

American in terms of sacrifices necessary to support this war on terror. He certainly hasn't asked them to put their hands in their pockets and pay for it. He hasn't challenged them to stand up and do many other things.

This is reaching a level that takes on a moral proportion. We cannot continue this struggle without at least some commitment as a whole nation, not just those men and women in uniform and their families but the whole Nation to become engaged and involved in this effort.

As I said, many of the provisions in the budget of the Defense Department, the supplemental budget, I believe should be included in the regular budget process.

The President's budget has requested authorization for 482,400 active-duty soldiers and 175,000 active-duty marines since 9/11. Yet the Army has maintained an active-duty force of over 500,000, and the Marines have ranged from 178,000 to 180,000 personnel.

In a sense, the President is sending up a budget which has a significantly less number of personnel that are on active duty.

Again, that is not something that we know is going to go away. We have come a long way in the sense in March of 2003 or May of 2003 that we would have very few people in Iraq and Afghanistan, that it would be resolving itself.

We are in the midst of a very difficult insurgency, and these troops will be needed on duty and in uniform for at least the next years, or several years. I believe that should be included in the budget.

The Army and the Marine Corps have a huge pricetag for rehabilitation of the equipment they have been using—\$68 billion. Many of my colleagues who have gone to Iraq and Afghanistan understand that. They are operating in the summertime at 120 degree temperatures in a sandy climate. That eats up the equipment. We have helicopters operating at 15,000 feet in thin air, and that chews up the engines in very difficult conditions. We know that. We know we have a price tag of \$68 billion, and, yet a small fraction of that is being, I think, inadequately included in the budget. When it comes to defense and national security, we have to provide the money to do it reasonably and responsibly.

We are looking at a deficit as far as the eye can see. As we look at the huge commitment by our fighting men and women in Iraq and Afghanistan, I would think you would see a shift in the administration approach; I would think you would see the President stand up and say we have to pay for these things. It is a long-term effort, and we can't let this devastate and overwhelm us because we know eventually, as we have seen in the past, there is no free lunch.

We can borrow the money today—billions and billions of dollars—but eventually interest rates will start creeping

up, start shutting off economic productivity here in this country, and we will see inflation begin to bump up. We will see all of the dangers and all of the difficulties that we thought in the mid-90s we had turned the corner on, at least because our policies were taking hold in terms of dealing with the deficit, funding reasonably and responsibly, and actually seeing that result in not only economic growth but growth that was lifting up all of our citizens. We are looking at increases in income and wages, not just at the top level but at the middle- and low-income levels of our economy.

The reverse is true today—huge increases in upper income compensation and benefits—spectacular. If you were in such a position, you would be quite wealthy. But if you look at the bottom wages, they are stagnant and falling. That is not going to produce the kind of country that will support families, support individuals, and make us more productive in the future.

I hope we will look carefully and closely at this budget and make appropriate changes.

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

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

#### TRADE DEFICIT

Mr. DORGAN. Mr. President, this morning about 8:30 the administration released the information with respect to the 2005 trade deficit that our country has experienced. The trade deficit for all of 2005 was described this morning as \$728 billion. That means about \$2 billion a day every day, 7 days a week. That is \$2 billion a day more in imports from other countries into our country's marketplace than we are exporting to them, and it relates to the lost jobs that are such a problem in our country. When you import products from abroad, twice as much as you are able to export to other countries, you are in effect exporting America's jobs.

The chart I show now shows the number with China alone. Almost one-third of the trade deficit is with China. We can see what has happened with China from 1996 to 2005. The trade deficit has gone up, up, way up every single year. It is out of control. This trade deficit is reflective of, once again, a massive number of American jobs being shipped to China. Then they produce products and ship the products back to our country. It weakens our country. It means we lose jobs. We lose economic strength, especially in the middle class. It is a crisis we must address.

There is no social program as important as a good job that pays well in

this country. We will debate social programs now for weeks and weeks because the President this past Monday sent us his budget for the next year. We will debate about the need for social programs. But as I said, there is no social program, in my judgment, as important as a good job that pays well. That makes everything else possible for an American family.

Let me talk a minute about these good jobs. The good jobs are leaving. Ford Motor says 30,000 people will be laid off. At General Motors, 30,000 people will be laid off. It goes on and on. Increasingly, companies are moving their jobs from the United States to China, to India, to Bangladesh, to Indonesia. So the jobs that remain are jobs that have a downward pressure on wages, more and more pressure to get rid of retirement programs, more pressure to strip health care benefits. In my judgment, that is going to head this country toward serious trouble.

This economy works because we built a broad middle class and people go into their jobs often with job security for nearly a lifetime. At Ford Motor Company and General Motors, when people went to work there 40 years ago, they often stayed there for a lifetime. Now, of course, that is not the case.

General Motors called its 300 top parts suppliers to a meeting in Detroit recently and said, by the way, we think you need to be moving your jobs to China to cut costs. So General Motors says it. The parts supplier which split off from General Motors, called Delphi, which is now in bankruptcy, says it. They want to pay \$8 to \$10 an hour.

What is going to happen to this economy if we continue to see downward pressure, fewer jobs, fewer good jobs that pay well, downward pressure on wages, and we see more and more of these jobs being exported to other countries? I think I know the answer. The answer to that is we will have less and less opportunity in our country, less economic growth, and we will have fewer good jobs left.

My colleague LINDSEY GRAHAM from South Carolina and I yesterday announced a piece of legislation we have introduced that would change what is now called PNTR with China. PNTR is permanent normal trade relations. That means China now has normal trade relations with our country. It is permanent. It did not used to be that way. We used to have to vote every year on whether to extend what was then called "most favored nation status," now called "normal trade relations." We used to vote on that every year. But it became permanent in 2000 and we no longer vote on it.

My colleague LINDSEY GRAHAM and I decided we wanted to revoke permanent NTR and restore again an annual debate in this country about China and about trade with China. I don't mean to say China is the only issue because it is not. Obviously, with this chart we can see the single largest trade deficit is with the country of China. It is

growing, it is significant, and it is dangerous.

By the way, most of this Congress and the White House will simply sleep through all of this. They are not awake for these issues; no one thinks this is a problem; no one cares much about it. So what if it is \$2 billion a day more than we import than export? Who cares? Another 30,000, million or 2 million jobs shipped overseas. Who cares? It is not anybody at the White House who loses their job, so we do not hear about this. But for a lot of the American families, it is a very serious problem.

We believe a significant part of the problem rests with China. Almost a third of that trade deficit is with China. China's markets are still too closed to our products. They say they are open, but they are not. China is awash in counterfeit goods and piracy. Two-thirds of the goods that come into our country that are counterfeit goods come from the country of China. And China does nothing about that.

China, as we know, is an attractive place for American companies to move their workers. I will not do it today, but I have given plenty of examples—Huffy bicycles, Radio Flyer, Little Red Wagons, Etch-a-Sketch—I could go on for a long period of time. Those jobs go to China because you can hire people for 30 cents an hour in China. You can work them for 7 days a week and you do not have to give them a day off for months. And the Chinese Government looks the other way. You can do that in China. You cannot do that here.

So that is why these companies are moving their jobs to China. American companies move their jobs to China. They produce the product, ship it to the United States to sell it in the U.S. marketplace, and then they run their income through the Cayman Islands, in a tax-haven country, so they do not have to pay taxes or at least avoid as much as they can of their tax burden. It is a very serious problem.

In discussing this issue of normal trade relations, we have to remember who we are dealing with. Yesterday, my colleague from South Carolina, LINDSEY GRAHAM—described the case of a man named Shi Tao. Not many Americans, perhaps, know Shi Tao. But Shi Tao was sentenced, in April of last year, to 10 years in prison. He happens to be a journalist. He was “divulging state secrets,” which is the reason he was sent to prison in China. He is a former staffer at the Contemporary Business News agency. He was convicted of sending to foreign Web sites the text of a message from authorities in China warning journalists of the dangers of “social destabilization” from the return of certain dissidents on the 15th anniversary of the Tiananmen Square massacre.

So he sent this to some foreign sites, and, as a result, he was charged with “divulging state secrets” and sent to prison. Much of the evidence against him came from a company called

Yahoo!, an American company. The Chinese Government traced the e-mails sent by Mr. Shi Tao—a journalist—they traced those e-mails with the cooperation of Yahoo! They asked Yahoo! to provide the information. Yahoo! did. And now this fellow is in jail for 10 years for passing on an e-mail by the Chinese Government that said they worried about the dangers of “social destabilization” from the return of dissidents on the 15th anniversary of the Tiananmen Square massacre.

Reporters Without Borders, an organization that we hear about these days, has complained that Yahoo! has disregarded ethical concerns in an effort to maintain a good business relationship with the Chinese Government.

There are other cases that are similar to this.

Last month, Google, an American company—a great American success story, I might add—agreed to censor its search engine results in China, agreeing to free-speech restrictions in exchange for better access to the fast-growing Internet market in China.

This shows you the power of money and profits over ethics and morality when it comes to doing these kinds of things.

Google, last month, rolled out a new version of its search engine that is easier, specifically for use in China. What has happened is, previously Government barriers that were set up to suppress information had prevented the Chinese users from using Google at all. So in order to obtain a Chinese license, Google has agreed to omit Web content that the country's Government officials find objectionable. That includes information about Taiwan's independence and the Tiananmen Square massacre, and so on.

It is particularly concerning, I think to me and to a lot of others, that we have American companies helping the Chinese authorities track down a journalist who did nothing wrong, was engaged in some free speech, and now sits in prison for 10 years.

But I digress. My main point is that we have a pretty serious trade problem.

It is a trade problem that is significant in a lot of ways, and is by no means limited to China. We run very large trade deficits with everyone with whom we have had a trade agreement. We run big trade deficits with Mexico. We run big trade deficits with Canada, with Europe, with Japan, and yes, with China. A part of it, of course, is the basic incompetence of our trade negotiators. And the other part is a trade strategy that has been embraced by this and previous administrations and this Congress that chants about “free trade”—not caring, of course, whether trade is fair—and has allowed American corporations to decide to structure trade in its own image. And that image is to decide it wants to produce where it is cheap; that is, take Huffy bicycles away from Ohio and fire 900 workers. Move it to China, pay them 33 cents an hour, work them 7 days a

week, 12 to 14 hours a day, and then send the Huffy bicycles to America to be sold in Sears, Wal-Mart, and Kmart and believe that is good for our country. It is not.

It might be good in the short run for some consumers in this country, but, after all, America is not going to be measured in the long term by what it consumes. It will be measured by what it produces. Economic health is about what you produce, not what you consume.

I believe this morning's announcement will produce one more large yawn at the White House, one more large yawn in the Congress. I do not know exactly what it is that is going to provide a tipping point that will finally convince policymakers we are headed toward very serious trouble. It is unsustainable to have a fiscal policy that increases the debt in this year from our budget policies of \$704 billion and a trade policy that increases the trade debt in this year of \$720 billion. That is \$1.4 trillion in combined debt. That will choke this country.

We know better than that. We know what to do. We know better than to sit around on our hands and gnash our teeth and wipe our brow. We need to get busy and solve these problems. But first they have to be recognized. There is this blissful ignorance these days about a fiscal policy that is wildly off-track and a trade policy that has not worked for some years, that is shipping America's jobs overseas and weakening this country.

This Congress and this President have a responsibility to address this head on. My colleague, LINDSEY GRAHAM from South Carolina, and I joined on the legislation I described yesterday, and I hope my colleagues will support it.

Mr. President, I yield the floor and 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. SESSIONS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

#### THE FAIR ACT

Mr. SESSIONS. Mr. President, I want to share some thoughts on the asbestos litigation legislation that is before us. We have a point of order raised. I believe that point of order is a technical point of order. I believe it is not a point of order that has the potential to avoid a large amount of Federal expenditures. In fact, as we all know, the asbestos bill is funded by those companies and defendants who are being sued as an alternative to paying out money from aberrational, disjointed, inconsistent lawsuit verdicts, with 60 percent of that money going to lawyers both for the defendant companies and for the plaintiffs. They propose to pay