

make them angry and they will commence a trade war against us. That is what the argument basically is.

And they say: Oh, you remember during the Depression the Smoot-Hawley Tariff Act. That created a tariff war around the world and helped prolong the Depression. And it did. Well, let me tell you, this is not the Smoot-Hawley Tariff Act. It is not. First of all, the United States was a major exporting juggernaut in the 1930s, and we placed tariffs on goods coming into our country to try to give an advantage to our folks, and others retaliated, and we, as an exporting nation, ended up losing more than they did. It was stupid policy and it redounded to our disadvantage.

It was a worldwide tariff we placed on all products. Hopefully, there will not be any tariffs imposed under this legislation. Hopefully, as the process goes forward our Chinese trading partners will begin to retreat from their indefensible position, and it will not happen. But, again, it is only targeted where we have major currency manipulation.

It is not a worldwide tariff, No. 1; and, No. 2, as Mr. Gordon Chang, writing in *Forbes* magazine, noted, indisputably: China is the exporting juggernaut in today's world. We are the world's biggest importer.

I don't guess there has ever been in the history of the world a larger trade imbalance than between the United States and China. We import, they export. So as he noted, in a trade tariff situation, which is bad for everybody, I acknowledge the nation that is hurt the worst is the exporting nation. That would be China.

So why would China, despite their bluster, why would they create a real trade war with the United States? One-third of their exports or more go to the United States. This is a huge part of their growing economy, and I am happy that China is making financial progress. I sincerely hope they will be able to continue to do so, but it cannot be done at our expense.

So I would say the Smoot-Hawley argument is not a good one. Neither is the fact that China would execute a trade war with the United States. It just makes no sense for them to do so. They would be cutting off their noses to spite their faces.

One thing that is good in a manufacturing economy is that we sell products and we bring home wealth. If we can manufacture and we can export that product, we can bring home wealth, and that wealth can be used to purchase other foreign products and bring those into the country. It is the kind of thing that can, if properly conducted, benefit the entire world.

I tease my free-trade colleagues—those for whom free trade is a religion—that they believe that trade, once it breaks out in the world, peace will abound and cancer will be cured. That is all we have to do is eliminate all trade barriers. But the trade bar-

riers are not being eliminated. That is the problem.

One of the biggest trade barriers we have is the currency manipulation by China. It is by far—they do a lot of things. They steal our manufacturing copyrights and secrets and techniques in violation of international law. They subsidize domestic manufacturing in many different ways. If we want to do business in China, we have to partner with a Chinese company and give them half the company. They block the sale of rare earth minerals around the world. They do all kinds of things that are not the kinds of things good trading partners ought to be doing, not to mention their foreign policy which buddies up with North Korea, Iran and other rogue nations.

China needs to be participating positively in the world community, not trying to take advantage of other countries, making bucks off them, and trying to do things that seem, at times, for no other purpose than to frustrate the legitimate interests of the United States and the world community.

So China has some problems. It is time for them to get straight. I urge them to do so. They cannot continue currency manipulation. That is destroying jobs in the United States, and we will not have it. When we have this vote that will be coming up before long, I think it will be more than just a normal vote around here. I believe it will be a vote that says to the whole world: The United States is waking up. We are free traders, all right, but not any trade agreement is going to be good in the future. If you are not complying with your promises under trade agreements, we are going to hold you accountable. We will do what it takes to hold you to the agreement, and we will not trade with you if you manipulate the trade rules. We insist that the world economy operate on a fair and lawful basis, that is healthy for us.

If we do this right, we can do it in a way that is not protectionist, not antitrade, but creates the foundations for even more and healthier, better trade for the whole world. That is my vision of where we are today. I think we should move forward and pass this legislation. I urge my colleagues in the House to do likewise. In the long run we will benefit.

I thank my Republican colleague, Senator GRAHAM, and others on this side who voted for it, and Senator SCHUMER and Senator BROWN and Senator STABENOW and others on the Democratic side who have been leaders in this effort. I believe it is time for the President to get the message. I think it is time for Wall Street to get the message. I think it is time for the American people to get focused that there are some decisions being made now—without protectionism, without nativism, but legitimate public interests that will create jobs in America.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

## AMERICAN JOBS ACT

Ms. KLOBUCHAR. Mr. President, I rise today to speak in support of the American Jobs Act. Rarely is our economy discussed these days without mention of the 14 million Americans who are currently out of work and searching for a job. But as you know, I am from your home State. This is not just a statistic. It is real people—people who are struggling, people who have had their hours cut, people who may have worked at a job for a very long time and, poof, it is gone away. That is what this is about.

Two years after the recession officially ended, unemployment is still stubbornly high, at 9.1 percent—9.1 percent. When we factor in those who are working part time because they cannot find a full-time job, that number goes much higher, up toward 16 percent.

Now, my home State, the State of Minnesota, is much better. We have an unemployment rate of 7.2 percent. But there are still too many people out of work or who are struggling with reduced hours at their jobs. While no group of workers has been spared by the high rates of long-term unemployment, the hardest hit have been older workers, those with a high school diploma, and then those I am sure you have seen in the construction trades. They have been hit very hard.

We also have had issues with our timber industry in northern Minnesota. We have had some trouble in our iron ore mines, but they are bouncing back. The biggest problem I have heard of is for those in the construction industry.

It is my firm belief that the role of Congress is to promote the interests of the American people, and the American people have said loudly and clearly that we need to focus on initiatives that stimulate job creation—in particular, private sector job creation. In fact, the majority of Americans want us to pass the American Jobs Act that we are debating today.

When Americans are asked about specific provisions in the bill, that message is even clearer: 74 percent say they support providing money to State governments to allow them to hire teachers and first responders; 65 percent say they support cutting the payroll tax for all American workers; 64 percent say they support increased spending to build and repair roads, bridges, and schools.

Of course, no one knows that better than me and my State. I live just a few blocks from that bridge that collapsed in the middle of a summer day. I said that day: A bridge should not just fall down in the middle of America. But that is what happened. So, obviously, people in my State understood the need to continue funding bridges and roads.

Fifty-eight percent of Americans say they support cutting the payroll taxes

for all American businesses. But passing this bill is not the right thing to do just because it is popular. It is the right thing to do because it will have a positive impact on our economy.

Economists from across the political spectrum agree that steps taken in this legislation would increase economic activity and add jobs. According to Mark Zandi, chief economist of Moody's:

The plan would add 2 percent points to GDP growth next year, add 1.9 million jobs, and cut the unemployment rate by a percentage point.

That is an economist's words, not mine. It would accomplish this by initiating targeted measures, many of which have garnered overwhelming bipartisan support in the past. The employee payroll tax cut that would be extended under the American Jobs Act was originally introduced by my friends, Senator SCHUMER and Senator HATCH. It was ultimately included in the HIRE Act, which ultimately passed the Senate by a 68-to-29 vote early in 2010. Just over a year ago it was extended again. This time, 139 House Democrats and 138 House Republicans joined to support it. In the Senate, 37 Republican Senators joined 43 Democratic Senators in voting for the extension.

Cutting the payroll tax for all American businesses is another idea that has gained strong bipartisan support. In fact, it has been the centerpiece of several jobs packages put forward by my colleagues on the other side of the aisle.

We all know the neglected state of our Nation's infrastructure. Crumbling infrastructure just does not threaten public safety, as it did in Minnesota when that bridge collapsed, it also weakens our economy. Congestion and inefficiencies in our transportation network limit our ability to get goods to market.

We all know one of the main ways we are going to get out of this downturn is with exports. Well, to truly have the kind of exports we want to see in this country, we have to be able to get our products on a truck or get them on a train and get them to a port and get them across the sea or get them on an airplane. The only way we are going to do that is if we have a transportation system that matches the economic system we want to have.

The congestion, the inefficiencies in transportation exacerbate the divide between urban and rural America. They constrain economic development and competitiveness. They reduce productivity as workers idle in traffic.

Americans spend a collective 4.2 billion hours a year stuck in traffic—4.2 billion hours a year stuck in traffic—at a cost to the economy of \$78.2 billion or \$710 per motorist. Think about that, over \$700 per motorist simply because of people waiting in line on our highways.

What better way to get our struggling economy back on track than to

build the 21st-century transportation network our economy demands, while creating jobs in the construction industry, which, as I mentioned, has been one of the hardest hit industries. The American Jobs Act would establish the infrastructure bank as a new financing authority to help address some of our Nation's most important transportation projects. Roads, freight rail, and water projects in my State of Minnesota and across the Nation would benefit from access to loans and loan guarantees from this public-private partnership.

This approach has bipartisan support in the Senate, as do the other proposals I discussed. In March of this year, U.S. Chamber of Commerce President Tom Donohue endorsed the idea saying this:

A national infrastructure bank is a great place to start securing the funding we need to increase our mobility, create jobs and enhance our global competitiveness.

So pieces of this bill have been supported by the chamber; pieces of this bill have been supported by my Republican colleagues. In fact, the major provisions of this bill have been supported on a bipartisan basis. There are other great ideas in this bill as well, such as an extension of the bonus depreciation, which would allow businesses to continue to immediately write off the cost of investments in new property and equipment.

I have to say this was the one thing—when I met with our small businesses over the last few years, this was the one thing they kept mentioning, that this was very helpful for them and would create an incentive for them to invest in equipment.

This bill includes a returning heroes tax credit for veterans, which would provide a tax credit up to \$9,600 to encourage companies to hire unemployed veterans. At a time when the percentage of unemployed veterans of Iraq stands at 11.7 percent, the importance of a provision such as this is clear. There is no reason that those people who have served our country should have to come back to the United States and not have a job. When they signed up to serve our country, there wasn't a waiting line. When they come back to America and they need a job or they need college or they need health care, there should not be a waiting line. I am glad this provision is included in the bill to create an incentive to hire returning veterans. The post-9/11 time period is most important when you look at the unemployment rate.

With our economy struggling and 14 million Americans still out of work, Minnesotans want Congress to put the politics aside and come together to move our economy forward. It is time to step forward and show some leadership, and it is time for us to work together to show the American people that Washington isn't broken—that, instead, we are willing to put aside politics to do what we were elected to do, to do what is right for America.

I urge my colleagues to vote for this important piece of legislation that

would put Americans to work and help our struggling economy get back on track.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. BROWN of Ohio. Mr. President, we are in morning business, right?

The PRESIDING OFFICER. That is correct.

#### CHINA'S CURRENCY POLICY

Mr. BROWN of Ohio. Mr. President, in an hour or so, the Senate will be voting on our currency bill, S. 1619, the bipartisan bill I am a prime sponsor on, along with Senators SCHUMER, GRAHAM, and SESSIONS, and a host of other Senators in both parties, including Senators STABENOW, SNOWE, COLLINS, and HAGAN.

I thank my colleagues for the vote last week of well in excess of 60 bipartisan votes, allowing us to consider this measure. I am struck by some of my colleagues who dismiss this bill as a "message" bill. There are opponents of the bill, and there are always people who don't want to stand up to China. I think they are undercutting our ability to stop the hemorrhaging of our manufacturing jobs. That is their decision to make. Again, I am struck by how some of my colleagues dismiss this as a message bill. I don't know what a message bill means to anybody outside of Washington. I know this bill is a jobs bill. I was talking to an anchor on MSNBC, who said we lost almost 3 million jobs to China in the last decade, most of them manufacturing jobs. This is legislation that will stand up to the Chinese and say: You are not going to game the currency system or export from China into our market and have a 25-, 30-, 35-percent subsidy, and you are not going to put up a tariff using currency as that tariff, by and large, in effect, to add 25, 30, 35 percent to the cost of an American good sold into China.

This legislation is all about jobs in industries that have been holding on for their life, such as paper, steel, tires, and aluminum. But it is not just paper, steel, and tires; it is no longer a trade deficit in T-shirts and bicycles. This trade deficit, which has more than tripled in the last decade, is now almost \$800 million a day. That means every day companies buy \$800 million more in Santa Fe and in Dayton than we sell to China. We buy \$800 million more than we sell. We cannot keep doing that.

This trade deficit has risen through the economic food chain all the way to advanced technology products. It is not just tires and steel, as important as they are to many workers in this country; it is also jobs in solar, wind, and clean energy components manufacturing, and in the auto supply chain. Those are millions of jobs in our country. What this legislation means in so many ways is that we can be competitive on all fronts with China, Germany, and Japan. We can compete on productivity. We have skilled workers and