

for all American businesses. But passing this bill is not the right thing to do just because it is popular. It is the right thing to do because it will have a positive impact on our economy.

Economists from across the political spectrum agree that steps taken in this legislation would increase economic activity and add jobs. According to Mark Zandi, chief economist of Moody's:

The plan would add 2 percent points to GDP growth next year, add 1.9 million jobs, and cut the unemployment rate by a percentage point.

That is an economist's words, not mine. It would accomplish this by initiating targeted measures, many of which have garnered overwhelming bipartisan support in the past. The employee payroll tax cut that would be extended under the American Jobs Act was originally introduced by my friends, Senator SCHUMER and Senator HATCH. It was ultimately included in the HIRE Act, which ultimately passed the Senate by a 68-to-29 vote early in 2010. Just over a year ago it was extended again. This time, 139 House Democrats and 138 House Republicans joined to support it. In the Senate, 37 Republican Senators joined 43 Democratic Senators in voting for the extension.

Cutting the payroll tax for all American businesses is another idea that has gained strong bipartisan support. In fact, it has been the centerpiece of several jobs packages put forward by my colleagues on the other side of the aisle.

We all know the neglected state of our Nation's infrastructure. Crumbling infrastructure just does not threaten public safety, as it did in Minnesota when that bridge collapsed, it also weakens our economy. Congestion and inefficiencies in our transportation network limit our ability to get goods to market.

We all know one of the main ways we are going to get out of this downturn is with exports. Well, to truly have the kind of exports we want to see in this country, we have to be able to get our products on a truck or get them on a train and get them to a port and get them across the sea or get them on an airplane. The only way we are going to do that is if we have a transportation system that matches the economic system we want to have.

The congestion, the inefficiencies in transportation exacerbate the divide between urban and rural America. They constrain economic development and competitiveness. They reduce productivity as workers idle in traffic.

Americans spend a collective 4.2 billion hours a year stuck in traffic—4.2 billion hours a year stuck in traffic—at a cost to the economy of \$78.2 billion or \$710 per motorist. Think about that, over \$700 per motorist simply because of people waiting in line on our highways.

What better way to get our struggling economy back on track than to

build the 21st-century transportation network our economy demands, while creating jobs in the construction industry, which, as I mentioned, has been one of the hardest hit industries. The American Jobs Act would establish the infrastructure bank as a new financing authority to help address some of our Nation's most important transportation projects. Roads, freight rail, and water projects in my State of Minnesota and across the Nation would benefit from access to loans and loan guarantees from this public-private partnership.

This approach has bipartisan support in the Senate, as do the other proposals I discussed. In March of this year, U.S. Chamber of Commerce President Tom Donohue endorsed the idea saying this:

A national infrastructure bank is a great place to start securing the funding we need to increase our mobility, create jobs and enhance our global competitiveness.

So pieces of this bill have been supported by the chamber; pieces of this bill have been supported by my Republican colleagues. In fact, the major provisions of this bill have been supported on a bipartisan basis. There are other great ideas in this bill as well, such as an extension of the bonus depreciation, which would allow businesses to continue to immediately write off the cost of investments in new property and equipment.

I have to say this was the one thing—when I met with our small businesses over the last few years, this was the one thing they kept mentioning, that this was very helpful for them and would create an incentive for them to invest in equipment.

This bill includes a returning heroes tax credit for veterans, which would provide a tax credit up to \$9,600 to encourage companies to hire unemployed veterans. At a time when the percentage of unemployed veterans of Iraq stands at 11.7 percent, the importance of a provision such as this is clear. There is no reason that those people who have served our country should have to come back to the United States and not have a job. When they signed up to serve our country, there wasn't a waiting line. When they come back to America and they need a job or they need college or they need health care, there should not be a waiting line. I am glad this provision is included in the bill to create an incentive to hire returning veterans. The post-9/11 time period is most important when you look at the unemployment rate.

With our economy struggling and 14 million Americans still out of work, Minnesotans want Congress to put the politics aside and come together to move our economy forward. It is time to step forward and show some leadership, and it is time for us to work together to show the American people that Washington isn't broken—that, instead, we are willing to put aside politics to do what we were elected to do, to do what is right for America.

I urge my colleagues to vote for this important piece of legislation that

would put Americans to work and help our struggling economy get back on track.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. BROWN of Ohio. Mr. President, we are in morning business, right?

The PRESIDING OFFICER. That is correct.

CHINA'S CURRENCY POLICY

Mr. BROWN of Ohio. Mr. President, in an hour or so, the Senate will be voting on our currency bill, S. 1619, the bipartisan bill I am a prime sponsor on, along with Senators SCHUMER, GRAHAM, and SESSIONS, and a host of other Senators in both parties, including Senators STABENOW, SNOWE, COLLINS, and HAGAN.

I thank my colleagues for the vote last week of well in excess of 60 bipartisan votes, allowing us to consider this measure. I am struck by some of my colleagues who dismiss this bill as a "message" bill. There are opponents of the bill, and there are always people who don't want to stand up to China. I think they are undercutting our ability to stop the hemorrhaging of our manufacturing jobs. That is their decision to make. Again, I am struck by how some of my colleagues dismiss this as a message bill. I don't know what a message bill means to anybody outside of Washington. I know this bill is a jobs bill. I was talking to an anchor on MSNBC, who said we lost almost 3 million jobs to China in the last decade, most of them manufacturing jobs. This is legislation that will stand up to the Chinese and say: You are not going to game the currency system or export from China into our market and have a 25-, 30-, 35-percent subsidy, and you are not going to put up a tariff using currency as that tariff, by and large, in effect, to add 25, 30, 35 percent to the cost of an American good sold into China.

This legislation is all about jobs in industries that have been holding on for their life, such as paper, steel, tires, and aluminum. But it is not just paper, steel, and tires; it is no longer a trade deficit in T-shirts and bicycles. This trade deficit, which has more than tripled in the last decade, is now almost \$800 million a day. That means every day companies buy \$800 million more in Santa Fe and in Dayton than we sell to China. We buy \$800 million more than we sell. We cannot keep doing that.

This trade deficit has risen through the economic food chain all the way to advanced technology products. It is not just tires and steel, as important as they are to many workers in this country; it is also jobs in solar, wind, and clean energy components manufacturing, and in the auto supply chain. Those are millions of jobs in our country. What this legislation means in so many ways is that we can be competitive on all fronts with China, Germany, and Japan. We can compete on productivity. We have skilled workers and

world class infrastructure. But how do you compete against a 25-, 30-percent subsidy? How can workers in Findlay who make tires or in Chillicothe who make paper or in Defiance who make engines compete with \$1 billion in subsidies? As a leader in this effort, Senator MERKLEY noted currency manipulation is a 20- to 30-percent tax on our exports. If a company in Albuquerque or Atlanta or Ashtabula makes a product and sends it to China, it costs 25, 30 percent more because they put a currency tariff on that product.

I find it hard to believe that some of my colleagues—about 30 of them—would want to continue this tax on our exporters. It is, pure and simple, a tariff and a tax on our exporters trying to sell products into the Chinese market.

Senator FEINSTEIN spoke about the compelling image she saw from her San Francisco home. Looking out at the San Francisco Bay, she counted the cargo ships departing for Asia, half filled with mostly scrap paper and other scrap, while the incoming ships are filled with goods. That tells you that we buy \$800 million a day more from China than we sell to China. It is not because our workers are not productive or that our companies are not efficient or because our scientists and researchers aren't the most innovative in the world; it is because China has a 25-, 30-, 35-percent tax on our products and a subsidy on their products. That is pure and simple.

For a State such as mine, trying to get a foothold on clean energy technology research and production, the race against China will only accelerate in the coming years. That is why it is imperative that we not sit idly by while China subsidizes its exports through its currency regime. This is no message bill. This is level-the-playing-field legislation.

Let me speak about some other charges that have been made. Some of my colleagues note that China's currency has increased about 30 percent in recent years. No doubt the RMB has appreciated about 30 percent. Since the Senate acted in 2005, the Chinese currency, the RMB, has appreciated about 30 percent. But as the Peterson Institute for International Economics has shown—which is not an anti-free trade, pro-fair trade, liberal, progressive, socialist organization; it is a middle-of-the-road, mostly free trade organization, staffed by sort of elite economists in the Northeast—Even the Peterson Institute for International Economics has shown that the RMB is more undervalued than a year ago because of China's rapid growth in the past few years, as well as inflation and productivity. The Peterson Institute estimates that China's currency manipulation increased from 24.2 percent in 2010 to 28.5 percent in 2011, despite the fact that China's real exchange rate appreciated over the past year. That means it is getting worse. If we want to call it a message bill, it may work with some in this institution but not with the Amer-

ican public. This is getting worse and worse for our manufacturers. I will tell you about one, the Bennett brothers in Brunswick, Ohio, who came to me. I was talking to them in northeast Ohio a couple weeks ago. They run a family company that has been around for about 35 years in northeast Ohio. This company is called Automation Tool and Dye. They were about to have a million dollar sale to an American company looking for their product and, at the last minute, the Chinese came in and undercut them by 20 percent. Why? Because they got a 25-percent, 30-percent subsidy bonus because of their currency.

The point is that China is massively and increasingly intervening in its currency. The International Monetary Fund knows it. The IMF has estimated that China's global current account surplus—the broadest measure of its trade balance—will more than double from \$305 billion in 2010 to \$852 billion in 2016. The problem is getting worse.

If one thing is clear since the Senate voted in 2005 to slap tariffs on Chinese goods, it is this: The RMB is pegged to American political pressure. If we can predict anything, we know that if we take the pressure off, China will get worse. If we can predict another thing, we know that if this passes and begins to work its way through the House to the President's desk, the Chinese will respond by significantly appreciating their currency.

Some of my colleagues wring their hands, saying we might set off a trade war, and that this is the second coming of Smoot-Hawley. The facts are clear that this is very different. When Smoot-Hawley was enacted by Congress, in those days the United States had a trade surplus. So countries around the world were angered that while we had a trade surplus we were enacting Smoot-Hawley, more tariffs. Today, we have one of the largest trade deficits in world history, so we are in a very different position.

As Senator SESSIONS said, when he heard this criticism that we might set off a trade war, we have been in a trade war for a long time. The Chinese seem to be doing very well. They have declared a trade war. That is why they subsidize water, paper, steel, capital, and land. This features spies, features theft of intellectual property, and that 30-percent stealth subsidy that gets applied to every export China sends to the United States. So we are already in a trade war. The only difference is that today on the floor of the Senate we have taken a big step toward abandoning the failed tactics of unilateral disarmament.

Workers in my State know that we have been waving the white flag in this trade war. I remind my friends that the United States has more leverage than any of China's trading partners, as China is overly dependent on access to our market to maintain its own exports and jobs.

This isn't Smoot-Hawley, as some want you to believe. This legislation

does not mandate sanctions against China or any other nation. It does not slap an across-the-board tariff on Chinese imports tomorrow as China has effectively done to ours. In fact, if this bill becomes law, the duties would apply to less than 3 percent of Chinese imports.

When you think about this, of all Chinese exports, about one-third come to the United States. If Senator DURBIN is in business in Chicago, and he has a company—or he has a customer in his company who buys one-third of all of their goods, he is going to be good to that customer. He will not declare war on them. The Chinese won't declare economic trade war on us, because we buy so many of their exports.

I will close with this. If China is found to be manipulating its currency, this bill sets in motion a series of steps to place pressure on the Chinese Government to stop rigging the exchange rate in its favor. It is simple.

According to a recent New York Times op-ed by C. Fred Bergsten of the Peterson Institute:

To be sure, some American corporations will fret that these actions would needlessly antagonize the Chinese and threaten a trade war. . . . I believe these fears are overblown. The real threat to the world trading system is protectionist policies, including undervalued currencies, of other countries, and the vast trade imbalances that result.

As Presidential contender Mitt Romney put it, taking action to remove protectionist market distortions would not result in a "trade war," but failing to act will mean the United States has accepted "trade surrender."

We can vote yes today and it will mean we will stand up to the Chinese and, more importantly, it will be a victory for American workers, and especially American small manufacturers.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

IRAN SANCTIONS

Mr. KIRK. Mr. President, I want to talk briefly about the breaking news today that the Justice Department and Attorney General Eric Holder announced that a plan was conceived, sponsored, and directed from Iran to conduct bombings in Washington, DC, and potentially also in Buenos Aires, Argentina. This is from a government that Secretary of State Clinton designated as a state sponsor of terror. It is what I would think of as a very audacious, forward-leaning plan to attack the United States, its people, and foreign embassies in the Nation's capital.

Tomorrow, in the Senate Banking Committee, we will meet with our Under Secretary of the Treasury, a very able man named David Cohen. I urge the administration to look at what is the most effective sanction currently pending on our docket against the terrorists in Iran.

Earlier this year, we had 92 Senators—just about the entire Senate—