

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

Mr. DORGAN. Mr. President, I ask unanimous consent to speak in morning business for 10 minutes.

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TRADE ISSUES

Mr. DORGAN. Mr. President, I was just asked by a news reporter about the President's trip to Asia. The President is now going to Japan, Korea, and China and will be talking, presumably, about a wide range of issues, including trade. My hope certainly is that he will talk about trade.

Last month, we had a trade deficit of \$66 billion—in 1 month—one-third of it from China. When the President goes to China, he could visit a lot of American jobs because the jobs that used to be here in America exist now in China—jobs that made bicycles, Radio Flyer's Little Red Wagon, Tony Lama boots. The jobs that used to make a wide range of products now exist in China. An American President—any American President—visiting China could visit a lot of American jobs. They are not the same kind of jobs that existed in America because in America, in most cases, those jobs were performed by employees who made a decent wage and who had benefits. No longer, in most cases. Those jobs in China are being performed by people who are being paid a small amount of money and no benefits.

By the way, if they complain about the working conditions, they will be either fired or put in prison.

As the President goes to China in the shadow of last month's devastating announcement of a \$66 billion monthly trade deficit, one-third of it coming from China, what should the President do? It seems to me the President, with respect to China, Japan, and Korea—all three of those countries—should begin to get tough and exhibit on the part of this country a backbone that says to countries with whom we do business, we expect and demand and deserve fair trade.

Fair trade means it is mutually beneficial. It is not fair, and it is not mutually beneficial when last month—when the last month for which we had reporting—we bought one dollar's worth of goods from China, and for every dollar's worth of goods from China we sold them 10 cents' worth. A dollar and 10 cents—that is not fair trade. With a \$66 billion trade deficit, with nearly 20 percent of it coming from the country of China, we ought to expect something substantially different.

The Commerce Department announced that the trade deficit that shattered all records was in the month of September. Our country had a trade deficit of \$66 billion.

This is what it looks like. Our country is choking in red ink. Behind this

red are American jobs leaving for China. Companies know they can simply get rid of their American workers and save a lot of money by hiring people in Third World countries—in this case, China—and they can presumably boost their profits believing, apparently, that people are like wrenches and pliers. You just get rid of them when you are done with them and find something less expensive. Go and hire that less expensive commodity—in this case “commoditizing” labor.

This is what our trade deficit looks like with China. We have a \$220 billion annual deficit with China. You can see what has happened. We are sinking into a deep abyss with respect to the trade deficit with China.

One of the reasons for the trade deficit is piracy and counterfeiting. That is just one of the reasons.

Let me describe something interesting. This happens to be the logo for the 2008 Chinese Olympics. It says: Beijing 2008. It is a great-looking logo. It actually belongs to the Chinese. The Chinese know how valuable a logo like this is because in Greece they had the logo for the Greek Olympics, and I am told they raised something over \$850 million with this logo. So the Chinese know.

First of all, this logo belongs to them. Secondly, it is very valuable. And some people on the streets of China decided they were going to counterfeit this logo. They decided, We are going to pirate this logo. They started selling mugs, coffee mugs, banners, all kinds of things with the official Chinese logo on it for the 2008 Olympics.

Guess what. The Chinese Government can, in fact, control piracy and counterfeiting. They demonstrated it.

The President, if he gets out of the car and walks down the street in Beijing, will not find someone selling counterfeit goods. They are gone. They are in prison. They are off the streets. The Chinese Government shut them down, just like that, in an instant.

So when it is their money that is at stake, they understand how to stop piracy and counterfeiting. They do it.

Two-thirds of all counterfeit and pirated goods coming into this country come from China. Does China lift a finger to stop it? Not a finger; don't care; doesn't matter to them. It mattered when it was goring their ox, when they were about ready to lose money. Then it mattered.

So the question is, What do we do about this? I could put up a chart that shows Japan, a \$60 billion to \$70 billion a year—every single year—trade deficit.

I could put up a chart that shows Korea and talk about my favorite subject with Korea: that little old Dodge pickup truck called the Dodge Dakota. I kind of like the name because it is named after my State—Dakota. It is so wonderful they named a pickup truck after it.

At a time when 700,000 vehicles come into this country over the high seas

from Korea to be sold to the American consumers, we are able to sell, if we are lucky, about 3,800 to 3,900 vehicles in Korea. So 700,000 this way, and 3,800 to 3,900 going to Korea.

Why is that? The Koreans don't want American cars in Korea, and 99 percent of the vehicles on the roads in Korea are Korean-made vehicles. That is what the Korean Government wants.

The Dodge Dakota folks thought they would have a niche in Korea selling Dodge Dakota pickup trucks. For the first 3 or 4 months they started selling some. All of a sudden, the Korean Government shut them down just like that. With Japan, with Korea, and with China, the fact is, in all of these cases, governments take action to complete trade arrangements with us that are not mutually beneficial—trade arrangements that hurt us, ship our jobs overseas and help them.

This trip by the President is very important. The question is, Will this country stand up for its own economic interests? There is no evidence in the past that it will.

My colleague, Senator GRAHAM, and I have offered several pieces of legislation on these very issues. But there is a giant yawn on the part of the U.S. Congress, not very interested; giant yawn at the White House, not very interested.

Why is that? It is because most of these policies—I am talking about policies that affect the jobs of our citizens, policies that affect this country's economy, and whether we grow or not, whether people have a good job that pays well with benefits—are viewed through the lens of soft-headed foreign policy and not hard-nosed economic policy.

That is the problem. You have to run all these things by the U.S. State Department to see if we could begin to be a little bit tough and take some action, maybe, with respect to some unfair trade practices of the Chinese. Oh, no. We are worried about offending the Chinese. Don't do it.

They are engaged in managed trade and hard-nosed economic issues, and we are engaged in soft-headed foreign policy.

Mr. GRAHAM. Will the Senator yield for a question?

Mr. DORGAN. I would be happy to yield.

Mr. GRAHAM. I don't know if anyone has done an analysis of our trade deficit. What percentage does the Senator believe is directly attributable to unfair trade practices on behalf of the Chinese? It is one thing to be outworked. If people work harder than you do and are smarter than you are, shame on you. But I believe, as the Senator does, that a lot of the market share that we are losing in the trade deficit explosion has to do with Chinese Government policy when it comes to trade behavior rather than just simply outworking the American worker.

What is the Senator's view on that?

Mr. DORGAN. I don't have a numeric answer to that. But I think it is self-

evident that most of the trade deficit we have with China has to do not with fair competition but a manipulation of currency, a refusal to deal with piracy and counterfeiting, a refusal to open their markets. I think that is what it is about.

To give you a point of reference, the U.S. Trade Ambassador's Office, on April 29 of this year, issued its report. This is our official Government report. It concludes that Chinese piracy was at epidemic levels and that the Chinese had broken promises.

Despite the fact the Chinese continued to break promises, piracy of our intellectual properties was at epidemic levels, and two-thirds of the pirated products coming into this country are coming from China, despite that, our Trade Ambassador says it is not ready to file a WTO case against China. Why? Because, instead, we are going to put China on a watch list. Boy, that will teach them. You put somebody on a watch list, and that will strike fear in the hearts of almost anybody. A priority watch list.

Here are the deficits with China. Going back to 1996, \$39 billion. Go back another 7 years, and we had a balanced trade with China. But it is sinking deeper and deeper into this abyss. Now, all of a sudden we are going to put them on a priority watch list.

On behalf of farmers in North Dakota, I can say I know that inside the administration, in the Trade Policy Review Group, they made a recommendation that we should take action against China with respect to unfair trade dealing with wheat. But the State Department said they thought it would be too much "in your face." So they wouldn't do it. They ran it through the State Department. Would this offend somebody if we decided they ought to play fair?

Yes. It might offend them. Let us not do that.

I have said many times there is not anyone in this Chamber whose job is jeopardized by this unfair trade with these three Asian countries.

I could also describe it with Canada, Mexico, and the European Union as well. But because the President is on a trip to Asia, I am talking about the problems we confront there. It is safe to say there is no one in this Chamber serving in the Senate who is going to lose his or her job due to a bad trade agreement, or due to us not having the backbone to demand of other countries that they play fair. Nobody here is going to lose their job. We will just sit around, thumb our suspenders, toot our horn, and put on our blue suits every morning. But nobody's job is in jeopardy. It is just a lot of other people's jobs that are in jeopardy.

Do you remember that little Etch A Sketch? Everybody played with Etch A Sketch. There were two knobs on it. You had some sand in there, and you tried to draw a picture on your Etch A Sketch. Gone—gone to China. They are all gone.

I could go through a list of 100 companies. In fact, I should bring over just the first 6 months of this year, the Department of Labor's report which is 33 pages, on both sides, single-spaced, of the names of companies that have sourced jobs off our shores. It is 33 pages, single-spaced, the names of companies—not people, companies.

It is unbelievable what is happening. They are selling this country piece by piece. When today we import \$2 billion more than we export, the financial transaction is we put in the hands of foreigners the currency or securities by which they own part of America. Each day they buy \$2 billion more of this country. It doesn't seem to mean a whit to anybody.

Last week was the announcement of the \$66 billion monthly trade deficit. Did you hear any outcry from this Chamber? I came over and gave a little speech—but nothing. It is almost like everybody pulls their sombrero down and takes a big siesta and sleeps forever on this subject.

Then what is going to happen someday—because I think every economist understands this cannot stand. You can't keep doing this. You add this \$700 billion trade deficit to a \$550 billion budget debt increase this year—yes, this year—that is \$1.2 trillion that we sunk deeper in debt in this country. We cannot keep doing that. Every economist understands that. But nobody is saying much because we are all for the jingoistic "free trade."

Give folks some tambourines and robes, put them on the street corner, and let them bang around out there chanting "free trade." But when the American people have had enough of it, they will say stop already. We fought for 100 years for good jobs with good benefits and the right to organize; now you will pole-vault over that and ship the jobs elsewhere and go visit them as you talk about trade? At some point when this collapses—and it will; this cannot continue—when it collapses of its weight, we are all going to stand around, thumbing our pockets and saying: We knew it could not last.

Really? Read the Washington Post. By the way, if you do read the Washington Post, you will not read both sides of this debate because the Washington Post will run only one side. I have actually gone back for 6 years. We did a column appraisal of what the Washington Post runs with respect to trade. If you are for free trade, which is jingoistic nonsense about shipping America's jobs overseas and running our trade policy through the eye of the needle called foreign policy, if you are for that, God bless you, send some op-ed pieces our way, we would love to run them. If you are on the other side, if you believe in fair trade and that free trade and the monumental deficits are hurting this country and shipping jobs overseas, try to get an op-ed piece published in the Washington Post. Good luck. Take some medicine, it will take some while. It just will not happen.

The whole town is like that on this issue.

I understand, when we have that much invested in failure, you certainly want to defend it. But there will come a time, in my judgment, when everyone has to understand this is not representing the long-term economic interests of our country.

Producing products for 30 cents a hour with kids working 7 days a week so you can ship them to a big box retailer in this country and sell them for pennies might be good, in the short term, for corporate profits, but it is not good for the long-term economic interests of this country. One day enough Members will wake up. It has not happened yet. It did not happen on the Central America Free Trade Agreement which we had in this Senate, another chapter in the book of failures. It did not happen. Enough said.

First, let's agree that we will bind our hands and not allow any amendments. So agree not to be original and let's not think about this stuff. And second, when we have the vote, we will also agree to vote for a treaty—and it is a treaty but was called an agreement so it does not need 67 votes—we will agree to something that was negotiated behind closed doors somewhere else. And we will continue to open the new testament of trade dogma believing that somehow it will have a happy ending. It will not.

President Bush is on his way to Asia. I want him to succeed. But I doubt whether he will raise these hard-nosed, tough trade issues in a significant way that tells these countries, "Enough is enough." I want our country to stand up for its economic interests. Its economic interest is rooted, yes, in some expanded trade. No question about that. But it is rooted especially in the demand to require full trade.

If I might make one additional observation, the same companies shipping companies overseas all in the name of profit because they do not say the Pledge of Allegiance in those boardrooms anymore, those same companies do not want to pay taxes in most cases. Here is an interesting statistic: In the Cayman Islands, there is a five-story white building. That five-story white building is home to 12,748 corporations. They do not all live there. No, no, they get their mail there. It is a mail box. The mail box is for the purpose of being able to say they belong to the Grand Cayman Islands and they can avoid paying taxes in the United States.

Isn't that interesting, and also disgusting, that 12,000 companies are claiming one white five-story building in the Cayman Islands as their home?

Finally, as part of all of this, this Congress—yes, this Congress—decided to give a special gift to those that have exported jobs. The gift was to say that in this year, if you have moved jobs overseas, if you have created foreign subsidiaries and you are doing business overseas, we will allow you to repatriate your foreign earnings on which

you expected someday to pay a tax in the United States, we will allow you to repatriate those earnings, and you get a special income tax rate that no other American gets. It is a 5.25 rate. Does Mrs. Smith pay that? Mr. Jones? Mr. Johnson? The people of North Dakota pay that? The people of Tennessee? No, no, only one group. Just the group that moved their jobs overseas, made a lot of money overseas, who expect to have to pay income taxes on it. When they bring it back to this country, they are told, Bring it back, we will give you a sweetheart deal, 5.25 percent.

That was called a JOBS Act. In fact, we now see the result. Companies are bringing somewhere around \$300 billion back, and the very companies that are repatriating these earnings and paying 5.25 percent income taxes—a fraction of what the lowest income American is paying—they are cutting jobs and moving jobs overseas.

My colleague who sat in this desk, the amendment that would have stripped that little sweetheart deal for these companies. I supported him, spoke for him, and he lost. Why? Because as in the rest of trade, there are sufficient numbers who will stand up in this Senate and say: Sign me up. Let me give a special deal to those companies that not only do business in that five-story white building in the Caymans but also give them an opportunity to pay 5.25 percent income tax when they repatriate the money to the United States.

I hope one day all of those workers in America who had good jobs, who were proud of them, and who were taking care of their families someday march on this Capitol and ask the question: Where is my job? What did you do to my job? How much did you reward the people that took my job and moved it overseas? It would be an interesting question and one that ought to be answered by people in this Senate, by people in the White House, and people in the House as well.

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

Mr. NELSON of Florida. Mr. President, I ask to be recognized.

Mr. LEVIN. Would the Senator from Florida ask that he be allowed to proceed as in morning business?

Mr. NELSON of Florida. Mr. President, I ask unanimous consent I be allowed to proceed as in morning business.

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

Mr. LEVIN. I thank the Senator.

MEDICARE PRESCRIPTION DRUG BENEFIT

Mr. NELSON of Florida. I thank the Senator and I thank the Senators from South Carolina and Michigan for giving me the privilege to share with the Senate what I have experienced since I have returned from a meeting in West Palm Beach with senior citizens con-

cerned about the implementation of the prescription drug benefit for Medicare which starts tomorrow.

This prescription drug benefit, which many in this Senate opposed because it was faulty, it was a meager benefit, and it broke the principles of free enterprise economics by not allowing the Federal Government, through Medicare, to negotiate the prices of prescription drugs downward by bulk purchases, as has been the case in Government for the past two decades through the Veterans' Administration, as well as the Department of Defense. Veterans today pay \$7 per month for their prescription drugs. Part of that is subsidized. But a large part of that is the fact that the Veterans' Administration buys prescription drugs in huge quantities and therefore negotiates a lower price.

Not so with the prescription drug benefit passed for Medicare in this Senate, of which almost half—maybe not quite half of the Senate, including this Senate—voted against. But, nevertheless, it is the law. It is being implemented tomorrow.

The current law says the senior citizens of this country have until next May in order to make a determination which one of these plans—often they may be through an HMO or they may be through some organization created for the dispensing of the drugs—but which one of these plans they will choose, or choose nothing, especially if their former employer, now that they are retired, is providing under their retirement a prescription drug plan.

It sounds, on the surface, that a decision could be made. But the fact is a senior citizen in West Palm Beach this morning told me there were 103 plans that senior citizens were trying to choose between. There is confusion. There is concern. There is fear that if they do not choose the right plan, then they are not going to be able to change for a whole year.

There is all of this confusion and additional concerns. Maybe the senior citizen lives in a small town that has only one or two pharmacies, and naturally the senior citizen wants to continue to get their prescription drugs from that pharmacy. But what happens if the plan they choose does not use that pharmacy? Again, concern for instability, concern for not being able to get the kind of drugs they want and need.

Another concern voiced to me this morning in that meeting in West Palm Beach was, What if I choose a plan that, in fact, provides the drugs my doctor prescribes for me now, but what happens if the doctor changes the prescription to a drug that is not covered by that particular plan? They are stuck, and they are stuck for a year, until at the end of that year when they can change plans.

These are the questions senior citizens are asking all around this Nation. And they are asking these questions in my State of Florida.

What should we do? A very practical approach is to extend the deadline so senior citizens will have more time to make up their mind, to evaluate the plans, to be counseled in order to get the right plan. Remember, with the advances of modern medicine through the miracles of prescription drugs, so often the quality of life is dependent upon the right prescription and that prescription being available to the person and especially so to the senior citizen. It is my hope the Senate will recognize we need to buy some time for our seniors.

I have filed a bill that extends the deadline from May until December. That legislation would also allow, in the course of that year, up to the end of 2006, if the senior citizen makes a mistake and chooses the wrong plan and then realizes their mistake, they will be able to change their plan. Furthermore, for those with the great uncertainty of whether they are going to stick with their former employer-based prescription drug plan, that if they choose and make a mistake and want to go back to their employer, they have that grace period of 1 year up to the end of December of next year in order to be able to go back to their employer-based plan.

Is this too much to ask for our seniors? Out of all of the confusion, out of all the concern and what is now turning into fright for our seniors, this is, after all, what was enacted, and was supposed to help senior citizens.

The Department of HHS, so you can clarify this, Mr. Senior Citizen, says you can go on our Web site. Senators, I bet you all have a number of senior citizens who are not accustomed to using the computer and going on the Web. We need to give them some relief.

Now, the bill I filed, I am looking for the legislative vehicle to attach it to as an amendment.

I wanted the Senate to know, directly expressed to me in this meeting this morning, the great confusion and consternation that is being felt out there among many of those in what Tom Brokaw labeled the "Greatest Generation," those who have helped us to enjoy the freedoms we have. I think for us to do less than to help them out would certainly be less than the honor we should pay to our seniors.

At an appropriate time, with an appropriate legislative vehicle, I will offer this bill as an amendment.

In the meantime, I thank the leadership of our Senate Armed Services Committee for the great job they have all done in handling this legislation. And I thank them for the privilege of serving on that committee. It has been a great blessing to me to work with people of the caliber we have on our Senate Armed Services Committee.

Mr. President, I yield the floor.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.