements in secret, behind closed doors, where others weren't allowed to venture, and

they were brought back after an agreement was reached to this Chamber, the folks in this Chamber who supported that would agree they would prevent the offering of any amendments.

So before the action started, they said: We will agree to wear a straitjacket once you have told us what you have done.

It is the most unbelievably antidemocratic action, and also an action, I think, that undermines the very essence of what the Senate should be about. Nonetheless, that is the method by which these have been negotiated.

Now, fortunately, we will not have additional agreements negotiated under those circumstances because the fast-track authority ran out June 30, and it will not be restored. But these agreements were negotiated under fast track.

Now, let me describe to you, if I might—and I can do this with two dozen or 100 products, but I will do it this way because it demonstrates the complete incompetence of our negotiators and the complete incompetence of our negotiated product. This chart represents automobiles from Korea. And with respect to our trade with Korea in automobiles, it is worth about \$9 billion a year. So we have a lot going on with respect to Korean automobiles. If you drive down the streets of this country, you will find automobiles that come from Korea. In fact, in 2005, 740,000 Korean-made cars were put on boats and shipped across the ocean to be sold in the United States—740,000 Korean-made cars were shipped to the United States to be sold.

Well, guess how many U.S. cars we were able to ship to Korea to sell in Korea. Not 740,000 but 4,500.

So here is the way our trade with Korea looks. All of this white represents Korean cars put on boats to be sold in America. And this little car down here? That is the number of cars we were able to sell in Korea. In fact, 99 percent of the cars driven on the streets of Korea are Korean-made cars, and that is the way they want it. They do not want foreign-made cars in their country. But they want to ship their cars to America, even as they keep American cars out of their marketplace.

We just negotiated a free-trade agreement. Do you think this administration, negotiating in secret, behind closed doors, said to the Koreans: You can't do this. It is not fair trade. You are protecting your jobs in Korea and injuring our jobs in the United States, and we will not allow you to do it. Do you think this is corrected? Absolutely not. Not a word. Just fine. Keep doing it. Doesn't matter. This is about high finance. This is about the free-trade model. It works just fine.

I guess it does if you wear a blue suit and take a shower at the start of the day. But if you are working in a plant someplace making a car and taking a shower at the end of the day because you worked hard, it sure doesn't work

well for you because you are the one who loses your job down here.

Let me describe one other thing. We negotiated an agreement with China that is even more incompetent than this. This is incompetent, and I don't know who negotiated it, but this is gross incompetence, in my judgment. In China, we have a bilateral agreement on automobiles. Let me tell you what it is. As I do, I was in a foreign country the other day, and I drove down the street and I saw Chinese cars advertised now to be sold in that country. Well, the Chinese cars are coming to this country. The Chinese are ramping up a very large, very significant automobile export industry, and they are coming, and coming soon—small cars, cost very little, presumably efficient, but they are coming. Here is what our country said to the country of China, with whom we have a very large trade deficit: We will make a deal. It is true we have a big deficit with you, but we will allow you to ship Chinese cars into the American marketplace, and we will charge a 2.5-percent tariff on each of your cars. And we agree with you, if we send American cars to be sold in China, you may charge a 25-percent tariff on our cars sold in your marketplace. A country with whom we have a \$230 billion trade deficit, we said: It is OK if you charge a tariff that is ten times higher than our tariff on mutual automobile trade.

Incompetent? Sure. Ignorant? You bet. Certainly ignorant of our economic interests. I would like to find one person to stand on the floor of the Senate and say they support that; that is absolutely fair. I want just one. I don't need two or three to stand up and say that; I want just one who has the courage to say with respect to bilateral automobile trade with China, bilateral automobile trade with South Korea, I think this is just dandy. I think it makes a lot of sense.

I use this only to say I could do this in a dozen instances, but I do it with respect to automobiles. We don't produce automobiles in North Dakota, but I do it to say this is a big job-creating industry. Automobile production is a job-creating industry. We traded a lot of that to Mexico in NAFTA, so now the largest import from Mexico is automobiles. But just look at what we are doing with South Korea, and we have just negotiated a new agreement with them and have done nothing to solve the problem.

Look at what we are doing with China in bilateral trade, and we will see the results of that, even as we now have the largest trade deficit in human history with China. Even as that exists, it is going to get worse because we are going to have a substantial avalanche of imports of Chinese automobiles into this country in circumstances of trade that are fundamentally unfair to this country and to this country's workers.

Now, let me come back to the point at which I started, and it is a Washington Post editorial of today. I don't

know how the Washington Post editorial writers would view this. I assume they would ignore it because you certainly can't defend it. That which is not defensible, those who choose to try, do ignore it. But let me end as I started today by saying the editorial in today's newspaper which states a candidate saying "NAFTA was a mistake" is engaged in demagoguery really is a thoughtless way to engage in a discussion about international trade.

I come from a State that needs to trade a lot, and we need to find a foreign home for a substantial amount of our agricultural production. I support trade. But I do not support what has happened in recent years, and for that I am considered, I suppose by some, as somebody who doesn't get it.

If you are not part of a "free trade" crowd, you are someone who is some sort of a xenophobic isolationist stooge who can't see over the horizon.

The problem is, the American people now understand. Look at the Wall Street Journal poll I referenced. The American people, and not just the American people but the subgroup of Republicans, are opposing these free trade models that have resulted in mass trade deficits. They are opposing them by a 2-to-1 margin. I think it would do well for people to pay heed to that, including people who are serving in public office. It is not that the American people are behind the politicians. The political system is far behind the American people in being enlightened about what this trade does to our standard of living.

I know my colleagues wish to speak, but I will make a couple of other points. We fought for 100 years to raise standards in this country. We fought long and we fought hard. People lost their lives because of it. We raised standards. We lifted people up. We said there must be a minimum wage, there must be child labor laws, there must be a safe workplace, there must be the right to organize. We did all those things and we expanded and built a middle class that was nearly unbelievable. Our country became strong—a country in which you can get a job that paid well and you had job security; you likely had a retirement program and health care; you were proud of what you did and often you went to work for a company and you expected to spend a career working for that company.

Things have changed. All too often these days workers are like wrenches, considered to be a tool: use them up, throw them away. Don't worry too much about them. That is not an ethic that works well in the traditions of this country.

For 100 years, we fought to raise standards in this country and now people say to us our standards somehow do not match standards around the world and so, inevitably, we have to find a way to fit in. Fitting in means diminished standards, pushing them down, competing with someone in a toy factory in Chenghai, China, making 30

cents an hour, 20 cents an hour. That is not "fitting in" in a way that works to this country's best interests.

The Presiding Officer is from Chicago. In Chicago, there was a wonderful immigrant man who decided to build red wagons and he named them "Radio Flyer." Everyone has ridden in them. The reason he named them Radio Flyers is he loved Marconi. This immigrant who came to this country and wanted to build something, he loved Marconi and he loved airplanes so decided to build his little red wagon in Chicago and he named it Radio Flyer, little red wagon. For 110 years, it was made in Illinois. But it is not anymore. All those little red wagons that are pulling those little tykes around this country are made in China. It is not just the little red wagon, I could go on forever. Etch-a-sketch, from Bryan, OH, Huffy bicycle, they are all gone. Everyone who worked for all those companies, their jobs are gone.

Why? Because some have decided to say we should be able to compete with 20-cents-an-hour, 7 days a week, 12 to 14 hours a day. That is not what represents the best of the standards we created over the last century and should not be what we accept.

I am in favor of bringing to the floor of the Senate a debate about trade and the conditions under which trade represents mutually beneficial conditions for those with whom we trade and for us as well. But I will not continue to vote on trade agreements and cast my vote in an affirmative way on trade agreements that do not have benchmarks and accountability, that represent what we believe to be the best interests of our country and our workers.

We shall and we will and we are participating in the global economy. But we have a right as a nation to decide the conditions under which we will participate in that. Those conditions ought to be to pull others up, not push us down. That is why I believe the American workers—judging by that Wall Street Journal poll and I think judging by the last election—American workers and the American voters understand what is at stake. It is not about standing up and saying I support this mantra, this slogan of free trade. It is about saying America wants to be a leader in trade and that leadership should lead in the direction of supporting workers, of supporting the standards we have built.

It is interesting now in recent months, and somewhat disconcerting, that we are now seeing the product of globalization. It has many faces, some wonderful and some not too good. One of those faces comes from a toy shelf in which a wonderful looking toy that is to be sold for a young child's Christmas present this Christmas season turns out to be poison. It comes from a plant, I assume, produced by a contracting company in China. They all say—whoops, sorry, excuse me.

Would that have happened in Ohio or Michigan? Would they have been able

to use those standards that produce unsafe toys? I don't think so. Why? Because we have regulations and standards and we have enforcement. That is the difference.

I believe when we talk about trade agreements—whether it is Peru, China, NAFTA, CAFTA—I think we ought to be talking about benchmarks and standards and we ought to be talking about things that represent the best interests of this country.

Let me finish, again, by saying I support trade and plenty of it, but I demand and insist it be fair trade and I demand and insist that this administration and others begin fixing some of the problems they have created in past agreements that I think undermine this country's economic interests.

I yield the floor.

The PRESIDING OFFICER (Mr. DURBIN). The Senator from Florida is recognized.

Mr. NELSON of Florida. Mr. President, when the Senator from the Dakotas was telling us about the little red wagon, the American Flyer from Chicago, of course what immediately hit my mind was that little Red Flyer produced there today may well be painted with lead paint.

As the Senator from Illinois, who is presiding, and I and the Senator from North Dakota have gotten into this issue of the tainted toys, here we are, approaching the holiday season and people are out buying these Christmas presents; they want to make their children happy, but they are, indeed, now having to go an extra measure to beware of all the toys because of what we have seen, that the Chinese industry simply will not police itself. The Chinese Government will not insist on the industry policing itself.

If we are going to protect the American consumer, we ought to be able to rely on our Consumer Product Safety Commission when, in fact, the Consumer Product Safety Commission is nonfunctional. It has a workbench about the size of two of these desks with all of the products stacked on it, and that is their research facility to determine if those products, in fact, are lethal to the children of this country.

The acting chairman of that commission will come in front of the Senate and say she does not want any more money for the Consumer Product Safety Commission to hire additional staff to change what is a discombobulated card table, with all the products on top of it, into an efficient laboratory that can actually check as to whether these products are safe.

The Senator from North Dakota has made a lot of points with regard to automobiles. He has made a lot of points with regard to products and how America, in these trade negotiations, gets fleeced, taken advantage of. This Senator does not believe that is the case with this particular agreement that we are going to vote on tomorrow. That is so for this reason: The United States

has already opened its markets to most imports from Peru through trade preference legislation, meaning that 98 percent of all the imports from Peru already enter our country duty free. But do the flip side of this. What Senator DORGAN was talking about is equal trade, but the fact is now, without this agreement, U.S. exporters do not have the same access to Peruvian markets that the Peruvian exporters have to the U.S. markets market. U.S. products entering Peru face tariffs that average 10 percent. In order for there to be free trade, it has to be a two-way street. We both have to benefit from a duty-free environment. In fact, after the implementation of this agreement, most of the tariffs on U.S. exports to Peru will be eliminated. That is my bottom line. That is why I am going to support this trade agreement. That is my American hat.

Let me put on my Florida hat. This is certainly going to be of benefit to Florida. We have already seen the benefits of free trade—for example, in a trade agreement that we have with Chile. Florida's exports after the trade agreement, exports to Chile, have grown by 70 percent. Take, for example, Jordan. After we enacted the Jordan Free Trade Agreement—that was about 5 or 6 years ago—Florida's exports to Jordan have increased 1,100 percent.

Like those, I believe this Peru trade agreement will open new markets for Florida businesses. It is going to lead to increased exports to Peru from Florida through Florida's ports.

Let me give some examples. Florida's exports of transportation and manufacturing equipment will benefit from this trade agreement. In 2006, Florida companies exported \$42 million in transportation equipment and \$180 million in machinery manufacturers to Peru. The elimination in this agreement of those Peruvian tariffs on those kind of high-value pieces of equipment is going to provide a competitive boost to Florida exporters who will no longer be facing tariffs that are as high as 12 percent. With the passage of this agreement, Florida companies will have a chance to take full advantage of Peru's growing demand for their equipment.

Support for free trade doesn't mean we need to go out and compromise on other things, some of which the Senator from North Dakota has mentioned, or that we would compromise on our support for human rights or the environment. That is why this particular Peruvian agreement includes numerous environmental and labor protections.

For these reasons, I am going to support this free trade agreement.

Mr. President, while I am here, I wish to say a couple other things about a couple other matters that have to do with Latin America. There was a very significant vote in Venezuela yesterday. Basically, President Hugo Chavez wanted to amend their country's Constitution to allow him to become Presi-

dent for life. In a very narrow vote, the people rose up and they said no. He is in office until 2012, under the current Constitution, so Hugo Chavez will continue his brand of leadership. There are people in this Chamber who have reached out to President Chavez to take a more moderate, conciliatory roll, a roll where the two countries, the United States and Venezuela, could work together. In almost all cases, he has rejected those overtures.

This Senator is one of those who has reached out to him. He has charted his course and he wanted to be President for life and the Venezuelan people, albeit by a very narrow margin, said no. If that is a signal to the President of Venezuela that there ought to be a different way that he ought to approach other countries, particularly the United States, then hopefully that is a message President Chavez might consider.

I want to say another thing about Latin America. Last Friday we saw the first evidence in 4 years that three American hostages held by the FARC in Colombia are alive. These images give us hope. They also remind us that securing their safe release and the return to their families must be a top priority. And it is. Without making speeches, this Senator from Florida is constantly speaking in private conversations to the Government of the United States, and to Latin American leaders, about helping in securing the release of these Americans and of a French citizen, a former Senator in the Colombian Government.

There are other hostages as well. It is my understanding they are Colombian. But, of course, our responsibility is to our own Americans. So there is hope. Because this was the first time, to the outside world, that we have seen the visual images that they are alive. Let us have that as a constant reminder to keep pressing the FARC that it is in their interest and in humanity's interest to release these Americans.

I will conclude on a completely different topic. I must say with absolute frankness that I was saddened when I heard that the Senator from Mississippi, Mr. LOTT, was going to resign. I think he is one of the most delightful of all the Members of this body, in a legislative body of some exceptionally talented and engaging people. We have seen Senator Lot use his legislative prowess, often in a bipartisan way, to bring about the consensus in order to get things done and to move the legislative process along, which is so necessary and, as the good book says: For us to come and reason together.

He has been a legislative master who got along so well as the majority leader with Senator Daschle, the minority leader, and then, because of the turn of events in 2001, for Senator LOTT, the minority leader, to get along with Senator Daschle, the majority leader, so they could move the business of the Senate along.

He is a personal friend. I have had the privilege of going to the University

of Mississippi to speak on a forum at the Trent Lott Institute at that great university. And for this Senator, he will be very much missed in the Senate. We wish him and Tricia and all his family God speed.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, this day is long overdue. But the fact that this day has arrived for the consideration of the Peru Trade Promotion Agreement Implementation Act is still a good day to have happen, even though it should have happened several months ago. In fact, I would say it should have happened last year.

But the same problems that kept it from coming up this year were in place last year. I strongly support this bill. I urge my colleagues to do the same. Over the past 7 years, Congress has passed implementing bills for trade agreements with 12 countries. Of these 12, 7 are located in Latin America.

The implementation of those agreements demonstrated our commitment to strengthening our relations with our neighbors in Latin America. We now have an opportunity to build on that commitment by implementing our trade agreement with the country of Peru.

At the same time, these agreements serve to advance our national interest. Too often we talk in terms of the economic interests of the United States when it comes to trade. We ought to be looking at things beyond the economics of trade. I say these agreements advance more than our economic interests; they advance a broader national interest because they foster transparency and increased respect for the rule of law in international business transactions.

I think it goes beyond the business transactions, because with every business transaction, there are millions of people involved. And even though we in the political world or our diplomats feel we are more important than anybody else in bringing about peaceful relations, our work is kind of a spit in the ocean compared to what millions of business people every day do for America and for other countries interacting among each other, breaking down barriers that often lead to misunderstandings and an enhanced understanding between people. They have an awful lot to do with the promotion of international peace.

I think it goes even further, and I don't remember who I quote when I say this because I have been quoting it for so many years, but it is something such as: Nations that trade together do not war, or something of that nature.

That is a paraphrasing of that concept. But I believe that. That is why I believe in breaking down trade barriers, as this Peru bill does. It enhances international understanding and peace as well as enhancing our economic interests.

This bill then creates more opportunities for increased economic growth and prosperity in neighboring economies which help to foster political stability which is important within those borders. But political stability within a country's borders also enhances international stability.

That is particularly important in the Western Hemisphere and the South American Continent, as well as the part of the Western Hemisphere we call Central America. Because we need meaningful alternatives to combat the production and trade of illicit narcotics, another factor that maybe applies to these countries more than a lot of countries we trade with.

Perhaps most importantly, these trade agreements level the playing field for U.S. producers and exporters. I had a chance, before speaking, to hear Senator NELSON of Florida speak. To hear this from the Democratic side of the aisle is very important because it is a fact: This bill levels the playing field to give our exporters and producers access to Peru the same way Peru has had access to our markets and our people for decades under trade preference.

During my time in the Senate, I have heard some of my colleagues complain that the global trade situation reflects an uneven playing field. Now, to some extent, I agree. That is why I am a promoter of more free trade agreements. The Doha round of the World Trade Organization negotiations is leveling this playing field.

So right now it is uneven. It is not as level for American exporters as it ought to be. But if you looked at the last 50 years when this process started, soon after World War II, under the General Agreement on Tariffs and Trade, you would find it was much more—or a lot less level than it is right now.

So we have made considerable progress and we need to build on what is a success, very much a success. Because in too many cases, the duties that our trading partners impose on U.S. exports are much higher than the duties we impose on theirs. As I have said, that is certainly the situation with Peru. Right now, some 97 percent of imports from Peru enter the United States duty free.

I do not know whether Senator NELSON used that specific percentage that I gave, but he was speaking of the fact that Peru had preference to coming into the United States. This bill gives our producers and exporters the same preference there. Our exports to Peru face duties that range from 12 to 25 percent. Specific examples: Peru's tariff on U.S. pork exports to that country, and this is a major product of my State of Iowa, is as high as 25 percent, while

Peru's exports to the United States are duty free.

Now, that is what I call a one-way street. This unbalanced situation is largely the result of unilateral trade benefits that we extended to Peru under what I called the preference situation. But this is specifically under what we call the Andean Trade Preferences Act.

This trade agreement before the Senate today will restore balance to our trade relationships with Peru. I do not want you to take my word for it. The impartial U.S. International Trade Commission analyzed our trade agreement with Peru. The Agency found, and I quote:

Given the substantially larger tariffs faced by U.S. exporters to Peru, than Peruvian exporters to the United States, the trade agreement is likely to result in a much larger increase in U.S. Exports than U.S. imports.

The International Trade Commission of our U.S. Government goes on to state that:

The agreement will likely increase U.S. exports to Peru by 25 percent, while Peruvian exports to the United States will grow by 8 percent.

Now, that is a win-win situation for U.S. producers and exporters. And why anybody would vote against an agreement like that I could not understand, and I am not anticipating that people will vote against it, but I do know, in the months of this year that we have discussed trade, I have heard a lot of negative attitude toward trade, how harmful it is to the U.S. economy. But if any Member who has said those things during the course of this year would look at the bill that is before the Senate right now, that is going to increase U.S. exports to Peru by 25 percent while Peruvian exports to the United States will grow by 8 percent, then if they vote against this, they are not addressing the concerns they are giving speeches about all this year. The benefits of this trade agreement are going to spread across all major sectors of the economy. I say that because I quoted agricultural benefits. But besides U.S. agricultural producers, manufacturers and service providers all stand to gain from this agreement. The ITC—the International Trade Commission—predicts the agreement will have a “substantial, positive” effect on U.S. exports to Peru of the major U.S. commodities of pork, beef, corn, wheat, and rice. The American Farm Bureau Federation predicts that U.S. farm sales to Peru could increase by more than \$700 million with full implementation of the trade agreement. U.S. rice exports to Peru will grow tenfold to fifteenfold as a result of this agreement, while U.S. exports of corn will double.

The National Pork Producers Council says that the Peru trade agreement is a “state-of-the-art agreement for pork producers to which all future trade agreements will be compared.” Our manufacturers will enjoy significant benefits as well. For example, Whirl-

pool Corporation—this is a Michigan corporation which recently bought Maytag in Newton, IA, and closed that plant down, but they still have a massive manufacturing plant in Amana, IA—appeared before the Finance Committee to testify on behalf of this trade agreement. Whirlpool exports refrigerators, ranges, and clothes washers to Peru. It manufactures those products in several States besides Iowa, including Arkansas, Indiana, Ohio, and Tennessee. Whirlpool told the Finance Committee that the Peru agreement will eliminate the 15- to 20-percent tariffs Peru imposes on Whirlpool products. In part because of this agreement, Whirlpool expects its U.S. exports to Peru to increase 400 percent within the next 2 years. In Whirlpool's view, the elimination of Peru's tariffs on its products will allow Whirlpool to maintain jobs in the United States rather than relocating or expanding operations abroad.

Here again, how many times have we heard on this floor the legitimate concern—I am not finding fault—about outsourcing of manufacturing jobs to other countries? You can imagine why that might happen if we have a 10- to 12-percent tariff going into Peru. But people who say those things in this body ought to vote for this bill if it is going to level the playing field for Whirlpool workers so we can maintain those jobs in the States I cited.

U.S. service providers will also gain from this agreement because Peru has agreed to exceed the commitments it made on services, even in the World Trade Organization. So we get something better than we have under WTO rules right now when we have a free-trade agreement with Peru. Peru, thus, has agreed to accord substantial market access across the entire service regime, with very few exceptions, using the so-called negative list approach.

So to those of my colleagues who complain that the current world trade situation is unfair, here is a chance to improve that situation. By implementing this agreement, Congress will level the playing field for U.S. farmers, U.S. manufacturers, and U.S. service providers in this important market. The agreement will boost U.S. exports, creating jobs, keeping existing jobs in the United States. There have been studies, various studies, but the one I always quote says that jobs in the United States—that those products or services that are exported, those jobs are jobs that pay 15 percent above the national average. So they are not only jobs, they are good-paying jobs.

I understand there is a rising sense of protectionism in the Congress. I alluded to that in my remarks today. But I would like to have Members look at the facts. Take, for example, the Central American Free Trade Agreement, otherwise known as CAFTA. CAFTA entered into force for four of our trading partners last year. It is already possible to see the results of bringing their tariffs in line with ours.

Guess what. As you might expect, leveling the playing field has brought positive results.

I wish to use the U.S. Department of Commerce as a source. They say our exports to the four countries increased 18 percent in 2006, while our imports were up 3 percent. I don't know how many Members voted against that last year, but I would imagine it was close to 40, give or take a few. I would like to have those 40 Members who probably voted against this, saying that free-trade agreements are not good, look at the facts. So far, our exports have increased 18 percent, while our imports from those countries of Central America were up 3 percent. Leveling the playing field helps American farmers, manufacturers, and service providers. Then maybe you would think it was wrong to vote against CAFTA last year. As a result of this increase of our exports by 18 percent, our trade balance swung from a \$1.2 billion deficit in 2005 to a \$1 billion surplus in 2006.

How many times on the Senate floor have we heard one of the examples of something that is bad about free-trade agreements is because of our terrible trade deficit? Our trade deficit is too high. If American consumers would quit spending on imports and if they would save some of their money, we wouldn't have as much of a trade deficit as we have. But the American consumer, including probably this consumer, lives too much for today and forgets about tomorrow. CHUCK GRASSLEY may be too materialistic for the good of our trade deficit. If we spend a little less money and save a little bit more, invest in Treasury bonds instead of letting foreign countries buy them up, we would be better off. But for those Senators who have made speeches against how terrible our trade deficit is and then use that as an excuse to vote against CAFTA, don't they feel they were wrong by voting against a bill that finally passed that brought us from a \$1.2 billion trade deficit with these countries to a \$1 billion surplus in just 1 year? That is what happens when you level the playing field.

We are not the only ones who stand to benefit from our agreement with Peru. Peruvians will benefit significantly as well. They have already benefited from the goodness of the U.S. people by letting them have trade preferences for all these decades. But even beyond what they have already had, a bill that is significantly much more benefit to the United States than it is to Peru, Peru is still going to benefit. The agreement will increase opportunities for continued economic growth in Peru and help Peru further develop and modernize its economy. By entering into the agreement, Peru has demonstrated its intention to strengthen its ties with the United States and lock in economic reform—economic reforms that they are going to benefit from, not us—and it is going to enhance their transparency and respect for the rule of law.

Agreements such as this are what the rule of law is all about. The rule of law in international trade is just as important as the rule of law for domestic America because within our own rule of law, everything is predictable. It has credibility and predictability. When you put the same regime in international trade, you have predictability and credibility. You enhance opportunities for people to work closer because they know what the other side is going to do, if you have equal respect for the law. All of this will serve to increase investor confidence in Peru and its economy.

These are critically important objectives. We live in a challenging time. There is a growing division in Latin America today. Venezuela's President is using oil wealth to lure allies to his socialist vision. He has announced plans to turn Venezuela into a socialist republic. He has nationalized Venezuela's telecom and electricity companies and wrested the oil industry from private companies. He has demonstrated once again that those who withdraw economic rights often seek to withdraw political rights. Those who centralize economic power tend to also centralize political power. For example, he pulled the broadcasting license of one of Venezuela's oldest television broadcasters, which also happens to be one of his major critics. He assumed new powers that allow him to rule by decree, and he pushed for a new constitution that would abolish Presidential term limits, allowing him to stay in power indefinitely. His former Defense Minister has called the plan "fraudulent" and akin to a coup. I don't know whether the final results are in, but he may have lost that referendum yesterday. At least for my part, I hope that is what the final results show. But he is still going to be the dictator and the authoritarian that he has been for the last 9 years.

Chavez has said that this rejection, if it happens by the voters, is not a defeat, and he plans to proceed on whatever his goals are. His former Defense Minister has cautioned that he may seek to impose these changes through a different route than constitutional reform. So you lose an election, and you find some other way to accomplish the same thing.

I have talked about Venezuela and the environment of the Peru trade agreement because our relationships with Latin America will be enhanced through free-trade agreements. We ought to help countries like Peru that are not going in the direction of Venezuela as much as we should, particularly in light of the fact that two other countries in the region—Bolivia and Ecuador—are also trending in a similar direction.

Bolivia's President Morales nationalized the hydrocarbon sector by executive decree. As a result, investors were forced to sign new contracts that guarantee a greater percentage of revenue for the Government. He also seized a

foreign-owned tin smelter without compensation. Instead of a free-trade agreement with the United States, President Morales joined President Chavez's so-called Bolivarian alternative for the Americas. He strengthened ties, at the same time, with Cuba and Iran.

President Correa of Ecuador has also reached out to Iran. He has called the United States "the most protectionist country in history." He also said that free trade is "dangerous" for countries like Ecuador.

I hope Correa, the President of Ecuador, will remember these statements he has made about the United States, saying the United States is "the most protectionist country in history." He also said that free trade is "dangerous" for countries like his.

I hope he remembers those things when he comes around to the Congress in about 2 or 3 months wanting an extension of the Andean trade pact, where he wants preferences from our taxpayers so he can say these dastardly things about our country, which obviously are not true, but they are good for the propaganda purposes that he makes them, because he said these things even though we give imports from Ecuador duty-free access to our markets under our unilateral preference programs.

Now, the difference between Peru and Ecuador is this: Ecuador and Peru have had the same trade preferences with our country to get their products in here duty free for the last several decades, but Ecuador stops negotiating with the United States on a free-trade agreement and Peru goes ahead and negotiates with us. Yet Ecuador is going to be coming to us in a couple months saying to us we ought to continue the trade preferences with them, when they say these things about us: They feel more comfortable with Chavez and the Cuban and Iranian dictators than they do with us Americans. I have questioned why we should continue providing such duty-free access to our markets, but that is an issue we will deal with in 2 or 3 months.

The point is, there is a growing divide in Latin America. On the other side of the divide you find countries such as Peru and Colombia, allies of the United States whose Governments have gone out on a limb to strengthen bilateral relations with us. It is imperative we respond in kind and not turn our backs on these important allies. I expect we will soon approve our trade agreement with Peru. After that, we should move as quickly as possible to implement our trade agreements with Colombia and Panama, for the same reasons we ought to be approving this Peruvian agreement. That is what I envisioned when the bipartisan compromise on trade was reached May 10. I will return to that point in just a moment.

I am not alone in calling for approval and implementation of the Peruvian agreement. Just last month, the New

York Times called for passage of our trade agreement with Peru. They editorialized that “it would be a folly for the United States to turn its back on trade.” The paper also noted that all eight living former Secretaries of State have urged Congress to approve the Peru agreement.

In October, the Agriculture Coalition for Latin American Trade, which is comprised of 50 different agricultural organizations, called for congressional approval of the Peru trade agreement. This agreement is also supported by the National Association of Manufacturers and the Coalition of Service Industries, among other business groups.

In sum, there is widespread recognition of the benefits of this trade agreement for the United States.

Before concluding, I would like to address three other issues that have arisen with respect to free-trade agreements even beyond the Peruvian agreement. The first is the claim by some that these agreements undermine our food safety laws. The second is the charge that we are not enforcing our existing trade agreements. And the third is the May 10 bipartisan compromise on trade between the administration and the new congressional leadership that took over on the Hill in January.

In recent days, some of my Senate colleagues have criticized the passage of the Peru agreement in the House. One Senator went so far as to say the agreement “will result in more unsafe food in our kitchens and consumer products in our children’s bedrooms.” Now, let’s just think about that for a minute. That is quite an accusation. How could Congress possibly support such an agreement? The answer is simple: We are not supporting that position by voting for this agreement because the accusation is false. If you do not believe me, then just look at the text of the agreement. Chapter 6 of the agreement addresses the types of “sanitary” laws related to food safety. There is absolutely nothing in the chapter that would lead to a lowering of our food safety standards. In fact, one of the explicit objectives of the chapter is to “protect human, animal, or plant life or health in the Parties’ territories.” “[T]he Parties’ territories” means the United States and Peru. In addition, this chapter is not even subject to dispute settlement. So there is no way Peru could use the chapter to challenge our food safety laws, even if the chapter provided a basis to do so; and the agreement does not.

For over 20 years, opponents of our trade agreements have argued they would undermine our food and product safety laws. Yet, in those 20 years, there has not been a single challenge to any one of these laws—not a single challenge. That is because these complaints have no foundation. If people want to criticize our trade agreements, they are certainly free to do that. That is their right. But they should base

their criticisms on facts, not on scare tactics.

I have also heard colleagues say that we should not enter into any trade agreements until the administration does a better job of enforcing existing agreements. In my view, the administration is doing a pretty good job of enforcing our trade agreements. But I suppose that even CHUCK GRASSLEY will look at specific problems we have. Maybe we ought to be doing more. But there are some examples that I think you ought to give the administration credit for.

The administration is challenging Europe’s subsidies to Airbus, and up until last week it was pursuing at least four different cases against China in the World Trade Organization. So you might say: What has changed? Well, our U.S. Trade Representative, Ambassador Schwab, announced we had concluded an agreement by which China agreed to terminate eight subsidies we were challenging under World Trade Organization rules. This was just last Friday. The termination of those subsidies will bring significant relief to our manufacturers and exporters who have been confronting unfairly subsidized competition from the Chinese. In this case, we achieved our objectives without having to resort to that lengthy WTO process of litigation. That is a complete success story, in my book. As for the other three pending cases, we will continue to pursue our rights in the World Trade Organization.

If you ask me, the problem is not a shortage of enforcement. The bigger problem is that people are complaining about foreign government actions that are not yet subject to agreed-upon rules. In other words, the problem is not the failure to enforce the rules; it is that there are no rules to enforce in certain areas. If you want to solve problems that are not currently subject to rules, we should be negotiating more trade agreements, not fewer. Get the rules in place, and then get those rules violated—if that is what is going to happen, and you hope that does not happen—and then enforce them. But you cannot enforce a rule that is not there. For example, the administration recently announced it is negotiating a new anticounterfeiting trade agreement. That is a step in the right direction. Such an agreement would help get at problems such as the counterfeiting of the Underwriters Laboratories logo. That is an important safety issue.

If we are serious about wanting to get at these types of problems, we should give the President a new grant of trade promotion authority and send our negotiators out to solve those problems. If we turn our back on new agreements, our trading partners will continue negotiating among themselves, leaving us behind. That is what happened the last time Congress denied President Clinton trade promotion authority, I think in 1995. It was not rein-

stated until 2002. During that period of time, our trading partners concluded over 130 preferential trade agreements. We had only two.

So do you folks in this body who say we should not give the President trade promotion authority want to go back to the regime of other countries doing what they want to do? They will do it anyway, but we do not have an opportunity to keep up if we do not give our President that authority. Do you want to have the United States have an unlevel playing field in the case of the history of those 130 preferential trade agreements that were negotiated while our President did not have authority to do it, while we did, too, or do you think maybe our President ought to be negotiating the same number, to level the same playing field for the workers in America that other governments are giving their workers for an opportunity to have a level playing field? That cannot happen if the President does not have trade promotion authority.

We have only managed to regain some lost ground in the last 5 years. These agreements before the Senate—Peru and the 14 over the last few years—are examples. So the President needs to have trade promotion authority so he can continue to keep negotiating so we can create more jobs in America and export more and have a level playing field where we do not have that level playing field.

Finally, I want to mention the bipartisan May 10 agreement on trade that made it possible for us to move forward with this Peru agreement and, hopefully, makes it possible to move forward in the case of Panama and Colombia.

This year, the Democratic majorities in the House and Senate demanded additional provisions in our trade agreements before they would agree to implement them. That is the result of the last election. When people give their will to a different majority in this Congress, we have to respect that. I think the Democrats were fair and responsible in the agreements that were reached. I am willing to go along with them. Those are not necessarily things I would have agreed to if we had still been in a majority and probably would not have had to negotiate. But the Democrats won the last election.

So after lengthy negotiations, the administration agreed to a compromise that the House Democratic leadership announced with great fanfare on May 10, 2007. The Democratic leadership described the deal as a “historic breakthrough” and a “fundamental shift in U.S. trade policy” that achieved results they have been seeking for years. As a result of this compromise, the administration negotiated conforming changes in the labor and environment chapters and the provisions on Government procurement, investment, and intellectual property. For example, in the wake of the agreement, disputes arising under the labor and environment chapters are subject to the same

dispute settlement procedures as every other obligation of the agreement. Now, we can debate whether that change was actually a good idea, but it satisfied a longstanding demand of the Democrats who have opposed our trade agreements in the past. The same goes for the other changes encompassed in the May 10 compromise.

The administration followed through by negotiating the necessary changes to incorporate the May 10 compromise into each of our pending trade agreements with Peru, Colombia, Panama, and South Korea. Now we are moving on Peru. But since the administration has carried out its responsibilities under the May 10 compromise with the Democrats and it is good enough to get Peru passed, it ought to be good enough to get Colombia and Panama passed real quickly and South Korea after some kinks are worked out in the South Korean negotiations.

Unfortunately, we have very little to show for those efforts other than Peru right now. It has been almost 7 months. We still have not implemented a single pending trade agreement. We will soon change that with our vote on the Peru trade agreement. But there is no sign of movement on the horizon for the next pending trade agreements, and our druthers there are to go with the agreement with Colombia first. The fact there is not movement in these other areas troubles me greatly.

I hope to see most of my Democratic colleagues join me in voting to implement this trade agreement with Peru. After we have done so, I very much hope they will join me again in supporting implementation of our trade agreement with Colombia as soon as possible in this Congress. Our agriculture producers, manufacturers, and our service providers are counting on us. Our allies are counting on us. It is in our economic interest, and it is in our national interest. It is in the interest of greater opportunities for international peace. We cannot let those opportunities embodied in these trade agreements slip by us.

One final, concluding remark, and it is repeating the same thing several times, and that is that Peru has had opportunities to come and bring their products to the United States without tariffs for decades. We have had to pay duties to get our products into Peru. This gives our manufacturers, our farmers, and our service providers the opportunity to finally get our products into Peru duty free.

I yield the floor.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Ms. STABENOW). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SANDERS. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANDERS. Madam President, I rise this evening in strong opposition

to the Peru Free Trade Agreement. It seems to me that most Americans understand that our current trade policies are failing. They see this every day when they go shopping and they buy products that are made in China—made all over the world—but that it is increasingly difficult to find a product manufactured in the United States of America. They understand our trade policies are failing when they note our trade deficit is huge and growing larger every single year. It seems to me that before we go forward again in pursuit of a failing trade agenda, we might want to sit back, take a moratorium, understand why our trade policies are failing, and then put together trade agreements that work for the working people and the middle class of this country, rather than just the CEOs of large multinational corporations. That is what I think we should be doing; not rushing helter skelter along the direction of failed trade policies.

One of the major reasons that the middle class in the United States is shrinking, poverty is increasing, and the gap between the rich and the poor is growing wider is, in fact, due to our disastrous, unfettered free trade policies. In my opinion, the last thing we should be doing now is passing another job-destroying, NAFTA-style free trade agreement.

Before we vote on this piece of legislation, I think it is terribly important that we as a Senate take a hard look at the current state of our economy. Now, if our economy is doing well for the middle class, if our trade policies are creating good-paying jobs, if our trade policies are moving toward eliminating poverty, if our trade policies are making us a more egalitarian society, let's go forward; but, in fact, if our trade policies are moving in exactly the wrong direction for the middle class, I think we should take a deep breath and not go forward in that direction.

Let's take a look at in fact what is happening in our economy today since President Bush has been in office.

Nearly 5 million Americans have slipped out of the middle class and into poverty. In fact, today, the United States has the highest rate of poverty of any major country on Earth. Madam President, 8.6 million Americans have lost their health insurance, and some 47 million Americans now have health insurance. Median household income for working-age families has gone down by nearly \$2,500 since President Bush has been in office. Over 3 million good-paying manufacturing jobs have been lost. Three million American workers have lost their pensions. Wages and salaries are now at their lowest share of GDP since 1929. The United States has the largest gap between the rich and the poor of any major developed country on Earth. Incredibly, in 2005, the top 1 percent earned more income than the bottom 50 percent. According to Forbes Magazine, the collective net worth of the wealthiest 400 Americans increased by \$120 billion last year to \$1.25 trillion.

Now, is our current trade policy responsible for all of these economic trends? The answer, obviously, is no. Our current trade policies are not the sole cause for the decline of the middle class and the increase in poverty. But has unfettered free trade significantly contributed to the shrinking of the middle class and the increase in income inequality? The answer is absolutely, it has.

So the point I am making this evening is if you like the way the economy is going, with a shrinking middle class and an increase in poverty and a growing gap between the very rich and everybody else, I guess we should go forward on these trade policies. But if you don't like the direction of the economy of the United States—and the overwhelming majority of people in this country do not like where the economy is going—I think we need a new direction in our trade policies.

According to the Institute for International Economics, 39 percent of the increase in income inequality in our country is due to our unfettered free trade policy. According to the Center for Economic and Policy Research, unfettered free trade has caused the wages of American workers without a college degree to be slashed by over 12 percent. When we talk about economics, we often look at the problem from a general sense, but if we focus on what is happening, especially to those people who are high school graduates, what we are seeing is a severe decline in wages for that subset of the American population. Those people are struggling very hard to keep their heads above water economically.

We now have a record-breaking \$765 billion trade deficit, including a \$232 billion trade deficit with China, and a \$64 billion trade deficit with Mexico. Today, we now have the fewest manufacturing jobs than at any time since Dwight David Eisenhower was President of our country.

If the United States is to remain a major industrial power, producing real products and creating good-paying jobs, we must develop a new set of trade policies which work for the middle class of this country and not just for the CEOs of large corporations. As the Presiding Officer well knows, coming from the great State of Michigan, it was not so many years ago that General Motors was the largest employer in the United States. By and large, those people who worked for General Motors had good wages, good benefits, and a strong union to represent them. Today, the largest employer in the United States is Wal-Mart—low wages, vehemently antiunion, and minimum benefits. That is the transformation of the American economy, and that is a metaphor for why the middle class in America today is shrinking.

Unfortunately, the Peru Free Trade Agreement is another failed trade policy among many other failed trade policies. In fact, in large part, this Free Trade Agreement, the Peru agreement,

was modeled after the North American Free Trade Agreement—NAFTA. So I guess the bottom line here is, if you like NAFTA, you will like the Peru Free Trade Agreement. Most people in this country do not like NAFTA.

Has NAFTA been a success? Well, we have some information. We have some figures. Let's take a look. Supporters of unfettered free trade told us over and over again that NAFTA would increase jobs in the United States. I was a Member of the House of Representatives during that debate. I remember it like it was yesterday: NAFTA is going to create all kinds of new jobs. Unfortunately, according to the Economic Policy Institute, NAFTA has led to the elimination of over 1 million American jobs. Well, NAFTA cost us 1 million American jobs. Do we want to go down that road with other trade agreements that will also lead to the loss of jobs and the lowering of wages? I think not.

Supporters of unfettered free trade told us during that debate that NAFTA would significantly reduce the flow of illegal immigration into this country because the standard of living in Mexico would increase.

Well, that issue need not be discussed for too long because nobody believes that has happened. Sadly, as we all know, as a result of NAFTA, severe poverty in Mexico has increased; 1.3 million small farmers in Mexico have lost their farms. They have been displaced and real wages for the majority of Mexicans have gone down. All of this—the loss of farms, the decline in wages, and the increase in extreme poverty in Mexico—is directly opposite of what they told us NAFTA would do, and it has led to a 60-percent annual increase in illegal immigration from Mexico during the first 6 years of NAFTA alone.

So they told us NAFTA would create more jobs in America. Wrong. We lost jobs. They told us NAFTA would increase the standard of living of people in Mexico and stop illegal immigration. Wrong. Extreme poverty in Mexico has gone up; over a million people lost their farms, and illegal immigration to the U.S. has increased. Wrong, wrong, wrong. Yet people say we were wrong, wrong, wrong, and I guess we should continue to go down that same path. That doesn't make a lot of sense to me.

One of the interesting aspects of unfettered free trade in the United States, and all over the world, is that it results in very large increases in income inequality. That is true in the United States, and it is also true in Mexico, where the gap between the rich and poor in that country has skyrocketed.

You would be interested to know that one man in Mexico—we all have to admit that at least one guy in Mexico has significantly benefited from NAFTA, and that is the telecommunications mogul, Carlos Slim. He has done very well by NAFTA. He recently surpassed Bill Gates as the wealthiest

person in the world, and he—from Mexico—is worth over \$60 billion. He is the richest guy in the world and is from a poor country. Amazingly, Mr. Slim is worth more than the bottom 45 percent of the people of Mexico. One man has more wealth than the bottom 45 percent of the people in Mexico. Frankly, that is obscene.

That is obscene, but that is one of the manifestations of unfettered free trade. In that case, it is in a very extreme way. In fact, while NAFTA helped make Mr. Slim the wealthiest person in the world, about half of the Mexican population lives on less than \$5 a day. How about that. One guy is worth \$60 billion, and half of the population there lives on \$5 a day. That is a manifestation of unfettered free trade. The Slim family fortune is equivalent to 8 percent of Mexico's gross domestic product. So, in Mexico, you have one man who is worth \$60 billion, while extreme poverty in that country has increased and small farmers have been driven off the land.

That has been the result of NAFTA in Mexico. I am afraid that, if we continue to move down that road, this will be the same in terms of the Peru Free Trade Agreement.

In addition, before we vote on this unfettered free trade agreement, I think we need to closely examine our unfettered free trade policy with China because China is the 600-pound gorilla in the whole issue. Supporters of unfettered free trade told us that PNTR with China would lead to the creation of hundreds of thousands of American jobs. That is what they said. Well, unfortunately, they were wrong again. Instead, as a result of PNTR with China, nearly 2 million decent-paying American jobs have been displaced.

As we speak, there are millions of men, women, and kids in this country who are going out Christmas shopping. This is the time of year people do that. When people go to stores—whether they are large department stores or small stores—and they buy stuff, they find that almost everything that they are buying—whether it is footwear, telephones, clothing, computers, you name the product—is manufactured in China. They are not manufactured in the United States of America.

I recently held a series of town meetings, and I asked people in my State—and we are a small State. Unlike Michigan, we are not a major manufacturing center. Yet in the last 6 years, in Vermont, we have lost 25 percent of our manufacturing jobs. What kind of a country are we going to be if we are not producing the products people consume? Do you think we can be a great economy simply by flipping hamburgers? I don't think so.

I will tell you, there are people who worry about the military future of our country, our national security, when we are not even producing the products that our military needs. Since PNTR with China, our trade deficit with that country has nearly tripled to \$232 bil-

lion, and that is a huge and growing trade deficit.

Today, over 80 percent of the toys sold in the United States are made in China. About 90 percent, for example, of the vitamin C—I take vitamin C—is made in China; 80 percent of all shoes we purchase in the United States are made in China; 90 percent of U.S. furniture production has moved to China; 85 percent of bicycles sold in the United States are made in China; half of all the apple juice imported to the United States comes from China; the United States imports more advanced technologies from China than any other country. We are not just talking about stuffed teddy bears or sneakers, we are now talking about highly advanced technology that is developing in China.

I have a simple question: Why is it that, in Vermont, Michigan, and all over this country corporations are shutting down and moving abroad? Wouldn't it be a nice idea that if these guys wanted Americans to buy their products—which they do—how about manufacturing some of them in the United States of America?

As I mentioned, I did a series of town meetings and I talked to the people in my State. I said: When was the last major manufacturing plant built in the State of Vermont? People can't quite remember, but it was a very fine plant built by a company called Husky. They are good jobs and it is a good plant. That was a long time ago. Nobody can remember any new plants being built in Vermont. By the way, I think that is true for most locations in America. Yet I was in China 5 years ago and I saw a lot of American companies building new plants in China—not in the United States of America. I think this is an issue we have to get a handle on.

The irony is that a few years ago when I was in the House, in honor of 9/11, we had a ceremony to commemorate and memorialize the people murdered that day, and they distributed American flags to us. Those flags were made in China. Since September 11, 2001, over 100 million American flags sold in this country were made in China. We are not even making American flags in the United States of America.

Before we pass yet another unfettered free trade agreement—this time with Peru—we have to fundamentally fix the broken trade policies we have with China and Mexico. That is not just Senator BERNIE SANDERS talking; this is the view of the overwhelming majority of Republicans, Democrats, and Independents.

Let me refer you to a recent Wall Street Journal-NBC News poll. In that poll—maybe 2 months ago—it indicated that 59 percent of Republicans and 54 percent of Democrats believed that unfettered free trade has been bad for the U.S. economy. Probably the only room full of people we could find in America who think that unfettered free trade is a good idea is this room right here. I

think Republicans understand it is not working, Democrats and Independents understand it is not working, and maybe the Senate should start listening to the American people who are experiencing the tragedy of unfettered free trade.

We have been told this particular trade agreement with Peru is different than the other trade agreements. We have been told this agreement has strong labor and environmental standards. If that is true, then why is it that not one major group representing the interests of labor, the environment, consumers, family farmers, religious organizations or Latino civil rights organizations supports this agreement? To the best of my knowledge, not one does.

In fact, the Peru Free Trade Agreement is being opposed by the Teamsters, the International Association of Machinists, the International Brotherhood of Electrical Workers, UNITE-HERE, the League of United Latin American Citizens, Oxfam, Public Citizen, and numerous religious organizations in our country.

In Peru, this unfettered free trade agreement is opposed by both of Peru's labor federations, and a prominent archbishop, among others. Even more troubling is the fact that the U.S. Chamber of Commerce, which strongly supports this trade agreement and all trade agreements, has said they have been "encouraged by assurances that the labor provisions cannot be read to require compliance with ILO conventions."

In other words, the labor standards in this agreement may not be worth the paper they are written on—or at least that is the view of the U.S. Chamber of Commerce.

According to a recent report by Columbia law professor Mark Barenberg, the so-called labor standards included in this legislation are "even worse than existing law" and "in no respect do the agreement's labor provisions mark a significant improvement."

Perhaps most important is this fact: The minimum wage in Peru is about 91 cents an hour. So what we are saying to workers in this country is that there is your competition. You are going to be competing against people who make 91 cents an hour. I think that is wrong. I do not think that America should be forced to compete against people in Peru, or any other country on Earth, where people earn such little money.

In industry after industry, corporate America is shipping our manufacturing plants, our good-paying jobs, overseas, where desperate people are forced to work for pennies an hour.

That bottom line is what unfettered free trade is about. The largest corporations in this country have pushed unfettered free trade for years. They have succeeded and they have gotten what they want. They want to pay people in China 50 cents an hour; in Peru, a dollar an hour, rather than paying American workers a living wage here,

respecting the environment here and free independent trade unions here.

Our corporate friends have won this debate, and the result of that is that the middle class is shrinking, poverty is increasing, and the wealthiest people in this country have never had it so good.

At a time when the poorest people in this country are seeing unprecedented desperation, when the gap between the people on top and everybody else is growing wider and wider and most of the new jobs projected for the future are low-wage jobs with minimal benefits, that is the future.

The great economic struggle of our time is whether the middle class of our Nation can be saved. That is what it is about. What the American dream was about—and this was true in my household—is my parents started with very little and they worked hard, with the hope that their kids would do better than they did. That is the American dream, and it has taken place here for such a long time.

Right now, if we don't begin to deal with our current economic policies, including disastrous trade policies, there is a strong likelihood that our children—the young generation of today—will, for the first time in the modern history of this country, have the dubious distinction of having a lower standard of living than their parents. That is a reality that we have to prevent. I don't want to see us participating in the race to the bottom. I don't want to see our kids being poorer than their parents. There are a number of factors for that happening. Anyone who does not think that unfettered free trade is one of the reasons for the decline of the middle class I think is dead wrong.

The word has got to go out loudly and clearly to companies such as Wal-Mart, General Electric, General Motors, IBM, Microsoft, Boeing, and hundreds of other corporations that they cannot keep sending America's future to low-wage countries.

Trade is a good thing, and let me reiterate that point. I believe trade is a good thing, but it must be based on principles that are fair to American workers. The U.S. Congress can no longer allow corporate America to sell out the middle class of our country and move our economy abroad.

A number of years ago, I think speaking for virtually all of corporate America, Jeff Immelt, who is the CEO of General Electric, one of the largest corporations in America, said:

When I am talking to GE managers, I talk China, China, China, China, China. You need to be there. I'm a nut on China. Outsourcing to China is going to grow to 5 billion.

That is what corporate America is saying. That is what unfettered free trade is all about, and it is time we told Mr. Immelt and the other CEOs of large corporations that if they want to sell their products in this country, they are going to have to start producing their products in this country.

It is not acceptable that Thomas Donohue, the CEO of the U.S. Chamber

of Commerce, "urges" American companies to send jobs abroad. They actually think this is good.

It is not acceptable that Bill Gates, who has many wonderful qualities, tells us that Communist, authoritarian China has created a "brand new form of capitalism, and as a consumer it is the best thing that ever happened." With all due respect to Mr. Gates, I disagree.

We must tell these corporate leaders to stop outsourcing our jobs overseas and stop outsourcing the future of our country. We must demand they start investing in the United States of America and create good-paying jobs here. We must rebuild our manufacturing base. Then we can talk about passing trade agreements that work for the middle class of this country while at the same time lifting standards throughout the world.

I want a race that takes all people up, not a race to the bottom. And that, among many other reasons, is why we should reject the Peru free-trade agreement.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Ms. STABENOW. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SANDERS). Without objection, it is so ordered.

Ms. STABENOW. Mr. President, I ask unanimous consent that following my remarks, if Senator DOMENICI is on the Senate floor, he be the next to speak, and if he is not, Senator SALAZAR be the next to speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

Ms. STABENOW. Mr. President, first I thank you for your words regarding what we need to be doing on trade and what has happened regarding unfettered trade. Coming from the great State of Michigan, the manufacturing hub of this country and of the world over decades and decades, I could not agree more with what is happening in terms of jobs going overseas. I see it in the eyes of thousands, in fact, hundreds of thousands of people; 250,000 people in my State who have lost their jobs just since this President has taken office, people working hard every day who just want to make a living for their kids and know the pension they paid into is going to be there and health care and that they can send their kids to college and have all the things they wanted for their children, have the great American dream. They have watched that dream slip away for themselves and their families.

I thank you for your words.

I go another step in terms of what I think we need to be doing to support manufacturing here and a level playing field because, in addition to what has been said about Peru as one more trade agreement—and I agree with that

statement, “one more trade agreement”—that is on the books without other provisions in place, there are certainly things that we can and need to be doing to support and encourage those manufacturing jobs in America.

As I noted in the Finance Committee, as a member of the Finance Committee, the Peru free-trade agreement is a tough one for me in a sense that I know colleagues have worked very hard to bring in new language. My friend and colleague in the House, Congressman RANGEL, and Senator LEVIN, certainly our chairman of the Finance Committee and the ranking member, have been working to have this agreement reflect our country’s values when it comes to labor and environmental standards.

The truth is, I wish we had had these kinds of standards in previous agreements. Getting the right words on paper is important, but unfortunately it is not enough to get them on paper. They are on paper in these agreements, but that is not enough when it comes to the families of my State and the people of America who want to make sure the American dream is available to them and their families.

I would like to believe these words will translate into action. It is hard to be convinced we are going to enforce our trade laws when we just start from the basis that we have the smallest trade enforcement office of any industrialized country in the world. That gives an indication of the priority of enforcing trade laws compared to what is happening in other countries.

We have more than 230 trade agreements on the books to enforce, and we have the smallest trade enforcement agency of any country in the industrialized world. It should be no surprise that there has been a huge increase in dangerous products coming across our borders and that more and more countries are testing the resolve of our trade laws and are, in fact, cheating on those trade laws.

The administration has simply lost credibility with the American people. No one believes this administration will enforce current trade agreements. No one believes currency manipulation will stop and certainly that the administration will take any action. This is something I have been focused on now since coming to the Senate, and every year—every 6 months, in fact—we get a report from the Treasury Secretary: No action. Currency manipulation is not really happening or they don’t mean it or they will do better in China if we trust them, and more and more jobs are going overseas because of that trade policy.

No one believes unsafe imported products will be kept away from our children. No one believes at this time that this agreement will end up leveling the playing field on trade. No one believes that point because, unfortunately, based on past actions, it is not true. We have too many businesses that have faced patent violations and

unfair pricing. We have seen small businesses in my State, as well as large, that make a product and have had a Chinese company come in and steal everything about that product, not only the patents, but the packaging, the directions on the package, and make the product for a small fraction of what it cost to actually make it.

I have small businesses in my State that have stopped making products because they cannot afford the cost to fight the Chinese Government to stop the trade infringement.

Those unfortunate incidents have meant people in my State have lost their jobs. I have one small business owner who makes hand trucks used to carry boxes and products, to move them around, who created one type of hand truck. It was stolen and produced by a Chinese company. This person could not afford to take action.

He said to me: Where is my Government stepping in to help me? But he could not afford the \$10,000 a month retainer of an attorney to try to figure out how to stop them, so he stopped making the product and 50 people in the northern Michigan town of Cadillac lost their jobs—50 people. For that town, that is a lot of people. In fact, anywhere, if you are 1 of those 50, that is a lot of people.

We have too many dangerous products that have put our families and children in harm’s way because foreign countries are not following the rules and our own country does not hold them accountable.

We have too many American families sitting on waiting lists for training that they were promised by this Government, the Federal Government of America, that they would receive if they lost their job because of trade.

We have a whole range of things that are not happening that have been promised.

This is what the people of my State see, and I believe the American people see. They see unsafe products. They see illegal trade practices. They see lost jobs devastating communities, lowering the standard of living, loss of the middle class that has resulted from previous trade agreements that were not enforced and that were not fair. That is what they see.

I simply cannot support another trade agreement until we get this right. I cannot support a trade agreement ahead of enforcing our trade laws, improving product safety, keeping our promises to working Americans, and ensuring a level playing field for businesses and workers, all of which are achievable if we make American businesses and American workers our priority. If we make that our priority, we can make the changes necessary so that trade works for us, rather than having it be a situation where instead of exporting our products, we are exporting our jobs. That is why the right words on paper just are not enough. We have to have the right trade agenda—a

trade agenda that helps working families adjust and be able to thrive in a global economy because we are making more products and selling more products and creating more jobs here, one that is based on a sense of credible trade enforcement so other countries know we are serious about jobs and businesses in our country, and one, frankly, that lets other countries know we are serious about protecting our people as it relates to safety, which is also very important.

In 2006, 1 year ago, 37,000 people in Michigan lost their jobs specifically and directly because of trade—37,000—but only 4,100 received any kind of trade adjustment help—training, the ability to go back to school to be able to get some assistance to be able to start a new career. That means 90 percent of the people who were affected, who lost their jobs, are not receiving funds that were promised under trade adjustment assistance because of various caps or the fact that we have not authorized that critical program.

And just extending it is not enough. How do I tell 33,000 people who were told that the Federal Government would help them through this adjustment period, through training and increased investments and new jobs, how do I tell them that, in fact, 90 percent of the people in their same situation got no help whatsoever?

Communities also need assistance. In Michigan, many communities have been devastated by the loss of a large plant or industrial facility. I will give one example, and this is very much about the race to the bottom, Mr. President. You spoke about it, and I speak about it all the time. When Electrolux, which makes refrigerators in Greenville, MI—a city of 8,000 people, with almost 3,000 of those people employed at this one plant—when they decided to pick up and go to Mexico where they could pay \$1.57 an hour, with no health benefits, there was a huge effort that came about to be able to work with them to stay. The Governor came in, the mayor came in, and others, saying: We will help you refinance a plant. We will give you tax incentives. Tell us how we can help you to be able to be competitive, to be able to stay in Greenville, MI. I met with them on many occasions, asking: What can we do to partner with you to support you. The end analysis was that the State essentially said no taxes at all. We offered to help them build new plants, and none of it was enough because they said: You can’t compete with \$1.57 an hour and no health benefits.

So this really is about whether we are going to compete down to a lower standard of living and lose the middle class and lose the American dream, or whether we are going to compete up. I believe if we compete up with a different trade agenda, a different broadly held agenda that will strengthen America, that we, in fact, can keep our jobs. But one piece of that is to make sure

that when 2,700-plus people in Greenville, MI, or when a whole community is devastated by their largest employer leaving, that there is some assistance not only for the workers but the small businesses and for others there to help during the transition.

In fact, we need to make sure we have a broader agenda that not only levels the playing field on trade, enforcing trade laws, having the right kind of trade policy, but that we are also addressing health care costs in this country, the largest cost for our businesses, and changing the way we fund health care, getting it off the back of business, and addressing other costs that are noncompetitive that we can address. Then we need to race like crazy on education and innovation. That is the race up, which we, the new majority, understand, as evidenced by our passing the largest financial aid package for college since the GI bill, by focusing and refocusing our efforts on math and science and technology investments.

So there is a way to make this a race up. But it is not just passing one more trade bill, one more trade law, one more agreement, without addressing all of these other issues. One of the other big issues for us is currency manipulation. This is something I am pleased to say the Finance Committee has begun to address with a bill that has come out of committee. We have not had the opportunity to have that on the floor yet, to bring that up, but right now we are in a situation where, again, because of governmental policies, because of China specifically, where they can peg the value of their money, their currency, in a way so that when their products come into us, on top of paying 60 cents or a dollar an hour and not having health care costs and all the other things, they can undercut us and get up to a 40-percent discount on that product coming in.

So when the President talked about Wal-Mart, when you look at the number of Chinese products and why they are lower, they also get a 40-percent discount on their price just from currency manipulation, which is illegal. So before we pass another trade agreement, why don't we fix that? Why don't we make sure we have the toughest possible policies that will stop the loss of jobs because of currency manipulation?

We have also, among trade enforcement, the need to beef up our trade office. And I am very pleased Senator LINDSEY GRAHAM and I have been working on this now for some time to create a trade enforcement division, headed by a trade enforcement officer, an independent trade enforcement officer—we have called it a U.S. trade prosecutor—to be able to truly beef up our enforcement.

I am pleased Senator BAUCUS and Senator GRASSLEY, our leaders on finance, have put together a broader enforcement bill, which I support, and include many of our provisions and as-

pects of our bill in their bill. That needs to get done. And I know the chairman is committed to having that happen, and I am anxious to join him in moving that through so that we can truly have credibility in the world, with other countries; that we mean it when we say there is a trade agreement and we expect other people to follow the rules.

But what do we see from the administration? There have been a couple of efforts, and I appreciate the few times they have moved forward to try to do something. There is an effort going on in auto parts now, but it is very little and it is very late, as we watch more and more jobs leaving this country. And I am very concerned, very disappointed when I see that this administration has not moved forward at all on any real action on currency manipulation or any number of trade enforcement issues. In fact, last week, the administration claimed victory for developing a voluntary agreement with China on illegal subsidies, an agreement that requires a great deal of trust with China. It is hard to understand they would continue to trust on a voluntary basis a country that has broken agreements and international policies over and over and over.

Furthermore, haven't we learned our lesson with voluntary agreements? Like the one completed with South Korea that was intended to, in fact, allow us to open up more opportunities to make automobiles here and be able to sell them to South Korea. Two agreements, not one, two voluntary agreements, and the exact opposite happened with 700,000 vehicles now coming in from South Korea, and we are barely able to get 5,000 back in to them. So voluntary agreements in the past have not worked. And given how many jobs we are losing, today is not the time for another voluntary agreement. We need, in fact, to put our muscle behind tough enforcement processes. We are quickly losing our standard of living and our middle class in this country. There is a need for urgency that has not been there and is not there today with the administration.

As a result of the trade policies we have in place now, we have an exploding trade deficit, which has increased from \$380 billion in 2000 to \$758 billion just last year. Since this administration has been in office, the trade deficit has more than doubled, and with it the number of dangerous products coming in, the number of layoffs, the number of waiting lists for people who need retraining, the number of businesses losing their patents, losing their products, and their ability to sell their products because of currency manipulation. That is the legacy of this administration.

I don't believe it is a time to reward them with another trade agreement. Before we go any further in passing trade agreements, Mr. President, we have to get our trade policy right. Re-

gardless of the specifics of the trade agreement, regardless of the words on paper, we better be able to back them up, and today we cannot. We haven't backed up words on paper. We can no longer say pass a trade agreement, we will fix it later, we will enforce it later, we will change it later, or we will help people later. We have to do these things now so we have credibility with the American people who are counting on us to fight for them and to understand that in the greatest country in the world, it is time to stand up for the middle class in this country, get our trade policy right, and stand up for the people who have worked hard to make this country great.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Ms. STABENOW). The Senator from Colorado.

Mr. SALAZAR. Madam President, I rise today to speak in favor of the United States-Peru Trade Promotion Agreement, which I intend to support tomorrow morning with my vote.

First, I thank Senator BAUCUS and Senator GRASSLEY for their efforts in shepherding the Peru Free Trade Agreement through the Finance Committee, where it passed with very strong bipartisan support. I congratulate them for bringing the agreement to the Senate floor today, and I thank our majority leader, Senator REID, for giving us the opportunity to have the free-trade agreement debated on the Senate floor today.

At the outset, Madam President, I put this in historical context for me. It was almost 409 years ago that my family founded the city of Santa Fe, NM. And in the four centuries since, you see a very unique and positive relationship between the United States and the nations to the south of the United States. It is a relationship which is bound together in history and in culture and in the landscape of the Western Hemisphere. It is a future which I hope we can work on together in the United States with our colleague nations to the south in order to develop an even stronger hemisphere.

It was in that vein of thinking that Senator John Kennedy, at the outset of his administration, spoke fervently about the future of the Alliance For Progress with the Western Hemisphere. It is in that same vein that I was honored to be a part of a codet that was led by our own majority leader, Senator REID, before he was sworn in to be majority leader, when he took six Senators to Bolivia and to Peru and to Ecuador, trying to make a statement to South America that they were not to be a forgotten continent.

It was in that same vein that in my very first meeting with President George W. Bush, I spoke to him about the importance of not having every ounce of his foreign policy agenda consumed by what was happening in Iraq, but to make sure that he was looking at events and relationships throughout the world, and that one of those most

important of relationships is the relationship we have with the nations in Latin America, with both Central and South America.

It is in that vein that this legislation, the Peru Free Trade Agreement, is important for us as we move forward in trying to establish the right kind of relationships between the United States and the rest of the Western Hemisphere. I believe in the benefits of free and fair trade. I believe that by working to lower trade barriers and to expand access to foreign markets we can strengthen the U.S. economy in a way that benefits both businesses and workers and enhances our relationship with friends and allies in important parts of the world.

The Peru Free Trade Agreement is the first of four FTAs that are currently pending in Congress, three of which are with countries in South America and Central America. As such, the Peru FTA represents an important step forward in an effort to strengthen our ties, both economic and diplomatic, with our neighbors in this hemisphere.

Earlier this year, as I said, I traveled with Senators HARRY REID, DICK DURBIN, BOB BENNETT, JUDD GREGG, and KENT CONRAD to South America. The last stop on our trip was the nation of Peru. I came away from that visit with a strong sense of how important it is for us to bolster our economic and diplomatic ties with Peru and countries such as Peru. Doing so will be critical to our economic and our national security and to the effort to restore America's standing in the world community.

The trade agreement we are discussing today is largely possible because of changes that have taken place in Peru in the last decade. Annual exports over the last 15 years have increased from \$3.4 billion to \$23 billion; annual per capita income for the people of Peru has doubled, from \$1,500 to \$3,200. That is a significant economic set of changes within Peru and within our trade relationship with the country of Peru.

In the meantime, coca production, a major concern of ours with respect to Peru, has decreased dramatically, thanks in large part to the eradication, interdiction, and other efforts to develop economic opportunities for the Peruvian people.

Perhaps most important, incidents of terrorism have decreased from nearly 3,000 in 1991 to less than 100 in 2006. Let me say that again. Incidents of terrorism, violent militancy in Peru, have decreased from nearly 3,000 in 1991—that wasn't so long ago—to now less than 100 in the year 2006.

The United States has been a strong partner in helping to keep Peru on this promising path. As a result, along with countries such as Colombia and Brazil, Peru helps to form an oasis of favorable sentiments toward the United States in a region where our standing has taken major negative hits in recent years.

When our delegation, led by Senator REID, met with President Alan Garcia in Peru, we had an opportunity to discuss how the relationship between our two nations has developed over the course of the past several decades, beginning with the key role Peru played in World War II when it provided the United States with the military bases we so much needed from which we monitored the activities of our military and our Navy in the Pacific.

At that meeting with President Garcia, we also discussed President Kennedy's Alliance for Progress, President Kennedy's initiative to strengthen ties between North and South America at the beginning of the Cold War. When President Kennedy outlined the goals of the alliance in 1961, he proposed—and I quote from his historic statement:

... to build a hemisphere where all men can hope for a suitable standard of living and all can live out their lives in dignity and in freedom. . . . Let us once again transform the American Continent into a vast crucible of revolutionary ideas and efforts, a tribute to the power of the creative energies of free men and women, an example to all the world that liberty and progress walk hand in hand.

That was President Kennedy's effort to try to shine the spotlight of a new relationship between the United States and the countries to the south in Latin America.

The Alliance for Progress is not a perfect alliance, but it certainly gave a message which has been missing throughout much of the history of the United States and certainly missing the last 6 years, that the relationship between the United States and South America is important from a strategic point of view for national security because these are the countries located in this hemisphere, that border us to the south, and also because of the economic relationship between the United States and Latin America.

Passing this free-trade agreement will help us build on the trade relationship that already exists between the United States and Peru and, in my view, will help us move in the right direction.

I wish to speak briefly about why the Peru Free Trade Agreement is important.

First, from my point of view, the Peru Free Trade Agreement is important for America's economic security. It will benefit both businesses and workers in the long run. In an increasingly global economy, America is facing growing competition on a number of different fronts. In order to preserve our standing as the world economic leader and to ensure that American businesses continue to set the standard for the world community, we must expand economic opportunities in foreign markets. If foreign countries face obstacles to trade with the United States, they will take their business elsewhere.

It is worth pointing out that many Peruvian businesses already have unfettered access to the U.S. market as a result of Andean Trade Preference

Agreement, which we have supported here on the floor of this Chamber. U.S. businesses, including the farmers and ranchers of my State, deserve to have that same access to the Peruvian market.

Second, the Peru FTA and others like it are important for America's national security interests around the world. In a part of the world where negative feelings toward the United States have grown and grown in recent years and as we strive to restore America's standing around the world, it is vitally important to recognize those friendships we do have and to do whatever we can to strengthen those friendships. Peru is a prominent example of an ally that has stood by us year after year. It would be a mistake not to return the favor here today and tomorrow by helping Peru continue its impressive progress of the past 15 years.

Additionally, a growing Peruvian economy with increased ties to the United States will help Peru continue to make progress on human rights and serve as an effective buffer against terrorist groups that have claimed more than 35,000 lives in Peru over the last 30 years.

Finally, I am proud of the historic relationship between the United States and Latin America, but it is a relationship that we, candidly, must work on to strengthen into the 21st century and beyond. Of course, free-trade policies, as the Presiding Officer has pointed out often on the floor of the Senate, have consequences that we cannot overlook and that must be addressed.

As the U.S. economy evolves to meet the demands of the 21st century and adjusts to handle increased competition from foreign businesses here in America, we all know there are winners and there are losers. That is why we need to ensure that the playing field is a fair playing field by doing our best to hold our trading partners to the same environmental and labor standards American businesses must meet. The bipartisan May 10 agreement of this year, which has been incorporated into the Peru FTA, is an important part of that effort. All of us—Democrats and Republicans, businesses, workers, and the environmental community—need to work to build on that progress to ensure our trade policies can strengthen our economic security and our national security in a way that is fair and that does not hurt workers and does not hurt the environment.

We also need to act as soon as possible to reauthorize and strengthen the Trade Adjustment Assistance Program so that American workers, businesses, and farmers who are adversely affected by our trade policies can receive the assistance they need as they strive to be part of the 21st century global economy.

I believe we can move forward on trade in a way that addresses these legitimate concerns without preventing us from expanding opportunities for American businesses in foreign markets. I believe the Peru Free Trade

Agreement does an excellent job of meeting both objectives. For all the reasons I have outlined today, I supported the free-trade agreement when it was in the Finance Committee, and I will support it on the floor of the Senate. I urge my colleagues to do the same.

#### MORNING BUSINESS

Mr. SALAZAR. Mr. President, I ask unanimous consent that there be a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER (Mr. SANDERS). Without objection, it is so ordered.

#### NOMINATIONS

Mr. LEAHY. Mr. President, as the Senate begins its final work period of the year, I want to thank those members of the Judiciary Committee who have been working so hard throughout this year in helping us fulfill our duties with respect to nominations.

Given the work of the Senators serving on the Judiciary Committee, the Senate is in position to confirm 40 judicial nominees for lifetime appointments to the Federal bench this year, including 6 more of this President's circuit court nominees.

The Senate has already acted to confirm 36 lifetime judicial appointments. Remaining on the Senate Executive calendar are the nominations of John Daniel Tinder to the Court of Appeals for the Seventh Circuit, Amul R. Thapar to the Eastern District of Kentucky, Joseph Normand Laplante to the District of New Hampshire, and Thomas D. Schroeder to the Middle District of North Carolina. When they are confirmed, and with the cooperation of Senators they can be confirmed this month, we will have exceeded the yearly total in each of the last 3 years when a Republican majority managed the Senate and the consideration of this Republican President's nominations. Indeed, we are proceeding on vacancies before they arise in some cases.

When we conclude our work on judicial nominations this year, we will have exceeded the totals in 2004, 2005, or 2006 when a Republican-led Senate was considering this President's nominees. We are exceeding the totals confirmed in 1996, 1997, 1999 and 2000, when a Republican-led Senate was considering President Clinton's nominees. We are even exceeding the totals in 1989 and 1993 when a Democratic-led Senate was considering President Clinton's nominees. This year's total will be almost two dozen more confirmations than were achieved during the 1996 session when Republicans refused to proceed to confirm any of President Clinton's circuit court nominations.

We continue to make progress on circuit court nominations. The six circuit court nominees confirmed this year matches the total circuit court con-

firmations for 2001. We will have exceeded the circuit court totals achieved in 2004 when a Republican-led Senate was considering this President's circuit nominees; in 1983, when a Republican-led Senate was considering President Reagan's nominees; in 1993, when a Democratic-led Senate was considering President Clinton's nominees; and, of course, the 1996 session during which a Republican-led Senate did not confirm a single one of President Clinton's circuit nominees the entire session.

It is a little known fact that during the Bush Presidency, more circuit judges, more district judges—more total judges—were confirmed in the first 24 months that I served as Judiciary chairman than during the 2-year tenures of either of the two Republican chairmen working with Republican Senate majorities.

I continue to try to find ways to make progress. Last month, I sent the President a letter urging him to work with me, Senator SPECTER, and home State Senators to send us more well-qualified, consensus nominations. To reward me for reaching out again and extending the olive branch to him, this President responded not by replying to my letter but by a much ballyhooed partisan speech before the Federal Society annual dinner.

I have been concerned that several recent nominations seem to be part of an effort to pick political fights rather than judges to fill vacancies. For example, President Bush nominated Duncan Getchell to one of Virginia's Fourth Circuit vacancies over the objections of both respected Virginia Senators, one a Republican and one a Democrat. They had submitted a list of five recommended nominations, and specifically warned the White House not to nominate Mr. Getchell.

In addition, we have succeeded in dramatically lowering vacancies and, in particular, circuit vacancies. We have helped cut the circuit vacancies from a high water mark of 32 in the early days of this administration to as low as 13 this year. Contrast that with the Republican-led Senate's lack of action on President Clinton's moderate and qualified nominees that resulted in increasing circuit vacancies during the Clinton years from 17 when he was inaugurated to 26 at the end of his term. During those years, the Republican-led Senate engaged in strenuous and successful efforts under the radar to keep circuit judgeships vacant in anticipation of a Republican President. More than 60 percent of current circuit court judges were appointed by Republican Presidents, with the current President having appointed more than 30 percent of the active circuit judges already.

Of the remaining vacancies, 20—more than one-third—have no nominee. Of the 17 vacancies deemed by the Administrative Office to be judicial emergencies, the President has yet to send us nominees for 8, nearly half of them. Of the 14 circuit court vacancies, 4—

about one-third—are without a nominee. If the President would work with the Senators from Michigan, Rhode Island, Maryland, California, New Jersey, and Virginia, we could be in position to make even more progress.

Of the vacancies without any nominee, the President has violated the timeline he set for himself at least 12 times—12 have been vacant without so much as a nominee for more than 180 days. The number of violations may in fact be much higher since the President said he would nominate within 180 days of receiving notice that there would be a vacancy or intended retirement rather than from the vacancy itself. We conservatively estimate that he also violated his own rule 13 times in connection with the nominations he has made. That would mean that with respect to approximately 46 vacancies, the President is out of compliance with his own rule more than half of the time.

So I thank the members of the Judiciary Committee for their hard work considering these important nominations. I thank especially those Senators who have given generously of their time to chair confirmation hearings throughout the year.

#### ROADRUNNER COMPUTER

Mr. DOMENICI. Mr. President, today's Washington Post Science section contains an excellent summary on the work America is doing to develop the fastest computers in the world and the benefits to all of us from such computers.

The headline on the story, "Faster Computers Accelerate Pace of Discovery," captures today and hints at tomorrow for science, using computers that have processing speeds of more than a thousand trillion calculations per second. That speed is known as a petaflop, in computer science speak.

I am proud that the first petaflop computer in the world is likely to be at Los Alamos National Laboratory in my home State of New Mexico. Working in conjunction with IBM, LANL's "Roadrunner" computer holds out the promise of immense advances in almost every aspect of scientific inquiry.

In the area of nuclear weapons, for example, computing power increases are critical. Two decades ago, this Nation decided to stop underground testing of nuclear weapons. Yet the necessity of certifying the reliability and performance of our nuclear stockpile remains. How could we do away with underground testing and still have the three weapons lab directors certify to the President that our weapons were safe and reliable. We decided to adopt a program called Science-Based Stockpile Stewardship. Essentially, we decided to simulate a nuclear weapons explosion using computer power. Clearly, America needed more computing power when we made this decision. "Roadrunner" is an important step toward making sure that our nuclear stockpile will work if ever needed.