

million children who are hungry under the Bush economy. This particular line is left out of the speeches on Wall Street. We have 12.4 million children who are going hungry every single day according to the U.S. Department of Agriculture. But here we see what happens with these 6.4 million children who will benefit from this increase in the minimum wage.

This is the spinoff from the increase in the minimum wage. We are going to get better attendance in our schools, better concentration, and better performance. We have seen that time and time again. We are going to get higher test scores and higher graduation rates; children with stronger immune systems, better health, fewer expensive hospital visits, and fewer run-ins with the juvenile justice system.

We should go back and look at the Perry preschool programs. The studies reflect that when we make these investments in children that we will see every one of these kinds of indicators come out in a positive way. And increasing the minimum wage, as I mentioned, will have an impact on 6.4 million children.

I will make just one final point, Madam President. We have 50,000 spouses of our military who are working today, 50,000 of them and their husbands, primarily husbands but also wives, who are serving in the Armed Forces of the United States of America, and many of them are in Iraq or Afghanistan or served in Iraq and Afghanistan, and they are earning \$5.15 or slightly more an hour today. So when we ask what can we do to indicate to our men and women in uniform that we have some respect for their families, well, we have important responsibilities to their families. We can't expect we are going to have top-notch fighting personnel if they are worried about the economic condition of their families. Any military leader will tell you that.

So we have a responsibility to them because they are part of our national security, but we have a responsibility to them also if we are interested in having the most efficient kind of fighting force. Yet we have 50,000 members whose families are out there earning \$5.15 or slightly more an hour. That can change. That will change. We can increase the benefits that reach these families.

Hopefully, we have had a good opportunity to talk about these issues. At earlier times in the debate we had questions about, well, what is going to be the impact on small business. We showed the charts where they had increased the minimum wage in some States and, actually, the numbers of small businesses and the expansion of small business and the profitability of small business had all been enhanced.

We had the question: Well, if we increase the minimum wage, will there be an increasing loss of employment? We demonstrated here the best answer to that is what has happened in the past. At other times, historically, when

we saw this kind of increase in the minimum wage, we actually saw the unemployment figures continue to strip downward and the employment figures continued to drift upward. Those are the statistics. We put them out here and we haven't been challenged on any of these figures.

We also hear, although not a great deal during the course of this particular debate but in other debates, that this action will be inflationary. So we put the chart up that showed if we provide an increase in the minimum wage, in terms of the payroll, that the increase is just one-fifth of 1 percent of total payroll in this country. So the idea that it is going to add to inflation is basically misleading. Of course, it doesn't compare to the kinds of increases we have seen in a lot of these corporate salaries. I wish we had heard complaints about some of that as we were talking about the pressures of increased payout.

The arguments in favor of the increase are compelling, they are overwhelming, and, hopefully, we are going to have an opportunity this afternoon to finally get, after 10 years, an increase in the minimum wage. We have been standing virtually in the same place for 10 years trying to get an increase. We had 16 days of debate on the increase in the minimum wage outside of the last 9 days. So that is 25 days of discussion on the floor of the Senate as to whether we are going to increase the minimum wage from \$5.15 to \$7.25 an hour over, basically, a 2-year period. It has taken us all that time to get the Senate of the United States to hopefully vote positively on that proposal, but I am very hopeful that will be the case later in the afternoon.

Madam President, 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. ALLARD.** Madam President, I ask unanimous consent the order for the quorum call be rescinded.

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

**MR. ALLARD.** Madam President, I further ask unanimous consent that I be allowed to speak as in morning business.

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

(The remarks of Mr. ALLARD and Mr. SALAZAR pertaining to the introduction of S. 472 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

**THE PRESIDING OFFICER.** The Senator from Georgia is recognized.

**CONGRATULATING MISS AMERICA CONTESTANTS**

**MR. ISAKSON.** Madam President, later today the Senate will approve a resolution commending Ms. Lauren Nelson, Miss Oklahoma, as having been named Miss America in the contest on Monday night. I certainly join all Members of the Senate in congratulating her.

I also wish to acknowledge my pride in Amanda Kozak, who finished as second runner-up as Miss Georgia. She is an equally beautiful and talented young lady.

I think it is appropriate that we memorialize on the floor of the Senate for the record the fact that one of our own was also in that contest on Monday night. I am very proud of Miss Kate Michael, Miss District of Columbia, who has worked in my office for the past 3 years. She is a talented, insightful young woman, dedicated to the betterment of mankind and committed to her country. She is a gifted professional dancer who has danced off-Broadway. She is a beautiful person on the outside, and she is equally beautiful on the inside. She is very bright. She graduated magna cum laude from the University of Georgia, and now, while pursuing the Miss America contest, working every day in the Health, Education, Labor, and Pensions Committee with me, at night she goes to Johns Hopkins to pursue a master's degree in government.

Truly, sometimes the media takes those sensational things that happen to young people that are always disappointing and elevates them to front-page news. Yet fine young women such as the ones we recognize in this resolution rarely ever get a comment once the crown is placed on their head. But I am very proud today to say how proud I am of Miss Kate Michael, Miss District of Columbia, my employee and an employee of this Senate, who performed masterfully and competed masterfully in the Miss America contest and is the winner of a crown with me every day of the year.

I yield the floor.

**THE PRESIDING OFFICER.** The Senator from Ohio is recognized.

**MR. BROWN.** Madam President, I ask unanimous consent to speak as in morning business.

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

#### AMERICA'S ECONOMIC HEALTH

**MR. BROWN.** Madam President, earlier this week the President traveled to Peoria, IL, and yesterday to Wall Street and delivered speeches that painted a remarkably rosy picture of our economy. He praised current U.S. trade policy, applauding his evidence of success, the increase in global free-trade agreements since taking office. I have to say that I, along with millions of middle-class families in Ohio, in Missouri, all over this country, had to wonder what part of the country he was talking about. In my State of Ohio, in Steubenville, in Youngstown, Toledo, Columbus, and Dayton, more than 180,000 manufacturing workers lost their jobs in the time the President has been in the White House.

The President was right about one thing: Productivity is up, and that is a testament to our Nation's hard-working and skilled labor force. Far too

often, our Nation's workers do not share in the wealth they create. Our small businesses can't compete against the multinational corporations that exploit cheap labor abroad. Our Nation's history is all about workers. As their productivity increases, they share in the wealth they create for their employers, creating a middle class, creating a rising standard of living.

The President also talked about wage increases for workers, but I am afraid that is where he lost us again. I would invite the President to sit down with a steelworker in Steubenville or a machinist in Toledo or a small tool-and-die shop owner in Dayton. Workers are not seeing their wages increase, nor are they seeing new job opportunities. Employers are not seeing trade policies that level the playing field. Our economic values are skewed toward a very select few in this country.

While it is true the President has pushed 10 free-trade agreements through the negotiation process, he has done so using a fundamentally flawed trade model. More of the same in this case is not such a good thing.

What the President did not say during his speech was that trade negotiations are falling apart. The Central American Free Trade Agreement pushed through the House of Representatives by one vote in the middle of the night still has not been fully implemented. The subsequent Andean Free Trade Agreement fell apart before it even began. Two years ago, thousands of workers in Central America took to the streets protesting this failed trade policy. Last week, tens of thousands of workers in Korea took to the streets protesting a pending free-trade agreement with our country. Why? Again, because the administration continues to use a failed trade model for these agreements. Revamping U.S. trade policy is not just about taking better hold of our economic health; it is about establishing priorities in Washington that reflect family values at home and building strong relationships with trading partners abroad.

While the administration continues to be out of touch with Main Street, I am pleased to say that finally in this Congress there is a bipartisan fair trade effort underway. I am working with Democratic Senator BYRON DORGAN of North Dakota and Republican Senator LINDSEY GRAHAM of South Carolina on a new direction for trade policy. It is not a question of if we trade but how we trade and who, in fact, benefits from trade.

While discussing the minimum wage this week, Senator KENNEDY used these charts to illustrate the development over time of drastic economic inequality in our country. From 1946 to 1973, economic opportunities for poor and working families grew. The lowest 20 percent actually had higher growth, percentagewise, than the top 20 percent in this country. The families who

worked hard and played by the rules had a real chance of getting ahead.

From 1973 to 2000, things began to change dramatically. From 1973 to 2000, the lowest 20 percent had the lowest growth in their incomes; the top 20 percent had the fastest growth. It so happened in the year 1973, two things happened: the oil embargo, with the price of oil shooting up; second, 1973 was the year when the United States, historically with trade surpluses, fell into trade deficits, and we have been in trade deficit ever since 1973.

If we look again at this chart, from 1946 to 1973, for 26 years, economic growth was shared equally, with the lowest 20 percent actually growing at the fastest rate and the top 20 percent at the lowest rate. Since 1973, when our country went from persistent trade surpluses to persistent trade deficits, growing more and more and more every year, the lowest 20 percent now have the lowest growth rate, by far. The highest top 20 percent have the fastest growth rate, by far.

We should also look at what has happened to the trade deficit. In 1972, the year I first ran for Congress, our country had a \$38 billion trade deficit. In 2006, when the numbers are finalized, our trade deficit will exceed \$800 billion. We went from a \$38 billion to a \$800 billion trade deficit. As President Bush first pointed out, back in 1989-1990, \$1 billion in trade deficit or trade surplus translates into 13,000 jobs. So do the math: \$1 billion in trade deficit translates into 13,000 lost jobs. Our trade deficit is now \$800 billion for the year 2006. Our trade deficit with China in 1992, the year I first ran for the House of Representatives, our trade deficit with China was barely into the double digits. Today our trade deficit with China has reached about \$250 billion.

It is clear our trade policy has failed. We have given countries such as China, countries that exploit sweatshop labor and manipulate their currency, an unfair and unnecessary advantage.

If trade agreements can be crafted to protect drug patents and drug companies, those same trade agreements can protect the environment. If trade agreements can be crafted to protect international property rights and Hollywood films, the same trade agreements can protect workers, small American businesses and our communities.

Current U.S. trade policy allows for the inhumane exploitation of foreign workers; it exacerbates job losses in places such as Lima and Zanesville, OH. It puts local businesses—particularly small tool and die, machine shops, small manufacturers—at an unfair disadvantage, forcing thousands of them to close, as large corporations move to Mexico, China, and elsewhere overseas.

In my home State of Ohio, more than 40,000 jobs have been lost to China in the last decade, allowing foreign companies to pay slave wages, to abuse

their workers, and to lie about their business practices hurts Americans. It hurts American workers. It hurts American businesses.

This country is already hard at work to change our trade policy to promote fair trade that works for U.S. businesses. We want trade defined differently. We want different trade practices. We want trade that will help small business, that will help workers, and that will stem the exploitation of workers in developing nations.

No longer are Democrats and Republicans in Congress going to stand idly by while businesses and workers in Ohio, businesses and workers in places such as Gallipolis and Springfield and Lima are penalized for playing by the rules.

In the last Congress, we changed the debate on trade. In this Congress, we will change the face of trade.

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. SALAZAR. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. SALAZAR. Madam President, I ask to speak for up to 10 minutes as in morning business.

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

#### IRAQ

Mr. SALAZAR. Madam President, as we anticipate the beginning of the discussion and debate with respect to the future of the involvement of the United States in Iraq, it is important for Members always in this Chamber to remember we are all unified in honoring the men and women who serve in the Armed Forces and those men and women who continue to fight in Iraq with such bravery and such valor that we cannot forget what they do. Every Member in the Senate honors the sacrifice which our troops and their families have made over the past 4 years. That sacrifice will not, cannot, and will never be forgotten.

It is also important to remember that no matter how contentious the debate might become in the weeks and months ahead, every Senator shares the same basic goals: The goal is simply peace and stability in the Middle East and a safe return of our troops to their homeland.

We may disagree on the best path to the end. It is important to remember what binds us together as America so we will not be torn too far apart and we can help end the divisiveness which has occurred in our country over this issue and move forward in a bipartisan way to restore the greatness of America in the world.

It is my hope the anticipated debate that will occur will be with a spirit of bipartisanship and with a spirit of civility. I am especially pleased we have arrived at a bipartisan resolution

which plainly states Congress does, in fact, support a new direction in Iraq. I commend the efforts of the bipartisan group of Senators who worked together to provide a positive framework for protecting our national security, supporting our troops, and defining our mission in Iraq. That compromise resolution reflects the will of the American people that we must, in fact, chart a new course of success in Iraq.

I especially commend the leadership and the great efforts of Senator WARNER, Senator NELSON, Senator COLLINS, Senator LEVIN, Senator BIDEN, Senator HAGEL, and others who have been involved in this effort over the last several days.

Until now, the debate over our mission in Iraq has been dominated by essentially what has been a false choice. On the one hand, we have had before Congress and before the American people plan A, which is the President's plan, which essentially has been to say, stay the course, plus, add another 21,500 troops into the fight in Baghdad. This would be a mistake. It would put more American troops into the middle of a civil war and places too much faith in what has been, to us, an incompetent Iraqi Government that has failed to do its work in securing the peace for its people and their country.

On the other hand, we have plan B, which is advocated by some Members of Congress, both in the House and this Senate, which calls for a more or less precipitous withdrawal from Iraq. From my point of view, this, too, is a bad choice. It could open the door to even more bloodshed and to a dangerous regionwide military escalation not only in Iraq but throughout the Middle East.

In my view, what we need is a plan C. That plan C should reflect the bipartisan opposition to the President's proposal to send an additional 21,500 troops to Iraq and also propose an alternative strategy for success in Iraq. That is exactly what we have accomplished with this compromise resolution which would make clear the following: First, that a bipartisan majority of Senators disagrees with the President's plan to increase the number of United States troops in Iraq as he has proposed; second, that the primary objective of a United States strategy in Iraq should be to encourage the Iraqi leaders to make the political compromises that are necessary to improve security, foster reconciliation, strengthen the Government, and end the violence; third, that the United States has an important role to play in helping to maintain the territorial integrity of Iraq, conducting counterterrorism activities, promoting regional stability and training and equipping the Iraqi troops; and, finally, that the United States should engage the nations in the Middle East to develop a regional, internationally sponsored peace and reconciliation diplomatic process and initiative within Iraq and throughout the region.

I will briefly elaborate on some of these points. The President's plan to simply surge or increase the number of troops in Iraq by 21,500 would be a mistake. First, the violence in Iraq is becoming increasingly sectarian, even intrasectarian. I worry that the American troops we are sending there are being placed in what is the midst of a civil war.

Second, I also worry that the larger American military presence will discourage the Iraqis from taking responsibility for their own security. As General John Abizaid said in this Capitol last November:

... it's easy for the Iraqis to rely upon us to do this work. I believe that more American forces prevent the Iraqis from taking more responsibility for their own future.

As we enter the debate over the next several days and weeks in this Senate, we should not forget those words:

I believe that more American forces prevent the Iraqis from taking more responsibility for their own future.

Furthermore, I am concerned that the plan places too much faith in the present Iraqi Government, which has so far shown little willingness to make the difficult decisions necessary to stop the bloodshed and the violence within their own country.

Finally, we have recent experience where the additional troops who have been sent into Iraq indicate that the results of those operations of the last 7 to 8 months have not been successful. Last year, we tried two separate surges—one was named Operation Together Forward I and the other was Operation Together Forward II—and neither stopped or slowed the violence in Iraq.

In fact, the bipartisan Iraq Study Group found that the violence had escalated during that same time period by 43 percent.

Adding to this is all the additional strain that a troop increase will place on our service men and women and their families.

For these reasons, I oppose the President's plan to increase our troop presence in Iraq. I am proud to be a cosponsor of the resolution that will be before this Senate. This resolution is more than about opposing the President's plan. It proposes a new strategy by calling for an enhanced diplomatic effort, a new focus on maintaining the territorial integrity of Iraq, maintaining the territorial integrity of Iraq, so that the weapons that are flowing from Iran and from Syria into that country can, in fact, be stopped. Stopping the flow of weapons and terrorists into that country will be part of bringing about the security that is needed in that country.

It also calls for a renewed focus on helping the Iraqis achieve a political settlement which is, at the end, a precondition to any successful outcome in Iraq.

We need a new direction in Iraq. We need to speak in a bipartisan voice. We, as an institution, need to fulfill our

constitutional duty as a coequal branch of Government as we move forward with what is one of the most important questions that today faces the American Nation.

The resolution I hope will be considered in the Senate this next week is a first step in that direction. I am proud to be a sponsor and a supporter of that resolution.

---

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. SALAZAR. On behalf of the majority leader, I ask unanimous consent the Senate now stand in recess subject to the call of the Chair.

There being no objection, the Senate, at 2:29 p.m., recessed until 3:26 p.m., and reassembled when called to order by the Presiding Officer (Ms. KLOBUCHAR).

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

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

---

FAIR MINIMUM WAGE ACT OF 2007—Continued

Mr. HARKIN. Madam President, I rise to discuss an amendment I have filed to eliminate a provision that was added to the minimum wage bill regarding employee leasing firms, also known as professional employer organizations, or PEOs.

I have fought for a clean minimum wage bill, on the grounds that workers have been waiting 10 long years for this raise. During that time, businesses have seen record profits and productivity—and that has been equally the case in States and regions that have raised the minimum wage. Yet now we are being asked to include this aggressively anti-worker PEO provision in order to pass a minimum wage increase in the Senate.

For my colleagues and others who may not know what a PEO is, let me explain. It is an organization that handles administrative details for workers who actually do work for another company. For example, I might technically be employed by Tristate PEO, but I actually show up to work every day at Main Street Construction Company. Companies use PEOs so they don't have to handle the tax-and-benefits paperwork for many of their workers.

The language in the PEO provision, however, seeks to make these PEOs the “employer of record” for tax purposes. PEOs have sought to become the “employer of record” under various laws because they would like to be able to tell employers that the PEOs can independently take care of payroll taxes, workers’ compensation, unemployment