

Of course, it is not just jobs and production we are offshoring, but also research and development, high-end services and critical military materials.

Thus, Congress must also vigorously (re)assume its responsibility under Article I, Section 8, of the Constitution for regulating trade in general. It must protect our important production and standard of living. And it must make it profitable to invest and produce in the United States.

A value added tax is in order, and long overdue in fact. Every industrialized country except the United States has a value added tax, which is levied on all imports and rebated to manufacturers whenever they export. Today, however, imports into the United States come without any taxes being imposed on them, and U.S. manufacturers not only must pay all corporate taxes but the VAT on their exports.

A U.S. VAT would immediately remove a tremendous disadvantage to production in the United States and begin to deter outsourcing, and the revenues from it would help eliminate both our massive fiscal and trade deficits. Since it would take a year for business and the Internal Revenue Service to gear up for a VAT, in the meantime, we should institute a 10% surcharge on imports as President Nixon did so successfully in 1971.

We must also activate the Commerce Secretary's list of materials critical to our national security. By placing tariffs or quotas on items necessary to our national security and producing them in-country, we will not only be better prepared to defend ourselves but we can put American workers back to work. In 1991, Admiral William Crowe, who was then Chairman of the Joint Chiefs of Staff, warned against the outsourcing of military supplies. In Desert Storm we had to await Japanese flat-panel displays before invading Kuwait. We had to await Swiss crystals before invading Iraq. Now we can't produce planes unless we get certain parts from India, and helicopters unless we get parts from Turkey. This nonsense has got to stop.

Of course for years economists have told us not to worry about the loss of manufacturing jobs, because the United States would simply and easily become a high-end service economy. But as Robyn Meredith writes in her wonderful book "The Elephant and the Dragon": "As China has famously become the factory to the world, India is becoming the world's back office . . . As many as 300,000 American jobs each year will move overseas [to India] for the next thirty years—nine million jobs in all."

So then the economists told us to "educate." But if they are referring to skills, South Carolina instituted a skilled training program forty-seven years ago, and BMW in Spartanburg, S.C. is now producing a better quality car than BMW produces in Munich, Germany. And South Carolina's technical training program is now being mimicked by Intel in Ireland. But no State and not the United States can educate their way out of unfair competition.

Then there was NAFTA. I voted for NAFTA with Canada because Canada has a free market. A country must have a free market to have free trade. Mexico doesn't have a free market. I counseled the trade policy of the European Union. The EU requires that, before being admitted to the European Union, a country must have developed the entities of a free market like property rights, labor rights, a minimum wage, anti-trust provisions, an independent judiciary, etc. Countries of the European Union taxed themselves \$5 billion for five years to develop a free market in Greece and Portugal before admitting them to the EU. Mexico

still doesn't have labor rights. U.S. corporations are known to sign up for a union before locating in Mexico, but only pro forma—no business agent at the Mexican facility, and the Mexican workers never hear of having a union. Under Mexican law, if one tries to organize a plant that already has a union, you're fired. On a visit to Tijuana I met with 12 workers who were fired because they tried to organize a union not knowing the plant had one. NAFTA superimposed U.S. subsidized corn on two million small scale Mexican corn farmers putting them out of business. The Mexican farmers headed for the border for work. NAFTA not only exacerbated immigration, but the United States lost jobs and Mexico's workers are paid less today than before NAFTA. We still ought to try the European Union approach in Mexico. With the money we spend on fences, Border Patrol, immigration, prosecutors, courts, jails, deportation, etc., a mini Marshall Plan for Mexico could clean up the corruption and drug problem and develop a free market in Mexico. This will help solve our immigration problem.

As a last stand, the economists raise the specter of Smoot-Hawley. The late Senator John Heinz of Pennsylvania "belled that buzard", passing a protectionist trade bill in the United States Senate twenty years ago. Smoot-Hawley restricting imports did not cause the depression. It was enacted eight months after the crash. At the time, 1930, international trade amounted to only 1.3% of our economy. Cordell Hull had us back with a plus balance of trade in 1933 with his famous reciprocal free trade policy. The economists' free trade policy (without reciprocity) has caused a hemorrhaging of American jobs, production, research, technology, investment and development to China and India.

Henry Ford not only developed mass production of automobiles, but he also greatly contributed to the development of the middle class in America, which is the strength of our democracy. Ford doubled the minimum wage and provided health care and retirement benefits for labor. He strengthened communities with the Ford Foundation, and business was diligent to keep America's economy strong. And we in Congress got in the habit of following business's lead on the economy, adopting Corporate America's suggestions for production, marketing and competition.

But in globalization, Corporate America's leadership for trade and a strong economy has been "outsourced." The industrial icon, Jack Welch, once announced at GE's annual meeting that GE suppliers had to move to Mexico to produce a less-costly product or no longer be considered a GE supplier.

Well, I worked with Corporate America to protect America's investment and production.

When I was in the Senate, I worked with Corporate America to keep our textile industry strong by passing a protectionist trade bill in 1968. President Lyndon Johnson, however, had Wilbur Mills, the powerful Chairman of the House Ways & Means Committee, block the measure. Again with the assistance of Corporate America, I helped pass four protectionist trade bills through both Houses of Congress only to see each of them vetoed—one by President Jimmy Carter, two by President Ronald Reagan, and one by President George H. W. Bush.

Presidents back then were anxious that capitalism defeat communism in the Cold War and weren't worried about our economy. Denied protection by Democratic and Republican administrations, Corporate America began outsourcing and offshoring. Now Corporate America opposes our government competing in globalization with chants of "free trade," "protectionism," "don't start a

trade war." Now, our nation's business leaders and their economists, use every trick in the book to mislead on "protectionism." They form organizations like The Trilateral Commission and The Business Roundtable, they promote books like "The World is Flat" to warn against protectionism, and even the U.S. Chamber of Commerce is more interested in commerce on Main Street, Shanghai than on Main Street, Spartanburg. The truth is globalization has become nothing more than a trade war, with the U.S. AWOL. And all the while, some major economists oppose any measure to protect our domestic production and economy, and they have become a "fifth column" in the trade war.

As Sir James Goldsmith testified before the Committee of Commerce in the United States Senate in 1994: "It must surely be a mistake to adopt an economic policy which makes you rich if you eliminate your national workforce and transfer your production abroad, and which bankrupts you if you continue to employ your own people."

But sadly, that's our policy today. Only the President and Congress can change it!

As President Lincoln said: "As our case is new, we must think anew and act anew. We must disenthrall ourselves [from free trade economists] and then we shall save our country."

#### WILLIAM WILBERFORCE TRAFFICKING VICTIMS PROTECTION REAUTHORIZATION ACT

Mr. DURBIN. Madam President, yesterday, on the 60th anniversary of the Universal Declaration of Human Rights, the Senate and House passed an important and comprehensive human rights bill: the William Wilberforce Trafficking Victims Protection Reauthorization Act of 2008. I was a cosponsor of this bill in the Senate and celebrate its passage. I commend the leadership of Senators BIDEN and BROWNBACK, Representatives HOWARD BERMAN and CHRIS SMITH, and their staffs, for working with Federal agencies and service providers to craft a consensus, bipartisan bill that will enhance our national and global fight against the scourge of human trafficking. The TVPRA will strengthen the Federal Government's ability to prosecute traffickers, protect trafficking victims, and prevent future crimes.

It is impossible to discuss Congress's efforts to address the issue of human trafficking without acknowledging the invaluable contributions made by the late Paul Wellstone and the late Tom Lantos. Senator Wellstone was the moral conscience of the Senate, and he was the driving force behind the initial antitrafficking legislation passed by Congress in 2000 and signed into law by President Clinton.

Representative Lantos, who introduced the first version of the TVPRA in 2007, passed away earlier this year after nearly three decades of distinguished service in the House of Representatives. He was the only Holocaust survivor ever to serve in Congress, and this experience as a victim of the 20th century's gravest human rights atrocity made him one of the leading voices in our time on human rights.

Passage of the TVPRA is a tribute to the leadership and legacies of Senator Wellstone and Representative Lantos.

I am pleased that the authors of the TVPRA included two of my human rights initiatives from the 110th Congress. First, the TVPRA contains a law enforcement initiative I introduced with Senator COBURN called the Trafficking in Persons Accountability Act, which will allow Federal prosecutors to investigate and prosecute traffickers found in the United States even if their trafficking crimes were committed abroad. This initiative, which I discussed in more detail in a CONGRESSIONAL RECORD statement on October 1, 2008, makes an important statement about this nation's intolerance for human rights abuses wherever they occur.

The Justice Department's Civil Rights Division, working with other DOJ components and with U.S. attorney's offices around the country, brought a record number of trafficking prosecutions in fiscal year 2008, and the TVPRA provides the Justice Department with additional tools—including the Trafficking in Persons Accountability Act—to continue its vigorous fight against human trafficking.

The TVPRA also includes another human rights initiative of mine—the Child Soldier Prevention Act—to deter the use of children as soldiers in armed conflicts around the world. Each day, up to 250,000 children are exploited in state-run armies, paramilitaries, and guerilla groups around the world. These child soldiers serve as combatants, porters, human mine detectors, and sex slaves. Their health and lives are endangered and their childhoods are sacrificed. The lasting effects of war and abuse may also remain with them long after the shooting stops.

The Child Soldier Prevention Act, which I introduced with Senator BROWNBACK in 2007, is designed to encourage governments to disarm, demobilize, and rehabilitate child soldiers that are being used and abused in government forces and government-supported militias. Using the State Department's Country Reports on Human Rights as a barometer, this bill limits the provision of U.S. International Military Education and Training, Foreign Military Financing, and other defense-related assistance in our foreign operations programs for countries that use child soldiers. Countries that are identified in a Human Rights Report as recruiting or using child soldiers in government armed forces or government-supported paramilitaries or militias in violation of international standards would lose their eligibility for substantial U.S. assistance.

Ishmael Beah made a compelling case for the urgent need for this legislation in his testimony last year before my Senate Judiciary Subcommittee on Human Rights and the Law, and in his firsthand account of his years as a child soldier in Sierra Leone in his book "A Long Way Gone: Memoirs of a

Boy Soldier." In his testimony before my subcommittee, Mr. Beah said:

As I speak to you, there are thousands of children from ages 8 to 17—in Burma, Sri Lanka, Congo, Uganda, Ivory Coast, Colombia, just to name a few places—that are being forced to fight and lose their childhoods and their families. They are maimed and lose their humanity, and these are the fortunate ones. Those who are less fortunate are killed in the senseless wars of adults.

There are credible reports that children are again being recruited to fight in the Democratic Republic of Congo, a country that has suffered a recent horrific surge in violence after years of being ravaged by war, and a country that receives U.S. military assistance. The United Nations Children's Fund reports that the forced recruitment of children as soldiers in Congo is widespread and on the rise. Since the most recent outbreak of violence in August, more than 250,000 people have been displaced. According to the U.N., children who flee their homes are often separated from their families, and therefore left unprotected and vulnerable to warring parties that force them into their armies.

The use of child soldiers directly contravenes U.S. policy and the Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflict, which the United States ratified in 2002. The United States has a moral obligation to avoid funding armed forces that use child soldiers. I am proud that with the passage of the TVPRA, we have taken an important step to try to stop this abhorrent practice.

Finally, I want to highlight an important provision in the TVPRA that will crack down on foreign diplomats in the United States who abuse their domestic employees. At a Human Rights and the Law Subcommittee hearing I chaired in 2007 regarding human trafficking, we heard testimony from a distinguished human rights lawyer, Martina Vandenberg, who represents several trafficking victims in lawsuits against their traffickers. Due to the doctrine of diplomatic immunity, a legal principle that exempts certain government officials from the jurisdiction of U.S. courts, Ms. Vandenberg indicated that such lawsuits are routinely dismissed.

A July 2008 GAO report, which Senator COBURN and I requested, revealed that there have been 42 documented allegations in the United States of unlawful abuse, exploitation, or human trafficking by foreign diplomats with immunity since 2000, and that the Justice Department has opened 19 criminal investigations of foreign diplomats in the past three years alone. These are not isolated incidents.

The TVPRA requires the Secretary of State to suspend the issuance of A-3 and G-5 visas—used for the hiring of non-U.S. citizens as domestic workers—with respect to foreign diplomats employed by a country or international organization that has a record of tolerating the abuse or exploitation of do-

mestic workers. The act also prevents such visas from being issued or renewed unless the domestic worker meets personally with a U.S. consular official outside the presence of the employer to go over their employment rights and protections. And the act contains a robust reporting requirement that will help keep Congress informed about future incidents of abuse of A-3 and G-5 visa holders, as well as about options to ensure that victims receive appropriate compensation if their rights are violated but they are prevented from seeking a remedy in court due to the assertion of diplomatic immunity.

Human trafficking is a form of modern-day slavery. President-elect Barack Obama has called it "a debasement of our common humanity." With the passage of the TVPRA—the fourth major antitrafficking bill passed by Congress in the past 8 years—Congress has once again exercised its moral leadership on one of the most urgent human rights challenges of our time.

#### ANNOUNCING CHRISTOPHER JAMES DUFFIELD

Mr. KYL. Madam President, I rise today to announce to the Senate the arrival of another Duffield in this world. Christopher James Duffield was born to his parents, Steven and Cara, on the third day of November. Christopher's father Steven served as the executive director of the Platform Committee at this year's Republican Convention in Minneapolis. Prior to that, Steven served as a senior policy advisor and chief counsel to me at the Republican Policy Committee and the Senate Republican Conference. Christopher's mother, Cara, is a partner at the law firm of Wiley Rein.

Christopher joins us at what is a tumultuous and difficult time for both the Nation and the Republican Party. On November 4, we Republicans fared poorly in Federal elections, losing the Presidency and deepening our deficit in the House and Senate. The new majority promises to cure the Nation's economic ills with a Keynesian spending spree of the type that worked so brilliantly in the 1930s, and pledges that it will reduce taxes for 95 percent of Americans, while only increasing them for some other guy. Many fear that the coming years will put the test to Alexis de Tocqueville's warning that "the American Republic will endure, until politicians realize they can bribe the people with their own money."

Meanwhile, since September of this year, the United States has experienced a severe financial crisis, precipitated by the collapse of banks that have been overwhelmed by the weight of unsound mortgages that they acquired. Many established and storied financial institutions have disappeared in bankruptcies and mergers during the last few months. As lending has tightened, unemployment has increased, and