world class infrastructure. But how do you compete against a 25-, 30-percent subsidy? How can workers in Findlay who make tires or in Chillicothe who make paper or in Defiance who make engines compete with $1 billion in subsidies? As a leader in this effort, Senator MERKLEY noted currency manipulation is a 20- to 30-percent tax on our exports. If a company in Albuquerque or Atlanta or Ashtabula makes a product and sends it to China, it costs 25, 30 percent more because they put a currency tariff on that product.

I find it hard to believe that some of my colleagues—about 30 of them—would want to continue this tax on our exporters. It is, pure and simple, a tariff and a tax on our exporters trying to sell products into the Chinese market.

Senator FEINSTEIN spoke about the compelling image she saw from her San Francisco home. Looking out at the San Francisco Bay, she counted the cargo ships departing for Asia, half filled with mostly scrap paper and other scrap, while the incoming ships are filled with goods. That tells you that we buy $800 million a day more from China than we sell to China. It is not because our workers are not productive or that our companies are not efficient or because our scientists and researchers aren't the most innovative in the world; it is because China has a 25-, 30-, 35-percent tax on our products and a subsidy on their products. That is pure and simple.

For a State such as mine, trying to get a foothold on clean energy technology research and production, the race against China will only accelerate in the coming years. That is why it is imperative that we not sit idly by while China subsidizes its exports through its currency regime. This is no message bill. This is level-the-playing-field legislation.

Let me speak about some other charges that have been made. Some of my colleagues note that China's currency has increased about 30 percent in recent years. No doubt the RMB has appreciated about 30 percent. Since the Senate acted in 2005, the Chinese currency, the RMB, has appreciated about 30 percent. But as the Peterson Institute for International Economics has shown—which is not an anti-free trade, pro-fair trade, liberal, progressive, socialist organization; it is a middle-of-the-road, mostly free trade organization, staffed by sort of elite economists in the Northeast—Even the Peterson Institute for International Economics has shown that the RMB is more undervalued than a year ago because of China's rapid growth in the past few years, as well as inflation and productivity. The Peterson Institute estimates that China's currency manipulation increased from 24.2 percent in 2010 to 28.5 percent in 2011, despite the fact that China's real exchange rate appreciated over the past year. That means it is getting worse. If we want to call it a message bill, it may work with some in this institution but not with the American public. This is getting worse and worse for our manufacturers. I will tell you about one, the Bennett brothers in Brunswick, Ohio, who came to me. I was talking to them in northeast Ohio a couple weeks ago. They run a family company that has been around for about 35 years in northeast Ohio. This company is called Automation Tool and Dye. They were about to have a million dollar sale to an American company looking for their product and, at the last minute, the Chinese came in and undercut them by 20 percent. Why? Because they got a 25-percent, 30-percent subsidy bonus because of their currency.

The point is that China is massively and increasingly intervening in its currency. The International Monetary Fund knows it. The IMF has estimated that China's global current account surplus—the broadest measure of its trade balance—will more than double from $305 billion in 2010 to $852 billion in 2016. The problem is getting worse.

If one thing is clear since the Senate voted in 2005 to slap tariffs on Chinese goods, it is this: The RMB is pegged to American political pressure. If we can predict anything, we know that if we take the pressure off, China will get worse. If we can predict another thing, we know that if this passes and begins to work its way through the House to the President's desk, the Chinese will respond by significantly appreciating their currency.

Some of my colleagues wring their hands, saying we might set off a trade war, and that this is the second coming of Smoot-Hawley. The facts are clear that this is very different. When Smoot-Hawley was enacted by Congress, in those days the United States had a trade surplus. So countries around the world were angered that while we had a trade surplus we were enacting Smoot-Hawley, more tariffs. Today, we have one of the largest trade deficits in world history, so we are in a very different position.

As Senator SESSIONS said, when he heard this criticism that we might set off a trade war, we have been in a trade war for a long time. The Chinese seem to be doing very well. They have declared a trade war. That is why they subsidize water, paper, steel, capital, and land. This features spies, features theft of intellectual property, and that 30-percent stealth subsidy that gets applied to every export China sends to the United States. So we are already in a trade war. The only difference is that today on the floor of the Senate we have taken a big step toward abandoning the failed tactics of unilateral disarmament.

Workers in my State know that we have been waving the white flag in this trade war. I remind my friends that the United States has more leverage than any of China's trading partners, as China is overly dependent on access to our market to maintain its own exports and jobs.

This isn't Smoot-Hawley, as some want you to believe. This legislation does not mandate sanctions against China or any other nation. It does not slap an across-the-board tariff on Chinese imports tomorrow as China has effectively done to ours. In fact, if this bill becomes law, the duties would apply to less than 3 percent of Chinese imports.

When you think about this, of all Chinese exports, about one-third come to the United States. If Senator DURBIN is in business in Chicago, and he has a company—or he has a customer in his company who buys one-third of all of their goods, he is going to be good to that customer. He will not declare war on them. The Chinese won't declare economic trade war on us, because we buy so many of their exports.

I will close with this. If China is found to be manipulating its currency, this bill sets in motion a series of steps to place pressure on the Chinese Government to stop rigging the exchange rate in its favor. It is simple.

According to a recent New York Times op-ed by C. Fred Bergsten of the Peterson Institute:

> To be sure, some American corporations will fret that these actions would needlessly antagonize the Chinese and threaten a trade war. . . . I believe these fears are overblown. The real threat to the world trading system is protectionist policies, including undervalued currencies, of other countries, and the vast trade imbalances that result.

As Presidential contender Mitt Romney put it, taking action to remove protectionist market distortions would not result in a ''trade war,'' but failing to act will mean the United States has accepted ''trade surrender.''

We can vote yes today and it will mean we will stand up to the Chinese and, more importantly, it will be a victory for American workers, and especially American small manufacturers.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

IRAN SANCTIONS

Mr. KIRK. Mr. President, I want to talk briefly about the breaking news today that the Justice Department and Attorney General Eric Holder announced that a plan was conceived, sponsored, and directed from Iran to conduct bombings in Washington, DC, and potentially also in Buenos Aires, Argentina. This is from a government that Secretary of State Clinton designated as a state sponsor of terror. It is what I would think of as a very audacious, forward-leaning plan to attack the United States, its people, and foreign embassies in the Nation's capital.

Tomorrow, in the Senate Banking Committee, we will meet with our Under Secretary of the Treasury, a very able man named David Cohen. I urge the administration to look at what is the most effective sanction currently pending on our docket against the terrorists in Iran.

Earlier this year, we had 92 Senators—just about the entire Senate—

sign a letter to the President calling for the Treasury Department to execute a strategy to collapse the Central Bank of Iran.

These are the pay masters of the Iranian Revolutionary Guard Corps and the intelligence service of Iran—the MOIS—that appear to be involved in the plot that the Attorney General revealed today. It is that action—to cut the Central Bank of Iran off from the central payment backbone of the Federal Reserve; obviously, to do it in cooperation with Saudi and Israeli officials, and given indications from London, from Paris, and from Berlin, probable action by our NATO allies as well—to cripple Iran's currency, to make sure what is called Bank Markazi has no access to the payment mechanisms of the West that will lead to a collapse of its currency.

I applaud David Cohen for designating at least five individuals as sponsors of terror who were part of the Iranian Revolutionary Guard's force—Quds Force—but I think this doesn't go far enough. With the Attorney General of the United States directly blaming the Government of Iran for this bomb plot against targets in the capital city of the United States, it is clear, with overwhelming bipartisan support and 92 Senators behind the effort to collapse the Central Bank of Iran, that would be an effective nonmilitary way to address what is clearly an utterly irresponsible and largely out of control IRGC and MOIS, who were seeking to attack American targets.

With that, I yield the floor.

The PRESIDING OFFICER. The majority whip is recognized.

Mr. DURBIN. Before speaking on the issue of the bombing, let me commend my colleague from Illinois for speaking out on this Iranian plot, state-sponsored Iranian plot, to destroy the Saudi and Israeli Embassies in Washington, DC. It is an outrage that they would reach this far, obviously, into the United States. We know they have backed terrorism forever, as my colleague said, having been recognized by our government as a state sponsor of terrorism. We need to heighten the sanctions on Iran and make it clear this type of action will not be countenanced.

Many of us still recall it is only a few days after the 10th anniversary of 9/11, the last time terrorists decided they would strike in the United States. Regardless of whether the Embassy is for the United States, it is in the United States. Being here, it is protected property of our Nation.

I would say to the administration—to back my colleague from Illinois—let's look for every available means to let the Iranians know this conduct is not only unacceptable but we will do everything we can to disable them from any further actions along these lines through sanctions.

THE AMERICAN JOBS ACT

Mr. DURBIN. Mr. President, this afternoon, the Republican leader of the Senate came to the floor to talk about a vote we will have later this afternoon. It is a vote which is historically important. We all know the state of our economy. We are in a position now with 14 million Americans out of work, 9.1 percent unemployment and private-sector jobs going up so slowly, it isn't getting us back into the kind of economic progress we need. We listen monthly as the unemployment statistics come out, and we are reminded of the weakness of our economy. We have to do something. The choices are to allow this economy to languish or decline or to step up and do something.

President Obama has decided he needs to lead on this issue and bring together Democrats and Republicans for that purpose. He spoke to a joint session of Congress which we all attended. It was widely reported. He said: I am going to put my best ideas on the table, and I invite the Republicans to do the same. We cannot stand idly by and do nothing.

So the President put his proposal forward. It was clear what he wanted to do, and he reminded the Republicans that many of the things he proposed were actually ideas they had proposed in the past. Then we waited and we waited. At the end of the day, I am afraid when this vote is taken, we will find few, if any, Republican Senators will support any effort to try to create jobs in the United States, as President Obama has proposed.

The President has made his position clear. Those of us who will vote in support of the President's plan have made our positions clear. But the position on the other side of the aisle is becoming increasingly clear as well, and it comes down to two things: First, the Republicans will not countenance, approve or even consider $1 more in taxes for the wealthiest people in America. For them, that is unacceptable. It is better to do nothing than to impose $1 more in taxes on people making over $1 million a year. They have said that consistently, at every level of the Republican Party.

That position doesn't reflect the feeling of Republicans in America, with 59 percent of them believing the President is right. It is not unfair to ask those who are making over $1 million a year to share the burden and sacrifice of moving the economy forward. Independents feel strongly about it, and obviously Democrats do as well. The only Republicans who don't share that belief happen to serve in the Senate, and they believe $1 more in taxes to pay for the President's jobs programs—if it came from the accounts of people making over $1 million a year—is unfair. So we know they are clear on that position.

But there is a second position the Republicans have taken that is equally clear. They are prepared to oppose any ideas coming from the Obama administration, even ideas they have conceived and voted for in the past. I asked my staff to take a look at some of the proposals of President Obama in his jobs bill, which will come up later this afternoon, to see what the record on the Republican side has been, and it is interesting.

Senator MCCONNELL and 32 of his Republican colleagues supported President Bush's Economic Stimulus Act of 2008. It included tax rebates for individuals, which we find in the Obama plan; tax cuts for small business, which we find in the Obama plan—and no offset, incidentally. It wasn't paid for. It added directly to the deficit. Senator MCCONNELL and 32 of his Republican colleagues voted for that because it had President Bush's name associated with it. I am afraid most, if not all of them, will vote against this proposal because President Obama has brought it forward.

Republicans have supported a payroll tax consistently in the past. Here is what Senator MCCONNELL said on FOX News in January of 2009:

> If you want a quick answer to the question of what would I do, I'd have a payroll tax holiday for a year or two that would put taxes in the hands of everybody who has a job, whether they pay income taxes or not. And, of course, businesses pay the payroll tax too, so it would be both a business tax cut and individual tax cut immediately.

That is the centerpiece of President Obama's jobs plan. It is a plan that was criticized on the floor this morning by Senator MCCONNELL. The approach the President is taking is exactly what Senator MCCONNELL said when he was speaking in the bosom of the lodge at FOX News in January of 2009. Republicans have supported Federal help to States. I will not go through the list, but they have in the past.

Incidentally, it used to be dogmatic when it came to building infrastructure in America—roads and highways and bridges and ports and airports. It was a bipartisan issue. When the President puts it in his jobs bill, it is rejected. You know what the Republicans say about the President's jobs bill? We have tried all this before and it didn't work, so let's not try it again. So they are summarily rejecting payroll tax cuts they have supported in the past for families, they are rejecting tax cuts for businesses to hire the unemployed—even unemployed veterans, which they have supported in the past; they are rejecting the notion we need to build America's infrastructure for the future of our economy; and they have basically said, when it comes to trying to make this economy move forward, the only thing they want to do is to pass a trade agreement.

We will consider three of those trade agreements tomorrow. At least two, maybe all of them, are likely to pass. How quickly do the Republicans think there will be a turnaround in the economy if we start increasing our trade with Korea, Colombia or Panama? It may increase trade but certainly not in the near term and certainly not to the