

eligible workers in retirement savings plans. We can bring payroll-deduction retirement savings to private sector workers lacking 401(k)s or similar plans. We can make incentives for saving more progressive. And we can extend the Savers' Credit and expand it to Americans with no income tax liability.

Sixth, for a modern renaissance, we must address the need for sustainable and environmentally compatible sources of energy.

We can launch a new "Manhattan Project" to develop clean alternative energies. We can foster the use of hydrogen and fuel cells. We can foster wind energy. We can make a clear commitment to the development of biomass and ethanol-based fuels.

We should encourage energy R&D through research grants to industry and educational institutions and tax incentives for R&D. We should offer prizes to spur innovation.

We need an investment tax credit for coal gasification technology. We need a tax credit for companies that generate fuel using an updated version of the F-T process. And we need a Federal loan guarantee so that companies can finance these capital investments. This year's energy and highway bills addressed some of these needs.

Taken together, these policies form a bold agenda to advance American competitiveness. They can help maintain American economic leadership in the world. And they can help to preserve high-wage American jobs here at home.

Beginning next month, I will introduce a comprehensive 2006 legislative package to strengthen America's competitiveness in a changing world. This package will encompass several bills that cover the many aspects of competitiveness. I invite my colleagues to join me in this effort.

The early Renaissance poet, Dante Alighieri, embodied the spirit of his times when he wrote in *The Divine Comedy* that people "were not born to live like brutes, but to follow virtue and knowledge."

And from that grounding of virtue and knowledge flowed naturally Dante's description: "And thence we came forth, to see again the stars."

Let us follow virtue and knowledge and foster a new American renaissance. Let us strengthen America's competitiveness in a changing world. And let America again go forth, toward the stars.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The Senator from North Dakota is recognized.

BAHRAIN FREE TRADE AGREEMENT

Mr. DORGAN. Mr. President, my understanding is that the Senate is taking up the free-trade agreement with Bahrain. Of all the priorities that exist in our country dealing with the subject of trade, somewhere close to last would be a trade agreement with Bahrain. Nothing against the country of Bahrain. I am sure it is a wonderful place. I have not actually visited there. But I believe the total trade between our country and Bahrain is somewhere in the neighborhood of \$700 million, less than \$1 billion on both sides of the ledger.

There are all kinds of trade problems our trade officials ought to be working on. But a free-trade agreement with Bahrain would not rank right near the top. Let me tell you what would rank near the top.

We are deep in debt with respect to international trade. This country is in desperate trouble with respect to trade. We are now experiencing a trade deficit of over \$700 billion a year. That means every single day, 7 days a week, we buy more from abroad than we sell in exports, \$2 billion a day every day 7 days a week. How long can a country sustain that?

We have lost 3 million jobs in this country in the past 4 years—3 million jobs—going to China, to Vietnam, Bangladesh, Indonesia, and more.

So what is all of this about? It is about a new strategy, a strategy developed in the past two to three decades, but accelerated now more recently. It is a strategy that says we are a global economy, and because it is a global economy, enterprises, corporations, and others should take a look around this world and find out where these 1 to 1.5 billion people are who will work for pennies an hour, employ them, shut down your U.S. manufacturing plant, hire the employees in China or Bangladesh, for example, and it will all work out because they will work for 30 cents an hour, and they will build bicycles and wagons and produce textiles and other things. And then you can ship it to a big box retailer in this country, and someone can walk through the front door of that big box retailer and buy a cheap product.

I noticed last year at Christmastime there was a woman from Texas who decided she was going to buy her children some presents, and she wanted to make a point of buying American made products. So she started shopping, and she discovered she could not purchase one present for her children that was made in the United States.

What does it mean? It means our country is changing and our country is, in my judgment, being hollowed out. Jobs are being lost, the middle class is shrinking because we have been told now American workers must compete with others around the world who are willing to work for 30, 40, 50 cents an hour, work without health insurance, without a retirement, and work under

the threat, in many cases, if they would like to organize as workers, of being sent to prison.

I can actually give names of people now sitting in prison in China whose transgression was deciding to try to organize workers because the conditions in those plants were awful. So there are people who tried to organize workers, were arrested, and now are sitting in prison. Those are the conditions under which we are now trading.

One-third of our trade deficit, incidentally, is with the country of China. Last month, we sold China \$3 billion worth of American goods—\$3 billion. And we purchased from China \$23 billion in goods.

China has almost 1.4 billion people, and we are told this is going to be a huge market for American production. The creation of a middle class in China is going to be terrific for our country because we will be able to produce and sell into the Chinese marketplace.

It is not working out that way, of course. What is happening is China sells us \$23 billion worth of goods produced in China, and we sell them only \$3 billion worth of goods produced in America, \$20 billion-a-month trade deficit with China. On an annual rate, that is a \$240 billion deficit with China in a year. That is unbelievable. And this Congress is perfectly content to dose through it all; in fact, probably a very satisfactory sleep for most because they still are willing to stand on street corners and chant about this so-called free trade that is not free at all.

Some will say, and I think perhaps most who have studied economics will say, that this is unsustainable. This country is headed toward some white-water rapids with these kinds of trade deficits. We are not only losing American jobs because American workers are being told they cost too much money, and we are going to produce elsewhere, but we are also up to our neck in debt.

Incidentally, the trade deficits are financed by selling part of our country. Every single day we sell another \$2 billion worth of our country to foreigners. That is the way the trade debt is financed.

In most recent months, one of General Motors' top executives called in about 300 of the top executives of the companies they buy parts from and said this to them: You are the companies from which we buy automobile parts. We want you to begin producing those parts in China. You need to move those parts to China. Get your production done in China. We are about driving down the costs.

Then we see Delphi, which was formerly part of General Motors and then spun off as the largest automotive parts producer, going through bankruptcy, and Delphi says to the public: The problem is we have people making \$20 to \$30 an hour. That is up to \$40,000, \$50,000, \$60,000 a year. What we want to do is get to a point where we have people making \$8 to \$10 an hour. In fact,

what we want to do is move most of our production offshore to China and elsewhere so we can pay 30 cents an hour. And then the jobs that are retained, we want to pay \$8 to \$10 an hour.

I ask this question of, yes, General Motors, IBM, and all of these companies engaged in this activity, and virtually all of them are: Who will be your future customers if your job is to lay off American workers so you can produce elsewhere where it is cheap in order to sell back into this established marketplace? Who is going to buy your laptop computers and your automobiles?

If we were going to do something representing a priority today for me on trade, I would deal with China first. But there are all kinds of bilateral trade problems with a number of major trading partners. Let me give you some examples.

I have mentioned many times that in the past year we will have shipped in well over 600,000 automobiles from Korea into this country. In return, we were able to send about 3,900 American vehicles to be sold in Korea. Sound fair? Sound reasonable? Sound like a thoughtful deal for America? The answer is clearly no.

What this means is shifting American jobs elsewhere, produce the cars in Korea, ship them to the United States, and if you start selling any U.S. vehicles in Korea, shut it down. That is what has happened. Incidentally, the Dodge Dakota pickup truck became a little bit popular for a couple of months in Korea. They saw that and shut it down just like that. They do not want American vehicles sold in Korea. They just want to sell their cars here.

China has 20 million cars on the road. It is estimated that by the year 2020 they will have 120 million cars on the road. They are going to add 100 million cars because they want to start driving in China, even in the rural areas of China. General Motors says a Chinese company has stolen the production blueprints for one of its small cars. They have actually filed a legal action against the Chinese company for stealing what they call the production blueprints for a vehicle.

So a company in China called Chery, which is only one letter away from Chevy, is going to be producing a car called the QQ. The QQ is a car that will be produced in China with what General Motors alleges are the production blueprints that were stolen from General Motors.

Recent Wall Street Journal reports say that the Chinese are gearing up for a very substantial automobile industry, and they want to export around the world.

I ask unanimous consent for an additional 5 minutes.

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

Mr. DORGAN. They want to export those vehicles around the world so very

soon. Unless something changes, China will be exporting automobiles as Korea is doing. Does anyone think China wants to take American vehicles into China? No, no. What they want to do is accept the American marketplace as a sponge for all that they produce.

I have spoken at great length on the Senate floor about the people who have lost their jobs in this country when their plants closed down. I talked about Pennsylvania House Furniture. In fact, I talked to the Governor of Pennsylvania about this. Pennsylvania House Furniture, the description of that for almost a century was using the finest Pennsylvania wood and producing high-end furniture, and when people bought Pennsylvania House furniture, they knew they were getting a real piece of furniture.

Well, La-Z-Boy bought that furniture company. After a couple of years, La-Z-Boy decided, we want to produce that furniture in China. The Governor of Pennsylvania and others tried to put together a financing package to keep the jobs in Pennsylvania, to do everything to see if they can keep in this country the Pennsylvania House Furniture Company that had been around a century.

The answer was no. La-Z-Boy said: Those jobs are going to China. Now what they do is ship the wood from Pennsylvania to China and pay the Chinese workers pennies on the hour to put the wood together in furniture and then send the furniture back to our country to be sold. Yes, it is Pennsylvania House furniture but not made in Pennsylvania. So those workers lost their jobs. Is it because they were not good workers? No, they were craftsmen. In fact, the very last piece of furniture they made in Pennsylvania they turned upside down and those craftsmen who made that furniture all signed their name on it, the last piece of furniture that company made in America by American workers. La-Z-Boy, which owned Pennsylvania House Furniture, decided, as so many others have, that those jobs had to go to China because they can pay pennies on the hour, they can work kids if you want to, they can dump the pollution into the sky and into the water, and they will not have anybody worrying about whether they are going to form a union because it will not be allowed. That is not fair trade. That is not something we should continue to allow in this country, stand by and thumb the suspenders and whistle a little bit while Americans lose those jobs and those jobs go to China and then come back to a big-box retailer to be sold at discount prices. Who ultimately is going to buy those products?

My point is this does not work. Instead of dealing with a range of issues, yes, with China, Korea, Canada, Mexico, Europe, with whom we have very large trade deficits and growing trade deficits, I might add, instead of dealing with that, talking about it, responding to that, trying to deal with this coun-

try's challenges in trade, we are on the Senate floor talking about the free trade agreement with Bahrain.

Where is the energy to do something real? Once again, it is a small moment to do a free trade agreement with Bahrain. It is a very small country in the middle of the Middle East. Our total trade with them, on both sides, is \$700 million a year. We cannot get trade officials in this country, this administration or this Congress, to look truth right in the eye on these kinds of problems, the huge deficits, year after year, that are shipping jobs overseas. There is another corollary to this as well. The same companies that decide that they should not hire Americans, they should shut down the American plant and, by the way, do so with an encouragement by this Congress because this Congress gives them a tax break—and we voted I think four times on my amendment to shut down the tax break that subsidizes jobs going overseas, but, no, this Congress still wants to provide a tax subsidy to those companies that shut down their American plant and move jobs overseas. But this new environment in which companies do not say the Pledge of Allegiance any more but they are an international corporation, they want to produce where they can produce for pennies, they want to sell into this marketplace where they can get high-end consumers to buy it, and then at the same time, by the way, they want to run the income, if they can, through a mailbox in the Bahamas or the Caymans.

I want to mention that there is one building that is a five-story building in the Cayman Islands located on Church Street. I have brought a photo of it to the Senate floor previously, and I should do that again at some point. That building is the official residence and address for 12,748 corporations.

Now, one might ask, how is it 12,748 corporations can share a residence or an address in a 5-story white building in the Cayman Islands? Simple. It is nothing more than an address.

What is the purpose of having an address in a 5-story white building in the Cayman Islands? So that one does not have to pay taxes to this country. Money can be moved through a tax haven and avoid paying U.S. taxes. So one is a U.S. company, they are chartered probably in Delaware, have all the advantages of being an American, but now the new economics tell them they should produce in China, sell in this marketplace and set up an address in a 5-story white building mailbox in the Cayman Islands, so that they can have all the opportunities that come with being an American, except the responsibilities to hire American workers or to pay American taxes. That is what is happening.

People say, well, that is just an anticorporate rant. It is not. I think there are some wonderful corporations in this country, some terrific corporations with inventive people, creative

people, who have advanced this country, have produced wonderful, breath-taking products, but I think there is a culture in this country, with respect to trade and corporate responsibility, that has gone off the track. In this Congress, we cannot get anybody to talk about trade, except perhaps to come and stand around to talk about the Bahrain trade agreement on a Tuesday. Would it not be wonderful if we were talking about this full-blown crisis of \$2 billion a day to date, \$2 billion that we purchase from abroad more than we sell to abroad, and therefore today someone off the shores of this country owns \$2 billion worth of this country. We are selling this country piece by piece.

A budget deficit in this country is financed in the traditional way, but a trade deficit is financed in a very different way. When we purchase those foreign goods, the trade deficit puts American currency in the hands of foreigners. They then use that currency to purchase real estate, stocks, bonds, to purchase part of this country. Every single day we are selling part of this country with an incompetent trade strategy, a jingoistic trade strategy that chants about free trade that has long ago been discredited. We ought to be describing circumstances of requiring fair trade. As a country, we ought to be a leader in deciding, yes, let us expand trade in open markets, but it must be fair, and if it is not fair then this country is obligated to take the lead to insist on and demand fairness.

Our job ought to finally be to pull others up, not to push us down. What has happened more recently is we are pushing American workers down, pushing incomes down, the standard of living down in this country and seeing jobs exported, opportunity exported, and exporting part of our future. That is not satisfactory to me. I regret we are here talking about this free trade agreement when in fact we should be talking about the center, the bull's-eye of the target dealing with trade that is causing this hemorrhage of red ink and the loss of American jobs day after day after day.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DAYTON. Mr. President, I ask unanimous consent I may speak for up to 10 minutes.

The PRESIDING OFFICER. The Senator has that privilege.

The Senator from Minnesota is recognized.

TRIBUTE TO LATE SENATOR EUGENE JOSEPH MCCARTHY

Mr. DAYTON. Mr. President, I rise today to pay tribute to a great Minnesotan and great American, former Senator Eugene McCarthy, who passed away last Saturday at the age of 89. Senator McCarthy served two terms in this body, from 1958 to 1970, after serving five terms in the House of Rep-

resentatives. In addition to his very distinguished legislative career, he is perhaps best remembered for his historic Presidential campaign in 1968, in which he deposed an incumbent President.

Eugene Joseph McCarthy was born on March 29, 1916, in Watkins, MN. He graduated from St. John's University in Collegeville, MN, in 1935, and then earned a master's degree in economics and sociology at the University of Minnesota.

After college, he spent 9 months as a novice in a Benedictine seminary. The world pulled him away, however, and he played semiprofessional baseball, taught high school social science, was a professor at his alma mater, St. John's, and then chaired the sociology department at St. Thomas University in St. Paul, MN.

During World War II he worked in a military intelligence division of the War Department. He married a fellow teacher, Abigail Quigley, with whom he had three daughters and a son. Abigail McCarthy passed away in 2001.

In 1948 Gene McCarthy was elected to the House of Representatives from Minnesota's Fourth Congressional District. While in the House, Congressman McCarthy founded McCarthy's Mavericks, which was the forerunner of the Democratic study group that would, in succeeding decades, be influential in developing many important legislative initiatives.

In 1952, he was the first Member of Congress to challenge Senator Joseph McCarthy in a nationally televised debate on foreign policy. That political courage presaged his decision 15 years later to challenge an incumbent President. In 1958, Congressman McCarthy defeated an incumbent Senator to become Senator McCarthy. He was re-elected to the Senate in 1964 with over 60 percent of the vote. Then, in November of 1967, he announced his candidacy for President, challenging the incumbent President of his own party, Lyndon Johnson. In his announcement speech he said:

I am hopeful that this challenge may alleviate this sense of political helplessness and restore to many people a belief in the process of American politics and of American government.

His candidacy ignited a new generation of political activists, many of them young college students who shaved, showered, and went "Clean for Gene." They swarmed into New Hampshire for the first political contest of 1968. There they helped Senator McCarthy transform the political landscape by holding President Johnson to 49 percent of the vote in the Democratic primary, with 42 percent voting for Senator McCarthy. Seldom has a second-place finish been considered such a victory. Two weeks later, President Johnson withdrew his candidacy for reelection. Shortly thereafter, fellow Senator Robert Kennedy and fellow Minnesotan Vice President Hubert Humphrey entered the Presidential contest, two ac-

tions that Gene McCarthy would never forget or forgive.

The Democratic contest became divisive in subsequent primaries, then catastrophic with the assassination of Robert Kennedy, then destructive at the tumultuous national convention in Chicago that nominated Hubert Humphrey, not Gene McCarthy. The nominee and the party did not recover from that disastrous convention and Richard Nixon was elected President in November. The Vietnam war continued for 7 more years.

Gene McCarthy retired from the Senate in 1970 and never again held public office. Some of his later remarks, reflecting his disenchantment and his defiance, along with his acerbic wit, dismayed some Democrats and disillusioned former supporters. Gene McCarthy, however, was always his own man. He once said his definition of patriotism was "to serve one's country not in submission, but to serve it in truth."

He used his pen and his tongue to speak his own truth, regardless of the personal or political consequences. In that respect, he was a true patriot.

After he was decried by Johnson's supporters as a mere "footnote in history," he retorted, "I think we can say with Churchill, 'but what a footnote.'"

You are much more than a footnote, Senator McCarthy. You were a U.S. Senator. You made history and you changed history. You were true to yourself, to your ideals and to your convictions. You were a poet, a philosopher, and a patriot, a great Minnesotan and a great American. May you rest in peace.

Mr. President, I yield the floor.

Mr. HARKIN. Will the Senator yield for a second before he does yield the floor?

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I thank the Chair. I commend my colleague from Minnesota for taking the time to speak about an old friend, a remarkable politician, a remarkable Senator, Gene McCarthy.

In my younger days in Iowa, when they still had a bounty on Democrats in my State and Republicans ran everything, we always had the Democrats from Minnesota come down—McCarthy and Mondale and Humphrey, people such as that. But Gene McCarthy was a very rare, a unique individual. I was listening in the cloakroom to what the Senator from Minnesota was saying about Gene McCarthy. He had a way about him that was like Mark Twain. He had a great sense of humor. He could, like Mark Twain, say very succinctly what it might take others a paragraph to say. That was one of the qualities I always envied about McCarthy. I always thought, Gosh, why can't I say it like that? He had a great way with words.

Like Mark Twain, Gene McCarthy had the ability, with very few words, to puncture the inflated egos of puffed-up politicians. If you were on the other