

Madam President, I apologize that I did not say something a minute ago. We have had a difficult Congress. We have had the staff who are so valiant, so good, who always make us look as good as we can look. Sometimes that is not very good. However good we look, it is because of the great staff we have.

We have been through 95 filibusters this Congress. We have had many serious issues. Our country is in an economic meltdown. We had a series of important votes here. It seemed to never end. But always our staff is here—always. The Democratic staff on this side of the aisle, the Republican staff on the other side of the aisle, they are all very professional; the Parliamentarians, these wonderful pages, the court reporters. And, of course, the Capitol Police, these people—some of whom are in uniform, some not—are here to protect us as well as all the staff.

So I want everyone to know, the four of you seated in front of the Presiding Officer, how much I appreciate the work you do. You are all very patient. You take abuse a lot of times that you should not because a lot of times we are busy and forget that we also have to be nice to everyone. If I have offended any of you over the past couple years, it certainly was not intentional.

I am so grateful that my Democratic colleagues allow me to serve in the capacity I do, as amateurish as I am on occasion, but it is not because I am not trying. I have the greatest affection for every one of my Democratic Senators. They are always so good to me and work so hard.

I look forward to the next year. We need a productive year. Our country is in big trouble. We have so many things happening to us, individuals, that it does not matter where you look in America today, there is very little good news economically. And what happened today is not going to help that. But I talked about that before.

So I appreciate all that everyone does, including the Sergeant at Arms, the Secretary. They do such good work. We have all the committee chairs who work so hard, subcommittee chairs. I have been fighting for some words to express myself how appreciative I am. I am not forthcoming of them, so I will say thank you all very much for what you do for us and, of course, the country.

The PRESIDING OFFICER. The Senator from California is recognized.

A BRIGHTER FUTURE

Mrs. BOXER. Madam President, change is on the way, but it didn't get here tonight. The American people said they wanted change in the Senate, but it is not here yet. I think it was proven tonight by this vote. The American people will see who stands with the middle class of this country and who doesn't, who cares about working people and who doesn't by this vote tonight. Anyone could have picked a

number of reasons for voting no tonight, but as far as I am concerned, with this economy in crisis, we should have voted yes.

All I wish to say is we are going through tough times and tomorrow things are going to be a whole lot tougher for a whole lot of people, unless Henry Paulson does the right thing. I wish to say to my colleagues, Senator LEVIN and Senator STABENOW—I know they are headed out, which is fine—that I am going to work as hard as I can to convince the Treasury Secretary to take action to save these 3 million jobs that could be on the line.

People played Russian roulette with this recession tonight. We don't know what is going to happen, but we do know that Hank Paulson can save these jobs. If he can save all those jobs in the white-collar industry, certainly he can save some jobs in the blue-collar industries. Everyone knows I have had problems with Detroit. I think the fact that they didn't listen to those of us who felt they ought to produce clean cars and fuel-efficient cars, the fact that they didn't listen to us led to, in many ways, the problems they face. To lose our manufacturing base, without even a helping hand to try and save it tonight, is shocking.

So, in closing, I wish to say I have a heavy heart right now. I have 200,000 workers in my State, second only to Detroit, who depend on a thriving auto industry. That is 200,000 families, frightened tonight, but I have a message for them: HELP is on the way. Change is on the way. Change is coming to this Chamber. We are going to have people who are here for the right reason—what I consider the right reason—which is fighting for the middle class, fighting to make sure we have a clean environment, a strong economy, educated kids, peace in the world, all those things. That is what the election was about. This is a lame duck Senate, and they acted like a lame duck Senate. It is too bad. But we did get a majority vote, so the message to Mr. Paulson is: Listen to that. More than 51 people here voted to give a chance with a bridge loan, so I hope, Mr. Paulson, you are watching this, and I hope you will do it. Then, when we have our new President and our new Senate and our new House, we can get back to work.

I see Senator DURBIN is on the floor and is about to speak. I wish to thank him, Senator DODD, and Senator REID, all those who worked so hard and those on the other side who tried—who actually tried—to do something. So I yield the floor, with a heavy heart, but I know that the future is going to be much brighter, much better.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

THE AUTOMOBILE INDUSTRY

Mr. DURBIN. Madam President, just a few weeks ago on the floor of the Senate, we passed legislation to give

\$700 billion to this administration to try to rescue America from its economic crisis. That money was being spent by the Secretary of the Treasury, Mr. Paulson, whom I respect, and he made an effort to try to save a key element of our economy—the financial sector—investing literally billions of dollars and buying equity and capitalizing investment banks and other institutions, including insurance companies, in the hopes that it would turn this economy around. There is scant evidence of any success.

Many questions have been raised about the wisdom and judgment of those investments, but the fact is literally hundreds of billions of dollars have been spent by this administration in an effort to rescue many financial institutions which had made fatal errors in judgment. They brought together rotten portfolios of bad investments on mortgage securities based on this subprime mortgage fiasco which we are now paying a bitter price for.

Tonight, we had an opportunity to loan money—a bridge loan—to one of the most important sectors in our economy: the automobile industry. Now, let me tell my colleagues at the outset, I buy American cars. I do it out of a sense of patriotic duty, and I find that most of those cars are good. But I expect more out of Detroit than I have seen in the past two decades. I have been disappointed—bitterly disappointed—by the positions the big three have taken on critical issues involving the environment, energy efficiency. They didn't seem to get it. When Toyota came out with its Prius, a hybrid car with great mileage, they were scoffed at by the leaders in Detroit. That is a car no Americans would want. Well, there is a waiting list now for those cars. When the price of gasoline reached \$4 and beyond a gallon, many people started asking hard questions about the gas guzzlers Detroit put in the showrooms year after year. It seems Detroit was kind of caught in this mindset that they could make a profit by building more of their successful cars from last year. It ran out. It reached a point where they can't sell their cars, and they are struggling. I have some sympathy for them but not a lot when it comes to management. I think they have made some technical and strategic errors that they have paid a heavy price for.

I recall about a year and a half ago when the CEOs of the big three were just off this Senate floor in an office. We had a private meeting with about five or six Senators. They said: Do you have any questions? I said: I do. I said: I buy American cars. I have bought all your cars—GMs, Fords, Chryslers—I have owned them all, and I am pretty loyal to your companies. But I have a question to ask of you: Have any of you ever heard of the magazine Consumer Reports? There was this awkward silence in the room. Finally, a few of them said yes. I said: I read it, and I have been wondering for 20 years why

the Japanese continue to build cars that are more reliable and more valuable at trade-in than American cars. How can that possibly be the case, in a country with the best engineering schools in the world and in a country that founded the automobile industry? How do you explain it, I asked. They paused, and the man from Chrysler said: I think we are getting better. Well, that is a pretty weak answer. They could have done better.

What broke down our effort this evening in trying to provide some sort of interim financing to the automobile companies so they will not go into bankruptcy—what broke down was a negotiation over one issue, and here is what it was, simply stated: There are those who believe automobile workers are paid too much money and get too many benefits such as health care. They think if those compensation packages were reduced, American cars would be more competitive against, for instance, Nissans or Toyota or Honda, even made in the United States. Well, they insisted in our negotiations that the wages of American autoworkers, all 130,000 of them, be brought down to the level of the workers at these foreign car companies in the United States by the end of March next year. A little over 3 months from now, they wanted a substantial reduction in salaries for these workers.

Now, United Auto Workers, which represents most of them, has already reached an agreement that as workers are bought out and retired, newer workers will come in at a lower wage scale. So, eventually, their workforce will have a lower wage but it will not work to the disadvantage of current workers. That is the plan. The Republican side of the aisle rejected that and said: You have to bring down their wages now. Think about that, in this economy. Think about that at a time when most American families are struggling—struggling to pay utility bills and for gasoline when it goes up high and all the other costs of living we face. The Republican answer was: Bring down those autoworkers' salaries and do it in a little over 90 days. I thought that was unfair.

Alan Reuther was in the room when we talked about it. He represents the United Auto Workers. He, of course, comes from the historic lineage of Walter Reuther, who helped found the United Auto Workers, and he explained what this would mean to so many of those families who count on those wages to put kids through college, to make sure they can get by and pay medical bills and things that are important to them, but we didn't have much luck in persuading those on the other side of the table.

There was an exception. Senator CORKER of Tennessee—a Republican who did a magnificent job today—spent 5 hours that I was with him in negotiations doing his best to try to find a solution. He worked at it, and I admire him for it. In the end, he took his best

work product to the Republican caucus and it was rejected. We came to the floor tonight and unfortunately saw the last remaining opportunity to help the auto industry die in a procedural vote that occurred a few minutes ago. It is going to be hard for a lot of people who voted against helping the automobile companies with a \$14 billion loan to avoid losing 2.5 million American jobs to explain how just a few weeks ago they voted for \$700 billion to bail out the biggest banks in America. They shed copious tears for Wall Street but couldn't bring themselves to empathize or be concerned enough to help the autoworkers and give them a vote today. I think that is unfortunate. It is beyond that. It is tragic. If the administration doesn't respond, through the Secretary of the Treasury and others, to help this industry, we may see some terrible days ahead when some of the biggest names in American business—some of the biggest employers in the American economy—are forced into bankruptcy. It will be a sad day.

I don't know if this rescue package would have worked. I am not sure. I don't know if it would have been enough, or whether it would have failed, but I thought we owed our best efforts to try to save an industry that means so much to America in so many States, whether it is Michigan or Indiana or Ohio or Illinois, thousands of workers, in Missouri, 55,000 workers; so many workers depend on this industry. We had a chance to do something for them tonight and we failed. We failed because we couldn't bring over enough votes from the other side of the aisle to come to the magic number of 60.

Tomorrow is another day. If the automobile companies can hang on until a new administration arrives, then perhaps we can find another way to help, a sensible way to give this industry a fighting chance. I hope they will use that time to think about the products for America's future, products that will be profitable but serve the needs of families and businesses and individuals, products that will protect our environment, save energy, move us in the right direction in technology. I know they can do it. Facing the challenge, I believe they will. Those managers and people who are the scientists and engineers at each of these companies can count on those men and women out there on the plant floor who have stood by them year after weary year doing their part to build the cars to try to keep their companies in business. We stood by those men and women tonight, those of us who voted to move forward. I am sorry we didn't come through.

I wish to especially thank my colleague, Senator DODD, who worked so hard. I wish to also thank Senator CORKER, as I mentioned earlier, and many others who played an important role. I wish to say, as I have said to them personally, how sorry I am to Senators LEVIN and STABENOW. That great State of Michigan has taken

quite a beating when it comes to its economy, and tonight was not good news, but tomorrow is another day.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SPECTER. Madam President, I have sought recognition to comment on the cloture vote and to give my reasons for voting in support of cloture. Before I do, however, I wish to comment about where the responsibility lies for failure to invoke cloture to move this bill forward, and my hope that we would avoid fingerpointing and trying to assess blame, each on the other side, as has become the pattern in this body during the course of the last 2 years of the 110th Congress and beyond.

The Senator from Illinois said there were not sufficient votes on the Republican side of the aisle. Well, there were sufficient votes on the Republican side of the aisle, had they been joined with sufficient votes on the Democratic side of the aisle. There were 10 Republican Senators who voted to invoke cloture: Senator BOND, Senator BROWNBACK, Senator COLLINS, Senator LUGAR, Senator VOINOVICH, Senator WARNER, Senator DOLE, Senator DOMENICI, Senator SNOWE, and myself.

There are 51 Senators on the other side of the aisle. Had those 51 Senators—or 50 of them joined with the 10 Republican Senators, cloture would have been invoked. But it would be my hope that we would leave this evening without partisan blame and still seek some way to get the kind of economic assistance that would enable the Big Three to continue to operate.

The issue that we face has enormous potential adverse economic consequences. I will read from a portion of a statement I had prepared in a little different direction, but this portion of the statement I had prepared specifies the scope of the economic problem, which is potentially present if the three big automobile manufacturers do not stay in business.

A failure of the automakers could have a cataclysmic impact on the broader economy. The Big Three employ 240,000 workers directly and, more broadly, the U.S. auto industry represents almost 4 percent of the gross domestic product and impacts 1 out of every 10 U.S. jobs in some form, directly or indirectly. These jobs are at part suppliers, dealerships, banks, and many other lines.

According to the Center for Automotive Research, 3 million jobs would be lost if the Big Three were to fail. They estimated that the Government could stand to lose up to \$156 billion over 3 years in terms of reductions in Social Security receipts, personal income taxes paid, and an increase in transfer payments.

According to the Anderson Economic Group, if at least two of the three were to file for bankruptcy, it would cost the taxpayers up to four times the amount of the proposed bridge loans in

the form of lost income and tax revenue resulting from the massive employment losses. They estimate that more than 1.8 million auto-related jobs would be lost in the first year, and there would be nearly \$70 billion less in Federal and State tax revenue over a 2-year period. Credit and related markets would be further disrupted, more U.S. manufacturing would move overseas, and foreign automakers would gain an even greater advantage.

According to the Economic Policy Institute, a bankruptcy of one or more of the Big Three would result in losses of up to 3.3 million jobs. The U.S. trade deficit could rise by at least \$110 billion per year as imported vehicles displace domestic brands, increasing the trade deficit by 16 percent and putting additional downward pressure on the U.S. dollar and living standards. An increase in Government payments and tax losses alone would exceed \$150 billion in the first 3 years following bankruptcy.

I recite that in some detail to articulate the scope of the potential devastating impact if the three major auto manufacturers in the United States are unsuccessful. In voting to invoke cloture, I think it should be understood that I was not voting in favor of the House bill. I think the House bill needed vast improvement. But had we taken up the bill, that would have given us an opportunity to offer amendments, to debate, and to function as the world's greatest deliberative body. The House bill, in my judgment, didn't give sufficient authority to the so-called car czar. The House bill added to it, beyond what was agreed to by the Democrats in the Senate and the White House, a provision which would have terminated the litigation brought by the automotive industry against the State of California on the issue of toxic emissions.

I do not know who would have prevailed in that suit, but I think there ought not to be congressional action to get off that litigation. That is a matter for the courts. Under our well-established doctrine of separation of powers, that should have been in the bill. At any rate, had the Senate taken up the bill, which is what the cloture motion meant—people may be watching on C-SPAN 2 and don't understand all of the arcane Senate talk, but a cloture motion is a motion to cut off debate on a motion to proceed. It simply means that the Senate will proceed to consider the issue as formulated in the House bill, as formulated in the vehicle laid down by the majority leader, and then the Senate has the opportunity to offer amendments and to debate.

We have been in session, as the distinguished Presiding Officer knows, since 3 o'clock on Monday. We were here a good part of Monday, all day Tuesday, all day Wednesday, and it is now 11:36 p.m. eastern time on Thursday. The first time we came to the floor to have a discussion on this matter was a short time ago. The delibera-

tions were carried on behind closed doors. Well, deliberations ought to be carried on behind closed doors to try to work through and find compromises and have free-wheeling discussion. But it would be appropriate, it seems to me, for the Senate to come to the floor and talk about what has been decided. The discussion started on the Senate floor a little after 9 o'clock and came to a conclusion a little more than an hour later. At 10:45, we had the motion to invoke cloture—that is, to cut off debate.

We pride ourselves in the Senate as being the world's greatest deliberative body. Well, why not deliberate—deliberate in public? There is nobody in the galleries at the present time, but why not deliberate in public? We are now carried on C-SPAN 2, on television across the country, and across the world perhaps. So people can see what we are doing, and they can see what the considerations are.

The Senator from Illinois made a statement that it was required under the proposal of the Republicans to have the concessions made on wages within a little more than 90 days in March. The Senator from Tennessee, who has been applauded in this body for the outstanding work he has done, said any time during the year 2009. Well, had the two Senators been on the floor and been discussing the matter, perhaps we would know exactly what went on behind those closed doors, what the arrangement was.

I compliment my colleagues for the hard work that went into the efforts to try to reach a compromise. They did work hard. But it seems to me that we all ought to be working harder. We have more time. As the Senator from Tennessee outlined the situation, we were very close, as he put it, with three words separating the parties. Perhaps if we debated the issue, somebody would have changed a position a little. Senator CORKER was correct that there didn't need to be a very big change. Also, when you make the arguments in public, you are under a little more scrutiny than making them in a back room behind closed doors where very few people can hear what you are saying, a few people can evaluate what you are saying, and there is little room for criticism, as opposed to making it on the floor of the Senate where everybody can see and hear what you are doing and you have to stand behind what you are doing. Or perhaps the parties who could not come to an agreement by tomorrow morning overnight would change their positions.

It seems to me that there would be nothing to be lost by invoking cloture and by debating the matter further and by seeing if we can't come to some compromise and some adjustment. There is simply too much involved as the facts that I have cited earlier in this brief statement reflect on the potential economic destruction and losses.

I concur with the Senator from Illinois about the hardship on the workers

and the loss of salary and the loss of opportunity to support their families and pay tuition and monthly payments on the mortgage, et cetera, et cetera. No doubt about that. It is my view that we have a duty to go beyond the cloture vote and to take up the matter. I have not given up hope that something may yet be done. The President had backed—and I think still would—the bill that was submitted for consideration—the House bill—absent the issue with respect to the litigation, and perhaps there will be a way yet to find these bridge loans. Certainly, the amount of money involved, while not unsubstantial, is not enormous compared to the other bailouts that have occurred, compared to the total amount which the Congress authorized—the \$700 billion figure. In supporting the legislation which Senators LEVIN, STABENOW, BOND, VOINOVICH, BROWN, and I had proposed back on November 20, that was an effort to try to have some deliberation. I was not committed to that bill.

I am certainly not committed to any of the proposals that have yet been offered. But it would have been my hope that in the course of the debate and discussion, and an opportunity by others and myself to offer amendments, that we could have worked the will of the Senate to find our way through to move ahead on a short-term basis, a plan could be constructed that was realistically calculated to succeed.

I am not in favor of throwing good money after bad. I believe philosophically as a matter of public policy that the Government ought not to pick winners and losers. That ought to be the decision of the market. The Government ought to intervene on economic aid or bailout only where the consequences are potentially so disastrous that they would deviate from that principle.

As we conclude this situation, I think this Senate could have done considerably better. I know many of us will continue to work with the administration and with the parties involved.

I convened on December 2 a meeting in Philadelphia with high-ranking executives from Ford, Chrysler, General Motors, and labor leaders in Pennsylvania, the United Auto Workers, the AFL-CIO statewide, and the Philadelphia Labor Council; and auto dealers and suppliers and economists and bankers came together to describe the scope of the problem.

We had a meeting in the Lehigh Valley to grapple with the issue. Certainly, the impact on my State as a microcosm reflects the tremendous potential impact on the Nation as a whole. So we need to continue to work to do our best to find some answer administratively to avoid the potential disastrous consequences which I have enumerated.

I yield the floor.

Mr. DURBIN. Madam President, I salute my colleague from Pennsylvania for joining us in voting for cloture. He

was 1 of 10 Republicans who did this evening. They were Senators BOND, BROWNBACK, COLLINS, DOLE, DOMENICI, LUGAR, SNOWE, SPECTER, VOINOVICH, and WARNER. The motion required 60 votes. It had 53. It was seven votes short. The Senator from Pennsylvania took exception to my characterization earlier that the Republicans could have done more and helped us pass that. I want the RECORD to reflect that on the final vote, before Senator REID changed his vote for procedural reasons, 43 of the 46 Democrats voted in favor of the motion. Ten Republicans voted in favor.

It is clear we could have had more, certainly, but it would not have been enough to make up the seven-vote deficit. When less than a third of the Republicans voted in favor of it, it is pretty clear that most of those on the other side of the aisle did not support that motion, despite the heroic vote by the Senator from Pennsylvania.

(At the request of Mr. REID, the following statement was ordered to be printed in the RECORD.)

VOTE EXPLANATION

• Mr. KERRY. Madam President, I am necessarily absent for the cloture vote today on the AMT bill which is the vehicle for the auto stabilization legislation. If I were able to attend today's session, I would have supported cloture on the bill.●

U.S. TRADE AND MANUFACTURING POLICY

Mr. REID. Madam President, my good friend Senator Ernest Hollings contacted me and asked if I could have printed in the RECORD a statement he has written about U.S. trade and manufacturing policy. It is my pleasure to do so.

Senator Hollings was a longtime chair of the Senate Commerce Committee and a champion of American manufacturing. His statement contains some insightful and provocative thoughts of his and I encourage all of my colleagues to read it.

Madam President, I ask unanimous consent to have printed in the RECORD Senator Hollings' statement.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ECONOMISTS AND FREE TRADE

(By former Senator Ernest F. Hollings (D-SC))

The trouble with the economy is too often the economists who advise, oversee and, in some cases, even manipulate it.

This is the crowd that advised on and overly embraced sub-prime mortgages, derivatives and credit default swaps. The crowd that advised on deregulating the financial industry. And the crowd that, after over stimulating the economy for the past eight years to the tune of \$5 trillion of deficit spending, is now calling for, you guessed it, even more financial stimulus!

According to the Congressional Budget Office, last year's deficit or financial stimulus

was \$1.035 trillion. And as the economists try to decide on the amount of stimulus sufficient to jolt our clearly broken economy, we have already spent \$691 [12/5/08] billion on additional financial stimulus just since October 1st—and it is not working.

To really prime the pump of the economy, it should be "billions for immediate infrastructure—and not much more for financial stimulus."

The need now is to create jobs and to stop increasing the interest costs on the federal debt, costs that already exceeds \$500 billion a year—\$500 billion which we should be spending on universal health care and not on economic steroids. More of the wrong kind of stimulus will only serve to stimulate more production in China, at the expense of more jobs being lost here at home.

Of course, the economists for the global financial institutions and the big multinational corporations know this, but because their loyalties are more to their institutions and less to our nation, they continue their calls for ever more "free trade" and for continuing U.S. trade and current account deficits.

The irony is that economists learn in their very first class in school that it was a trade war which brought us our initial freedom as a country, and that semi-protectionism later helped build the United States. England started a "trade war" with the Colonies by adopting the Navigation Act of 1651 that required all trade be carried in British vessels. Manufacturing was forbidden in the Colonies, even the printing of the Bible, and then the Townsend Acts drafted by Adam Smith placed heavy import duties on a wide range of items. All of this precipitated the Boston Tea Party that started the Revolution.

While we obtained our freedom in 1776, it wasn't until 1787 that we empowered Congress, in Article I, Section 8, of the Constitution, to regulate commerce, both domestic and foreign. President George Washington's first message to the first Congress in 1789 warned that, "A free people should promote manufactories to render them independent of essential, particularly military, supplies." Thereafter, the United States was financed and built for 100 years with semi-protectionism, and we didn't even pass the income tax until 1913. At the advent of the Transcontinental Railroad, it was suggested that the needed steel be obtained from England—but President Abraham Lincoln strongly objected and required the steel to be produced in the United States. And Edmund Morris, describes how the U.S. won the trade war with England in his remarkable book "Theodore Rex" about President Teddy Roosevelt. President Roosevelt exclaimed at the time, "Thank God I am not a free trader."

Under the new phenomenon called "globalization", the so-called "comparative advantage" which underpinned the early centuries is no longer God-given or determined by the weather, as was the case, two centuries ago, with David Ricardo's English woollens and Portuguese wine. Now commercial success is largely created, or not, by government policies, and the United States government refuses to compete for such success, even though, as The Economist magazine reported recently, "Business these days is all about competing with everyone from everywhere for everything."

Right after World War II, Japan started its trade war by competing in international trade for market share rather than profit. Japan closed its domestic market and sold its exports at cost, making up the profit in its closed market. It subsidized production and targeted certain items in trade—first textiles, then electronics, machine tools, robots and, finally, automobiles. As a consequence, Toyota is today #1 as General Mo-

tors, Chrysler and Ford struggle just to survive.

China's post-WWII trade war began when it closed its domestic market to articles domestically produced, but opened it to foreign production in exchange for research and technology. General Motors, Intel and Microsoft, among others, have established major research facilities in China, and the U.S. is now running well more than a \$1 billion per month trade deficit with China in just advanced technology products. China has accumulated dollar reserves in excess of \$1.3 trillion, and it is now far and away the world's superpower in trade.

These behaviors by Japan, China, India and others are manifest in almost all of America's imports, but they are most manifest in automobiles, where the focus and the consequences are crystal clear.

The United States Congress looks at the BMW plant in South Carolina, my home State, and the Nissan plant in Mississippi as examples of relative success and wonders what's the matter with Detroit?

Yet BMW received a tax deferral benefit of \$100 million to locate in South Carolina and Nissan received over \$300 million to locate in Mississippi. And all Detroit got—Ford, GM and Chrysler alike—was tax incentives to leave the United States and offshore its jobs and production.

The supervisory personnel from Germany and Japan who run BMW's and Nissan's plants have health care and retirement benefits paid for by Germany and Japan. Detroit has to pay for the health care and retirement benefits of its supervisory personnel.

BMW and Nissan have deductible health care for its employees. Detroit has to pay full health costs on its employees.

BMW and Nissan hire forty-five year olds and under in order to minimize health costs. Detroit has a lot of senior people and legacy costs.

The major parts that BMW and Nissan use to assemble cars in the United States are produced 19% cheaper in Germany and 5% cheaper in Japan because BMW's and Nissan's VAT taxes are rebated when parts are shipped for assembly in the United States. Detroit pays all local, state and federal taxes on its parts.

Nissan, with a largely closed domestic market, does not have to make a profit, and thus located in the United States for market share. Detroit needs to make profits.

BMW and Nissan high-ball the costs of their imported parts so as to minimize profits and taxes to the United States. Detroit has to pay taxes on its profits.

And now, no surprise, the U.S. has a net deficit of \$10 billion a month in foreign car imports, or more than \$1 trillion in the last eight years, all because of highly and in some cases illegally subsidized competition with Detroit.

And yet some influential economists still call this "free trade".

Senate Majority Leader Harry Reid charged Ford, General Motors and Chrysler "to get their act together [and] to come up with something." But Detroit can't do it alone. The new President and Congress must come up with something at the same time for Detroit to recover long-range. Using his authority to protect our national security, President John F. Kennedy instituted his seven-point policy of protection for textiles in 1961. Under Section 201 of the Trade Act, President Ronald Reagan threatened quotas on automobile imports in order to get Voluntary Restraint Agreements from Japan. So clearly the authority is there for President-elect Obama and Congress to impose quotas on imported cars so that Detroit can recover long-term long-range.