

economic situation. I am very frustrated. I am frustrated for the people of Tennessee and the fact that our economy is not showing the kind of growth we would all wish to see. I understand how politicians like to respond to things back home by making it look as if they are doing something to benefit the folks back home during this tough economy. I plan to speak at length on this throughout the week that this bill is being debated.

The bill that is going to be on the floor tonight is not the answer. I think most of you know that tonight we are going to begin debating a bill that would call China, in essence, a currency manipulator. And, by the way, they are a currency manipulator and I will agree to that. But the response that this bill wants to put in place is to put tariffs on Chinese imports, and what I believe will happen is it will begin a trade war.

What I wish to say is this is the U.S. Senate. I understand that sometimes a hot bill will make it out of the House for lots of reasons, due to its makeup. I understand that a lot of times a bill such as this comes forth for messaging. What I would say is we are actually playing with fire here. This is something that is originating in the Senate. It is a place where typically things are to cool and we are to think through things.

I am hopeful we will have a vigorous debate on this, and many amendments, because my concern is that at a time in our country when we have had a financial crisis which has led to the type of economy we have here where we wish to see many people in our country have greater and more full employment, at a time when we come off high energy prices a few years ago that sucked a lot of life out of this economy, at a time when the global economy is slowing much due to the financial crisis that is occurring right now in Europe, I think the response we want to put forth is not to create a trade war with China.

I think most of us know China has been a currency manipulator. They have a managed float for their currency. We wish to see that rise much more quickly than it has. It has risen about 30 percent in the last several years.

So the point is they are making changes. China has an antiquated financial system that has to be changed; it has to be liberated; it has to become more like what we have in this country. And those steps are happening. There is no doubt that importers—there is no doubt that the goods that come here from China come here at a lesser price than they otherwise would because of the currency float they put in place in China. I understand that. But that is changing. And the fact is that with a country of 1.3 billion and as their standard of living continues to grow, we have an opportunity to have even more trade with this country. Our exports to China have grown sixfold over the most recent time.

So here we have an opportunity in this Chamber very soon to take up the three free-trade agreements with South Korea, Panama, and Colombia, trade agreements we have wanted to have in place for a long time. Here we are, the Senate, a body that is supposed to act with cooler heads. And I understand the pressures back home. I have them too. Our State has tremendously high unemployment, much higher unemployment than I wish to see happen. I know when I go to townhall meetings, people talk about China, and I understand that. But I think people may be misreading what is in this bill. I think a lot of people think this bill is sort of a plaything because it actually gives the President a chance to waive tariffs on goods that happen to come here cheaper because of currency manipulation. But that is not the case. That is not what this bill says. A lot of people have misunderstood what this bill says. They think it is sort of a plaything and the President can make it all right. The President, if you will, can be the adult and not create a trade war. But that is not what the bill says. The bill says this country has to put in place tariffs on goods coming into this country, as long as they are not being dumped into this country. If they come in at a competitive advantage, we have to put in place tariffs.

Is this what the Senate wants to do today? We have had a tremendous financial crisis. We have high unemployment in this country. We are tremendously overregulated. We are not doing the things within our own country we should be doing, that many of us have been arguing, to cause our economy to grow. We have a financial crisis that is taking hold and taking root and actually moving in parts to this country and hurting us. The markets are down.

So the Senate, a body of 100 people who are elected for 6-year terms, wants to put in place tariffs on a major growing country that we have growing exports to, and create a trade war—a trade war between the two largest economies in the world? That is our response, instead of understanding the best thing we can do for this country right now is to deal with those long-term solutions in our own country and ask this deficit reduction committee to go big, to get \$3 trillion, to do tax reform, to do entitlement reform. These are the kinds of things we ought to be doing in this country: passing a 6-year highway bill; producing American energy; reducing regulations that are impeding our economy and not helping the country. Those are the kinds of things we ought to do. That is the response from the Senate, from people with 6-year terms who were elected to be the cooling of legislation, not to originate bills out of this body that we know, if passed, will likely create a trade war.

It is as though this country has lost its ability to see the fact that we are an exceptional country. It is as though we are cowering down now. It is as

though we know what to do but we won't do it, and, instead, now we have got to find a bogeyman.

Do I like what China is doing with their currency? No. But is it changing? Yes. Is our country putting pressure on China to change? Yes. Is it occurring? Yes. It is going to have to. The middle class in China is going to want access to the kinds of goods our country produces. It is naturally happening. So why would we as a country tinker at this time of a global slowdown with creating a trade war?

I understand and I know many of the Senators in this room hear the same things back home I hear back home. But the last thing we need to do at this point in world history, at this point with the global economy as it is today, is repeat the same mistakes that happened back in the 1930s with Smoot-Hawley. That is exactly the path we are going down. It is as if we don't learn from history. I urge all Senators to think about this.

I understand we are probably going to move to this bill tonight. I do hope we have a vigorous debate. I hope we change this bill dramatically, if not kill it. But I think Senators need to understand, in my opinion, we are playing with fire. This is not the right thing for us to do. We need to be focusing on how we make this great Nation, the greatest Nation of all times, grow. We can do that by dealing with our own issues here internally. We know how to do it, and we can do this by courageously dealing with the long-term issues that confront this country. That will be the short-term stimulus this economy needs.

Mr. President, I yield the floor, and I note the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SCHUMER. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. SCHUMER. Mr. President, I ask we move from morning business to the pending legislation.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

CURRENCY EXCHANGE RATE OVERSIGHT REFORM ACT OF 2011—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the motion to proceed to S. 1619, which the clerk will report.

The assistant legislative clerk read as follows:

Motion to proceed to the consideration of S. 1619, a bill to provide for identification of

misaligned currency, require action to correct the misalignment, and for other purposes.

The ACTING PRESIDENT pro tempore. Under the previous order, the time until 4:30 p.m. will be equally divided and controlled between the two leaders or their designees.

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. SCHUMER. Mr. President, I rise today in strong support of S. 1619, the Currency Exchange Rate Oversight Reform Act. First, I want to say this bill is the culmination of years of hard work and collaboration between Democrats and Republicans. I thank Senator LINDSEY GRAHAM of South Carolina. He and I have been partners in this endeavor for over 5 years. We have traveled to China together. We have worked long and hard to try to gain some fairness in the way China treats American industry, particularly in regards to currency.

I thank Senator SHERROD BROWN and Senator DEBBIE STABENOW. Both made very valuable additions to the proposal on the Senate floor today. In fact, Senator BROWN is the lead sponsor of this legislation because of the strong and good work he has done. They both have worked long and hard, realizing the industries in their States are at such a competitive disadvantage.

I thank my colleague, JEFF SESSIONS, as well, who has been one of our partners and leaders on this legislation over the last several months, and lead sponsors in addition: BOB CASEY, OLYMPIA SNOWE, JEFF SESSIONS, KAY HAGAN, and RICHARD BURR, as well as dozens of other cosponsors on this bill for their work on this issue for many years.

I also want to particularly express my appreciation to Chairman MAX BAUCUS and former ranking member of the Finance Committee CHUCK GRASSLEY for their leadership and work on currency manipulation. We believe our bill is WTO compliant, and it is in part because Senators BAUCUS and GRASSLEY looked at our original bill and worked with us on suggestions as to how to change it to make it just as effective but within the rules of WTO.

Today we have an opportunity to help put middle-class Americans back to work and, amazingly enough, in a bipartisan way. Today we stand together to defend American jobs against market-distorting, job-killing exchange rate policies that subsidize foreign manufacturers at the expense of American manufacturers. These currency policies artificially raise the price of U.S. exports and suppress the price of Chinese imports into the United States, undermining the economic health of American manufacturers and their ability to compete at home and around the globe.

China is by far the biggest exploiter of predatory currency practices, but our bill does not target China or any one country. Our bill, rather, says there will be consequences for any country that engages in currency ma-

nipulation to gain an unfair advantage over American businesses.

It has been 10 years since China joined the WTO. In those 10 years the Economic Policy Institute estimates that 2.8 million American jobs were lost or displaced in manufacturing or other trade-related industries as a result of increased trade with China and the Chinese Government's manipulation of its currency. My State of New York has suffered some of the biggest losses, with over 161,000 jobs lost or workers displaced since 2001. Accession to the WTO was supposed to bring China's policies in line with global trade rules meant to ensure free but fair trade. Instead, China has single-mindedly flouted those rules to spur its own economy and export-oriented growth at the expense of its trading partners, most of all the United States.

Our economic relationship with China needs a fundamental change. It is not just in currency, although that is the No. 1 issue. On issue after issue, whether it is poaching intellectual property, unfairly and illegally subsidizing Chinese businesses, monopolizing rare earths, not allowing American companies to compete in China—on issue after issue China is mercantilist, plain and simple. They use the rules of free trade when it benefits them and spurn the rules of free trade when it benefits them. For years Americans have grimaced, shrugged their shoulders, but never done anything effective to in large measure stop the Chinese pursuit of unfair mercantilism.

Six years ago I was in upstate New York and a steel manufacturer told me they could compete against Chinese steel just fine, even with labor costs being lower in China, except for the fact that China manipulated its currency and gave Chinese steel imports a 30- to 40-percent advantage. The owner of the company, providing 300 good-paying jobs, pleaded with me to do something. I happened to speak with Senator GRAHAM, and he was finding the same situation with industries in his State of South Carolina.

We began our crusade to get China to behave fairly. At first, people did not even accept the fact that currency manipulation was wrong and harmful to America. I remember at one point, within a short period of time, both the New York Times editorial page—a decidedly liberal editorial page—and the Wall Street Journal editorial page—a decidedly conservative editorial page—said China should not have to let its currency float, even though it is a tenet of free trade since Bretton Woods that said the way to correct large imbalances in trade is to let a currency readjust by floating.

We spent years convincing America, convincing our colleagues that this manipulation of currency dramatically hurt America and was unfair and against all tenets of free trade. We have achieved that goal. Now the editorials may pick reasons they do not like our particular bill, but they say:

Oh, yes, we have to deal with Chinese currency manipulation.

But when we ask people who say: Don't do your bill, deal with it a different way, we say how? No one has another answer. It was true that our initial bill introduced 5 years ago was a blunt instrument to bring attention to the issue. It was our hope then not to pass the legislation—in fact, we allowed cooling off period after cooling off period in the legislation—but, rather, simply to get the Chinese to act. But about after 3 or 4 years, Senator GRAHAM and I became convinced that China would not act. When there was real pressure they might move the currency a little bit, but then they would back off.

The same proved true in other areas where China unfairly treats American industry, so we came to the conclusion that legislation was the only answer, no one having a preferred or even seemingly possibly effective alternative. So we worked, as I said, with Senator BAUCUS and Senator GRASSLEY and came up with a proposal we believe meets WTO rules.

Then, because Senator STABENOW had worked long and hard on this issue along with Senator COLLINS, we combined her proposal and our proposal. Hers was mainly focused on the Banking Committee, Commerce Department, ours on Treasury. Then a year or two ago, Senator BROWN and Senator SNOWE had an additional proposal, and we have combined all of these proposals into one workable bill that will finally get fairness for American companies.

Over the past 6 years we have been sending a message to the Chinese Government about their exchange rate policies. Every Treasury Secretary since we began this crusade said: You know what. Let me just talk to the Chinese. I can bring reason to them.

They did it with the best of intentions and the best of hopes, every Treasury Secretary—casting no aspersions on any of them because the fault was China's, not ours—and could not get progress at all.

So it is down to this. If we want American companies to have a fair chance of competing, this is the solution. Not everyone will agree with every jot and tittle in this bill, but I think the vast majority of my colleagues will agree with its thrust and the need to do more than we have been doing. For that reason I am hopeful that large numbers on both sides of the aisle will vote for this motion to proceed so we can begin debating this measure and listen to some amendments if people have ideas as to how to change it.

Let me go over our bill. Our bill is intended to give the administration additional tools—this administration or any—to use if countries fail to take steps to eliminate currency misalignment. The bill would prohibit Federal procurement of products or services

from a country that fails to adopt appropriate policies or to take identifiable action to eliminate currency misalignment.

Our bill also uses U.S. trade law to counter the economic harm to U.S. manufacturers caused by currency manipulation. The artificially low value of the yuan—economists estimate it is anywhere from 20 to 40 percent less than what it should be—amounts, as is well known now, to a subsidy on Chinese exports and a tariff on imports from the United States and other countries to China.

Under existing trade laws, if the Commerce Department and the International Trade Commission find that subsidized imports are causing economic harm to American manufacturers and workers, the administration must impose duties on those imports to offset or countervail the benefit conferred on foreign producers and exporters by government subsidies. Commerce already has the authority under U.S. law to investigate whether currency undervaluation by a government provides a countervailable subsidy, although it has failed to do so despite repeated requests by industry after industry to investigate.

Our bill specifies the applicable investigation initiation standard so Commerce can't just turn its back on these companies, and it will require Commerce to investigate whether currency undervaluation by a government provides a countervailable subsidy if the U.S. industry requests the investigation and provides the proper documentation.

Our bill also clarifies that Commerce may not refuse to investigate a subsidy allegation based on the single fact that a subsidy is available in circumstances in addition to export.

Our bill also uses the term "currency misalignment," but it is not just a term. Administrations, both the Bush administration and the Obama administration, have, to the amazement of many Americans, refused to label China a currency manipulator. But manipulation is a subjective standard involving intent. What we do is refine that concept and go for misalignment. We believe misalignment is the appropriate standard. That is not subjective. It is not saying why the currency is misaligned or how or who did it. It is simply saying that it is. It is a narrower standard. It is a standard that is harder to wriggle out from under if anybody, any government official is intent on not enforcing the rules we think necessary to get the Chinese to act. So the bill is carefully thought out. The decimation of our middle class, our manufacturing sector, and the American economy as a whole is due in part to developing countries such as China employing currency manipulation and other aggressive mercantilist tactics to tilt the field in their favor. In the absence of action by the administration, we have a responsibility to protect the interests of American workers and companies.

One of the questions that is raised is, Is our bill WTO compliant? We believe it is. We have worked hard to ensure this. The bill provides the President with flexibility to waive any consequences that might have an adverse impact on the U.S. economy. The bill also continues to allow the U.S. Government trade officials to do their job and make the decisions on the basis of facts argued before them. We have talked to many experts in the field. They too believe our bill is WTO compliant.

What do the critics say? No one criticizes the idea that China has manipulated its currency. No one criticizes the thought, the actuality that China manipulates its currency. Almost everybody thinks not enough is being done. The main argument against our bill is not the bill itself, but critics of the bill worry that maybe this could start a trade war with China. Well, I have news for them: We are already in a trade war with China, and we are losing. China, by its mercantilist policies on currency above all but on rare earth and intellectual property, unsubsidization of homegrown industry, on exclusion of American exports where we might have advantage, is already engaged in a trade war, and the result is that millions of Americans do not have jobs who should. The result is that hundreds of billions of dollars flow out of America and into China. If we do not do anything about this, our country will be hurt badly, perhaps irreparably.

Some argue, as did the Washington Post today, that it will not have much of an effect because the industry of China has to revalue its currency; these industries will go to places such as Bangladesh. They are making an argument that is 5 and 10 years old and stale. We are not arguing about labor-intensive industries such as clothing or shoes or toys. Those are going to Bangladesh already, with the cost of Chinese labor going up. China uses its currency manipulation against our top-notch manufacturers. The large companies say nothing because most of them have plants in China, so they can get around it, but middle- and small-sized manufacturers are up against this wall and are desperate for our help.

One manufacturer in upstate New York makes a very advanced product that deals with cleaning pollutants as they go through a power system. It is a top-notch product. This manufacturer, who employs a couple hundred people in upstate New York, said to me: China's stealing my stuff even though I have patents and other things on it. They are stealing the method by which we do this. He said: I could live with that if they just sold the stuff in China. We are not big enough to export all around the world. Instead, what they do is steal our intellectual property on this, and then they come back and sell it in America at a 30-percent discount because of currency manipulation. How am I going to compete with that?

There is story after story just like that. When American companies are fighting for their survival and battling subsidized Chinese exports, including high-end exports, this is no longer an argument about labor-intensive industries alone.

I, for one, am not prepared to raise the white flag on American manufacturing and on American jobs, and neither should anybody else. I know American manufacturing can compete successfully against Chinese competition at home, in China, and around the world but only if the playing field is level, and our bill helps to level that playing field.

Critics of our bill say that while currency manipulation is an important issue, legislation to address it would ignore the many and growing challenges we face in China. The critics are wrong. We have no intention of ignoring the range of China's market-distorting practices, the ones I mentioned before. In fact, because China was emboldened on currency, which the whole world—Brazil, just a week or two ago, asked China to stop manipulating its currency. The European Union feels the same way we do. Nobody does anything, so China is emboldened to pursue mercantilist policies in other areas. Just recently, they have become involved in rare earths. They tell American manufacturers: If you want rare earths, you would be a lot better off sending your plant to China. It is just unheard of.

Critics of our bill say it is unlikely to create any incentive for China to modify its exchange policies. The experience Senator GRAHAM and I have had is that when China thinks something might be done, they begin to let their currency rise. Because nothing permanent is done, they go right back to their old habits as soon as the pressure is off. This idea that if we pressure the Chinese, they won't do it makes no sense. If we pressure them, they do nothing, and if we don't pressure them, they do nothing. The only answer is concrete legislation.

What would those who oppose this bill have us do? What is their suggestion? They do not really have one. Should we continue to sit back and watch while American jobs and American manufacturers and even large chunks of American wealth just drift away? Should we continue to, as one of my constituents put it, be not Uncle Sam but Uncle Sap? Well, there are too many of us in this Chamber on both sides of the aisle who will not sit back and continue to let mercantilist trade practices continue to decimate American manufacturing and American jobs—middle, low, and high—nor will my colleagues here in the Senate. Democrats and Republicans are united on this issue. We must take decisive action against China's currency manipulation and other economically injurious behavior. The fact that they manipulate their currency imbalances the whole world trading system. Many

economists list it as one of the reasons we had the decline in global trade in the worldwide recession. We simply have no choice but to right the wrong China is committing.

Any retaliation by China would be further evidence of their unwillingness to meet their obligations under the WTO and the global trade community. By the way, China has a lot more to lose with retaliation than we do. If there is one country that gains the most by exporting to the United States by international trade, it is China. They are very smart, and they are not going to cut their nose to spite their face.

I wholeheartedly support the President's goal of doubling U.S. exports over the next 5 years, but that cannot be done if we do not take concrete action to address the protectionist practices of foreign governments that concede tariff reductions only to replace tariffs with massive currency manipulation, border taxes, and a variety of state subsidies. We will not do it unless we get to the root cause.

China's currency manipulation would be unacceptable even in good economic times. At times of high unemployment, we can no longer stand for it. There is no bigger step to create American jobs than we can take than to confront China's currency manipulation. It is not a Democratic or Republican issue. Every one of us has manufacturers, companies that are struggling to compete at home and abroad with Chinese exports with a built-in price advantage. It is not China bashing. It is about fairness and defending American jobs.

Many of us and most Americans are worried about how things will be in 10, 20 years from now. Will America stay the leading economic power of the world? Will our children have a better life than we do? The No. 1 thing we have to do is change things at home to make that better, there is no question about it. Very high on the list as well is making sure China no longer unfairly sucks millions of jobs and hundreds of billions of dollars of American wealth to its shores. What China does will make our job of keeping America strong, of having the next generation live a better life than this generation far more difficult unless we force them to change. They will not change on their own.

Passage of this legislation will lead to real consequences for countries that unfairly manipulate their currency. We have waited a long time. We have declined to move the legislation at the request of two administrations. Patience—not of us but of the American people—has worn out. I ask my colleagues to stand with us on S. 1619. Stand up for American manufacturing, for American jobs, for American wealth. Stand up so our children can have an even brighter future than we have.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Utah.

Mr. HATCH. I have enjoyed the remarks of my distinguished friend from New York.

As we begin the debate today on the important issue of exchange rate misalignment, although it is an important debate, I seriously question its timing.

Let's step back for a moment. At the end of last month, the Senate approved legislation renewing and expanding trade adjustment assistance. We need to be clear about what this program is—a big government spending program of dubious value but one that is important to President Obama's union allies. Not surprisingly, given the left labor unions wield in the liberal political coalition, this spending program is President Obama's top trade priority, so much so that he was even willing to abandon our allies in Colombia, Panama, and South Korea unless he secured this additional spending. To get more government spending for big labor, the President was willing to hold up the three free-trade agreements with Colombia, Panama, and South Korea that everyone knows will grow this economy and create jobs.

I was happy to chat with the Trade Representative a few minutes ago, and he told me he was going to send those three trade agreements up today, and they should be here between 4 p.m. and 5 p.m. I am really happy about that because it is way beyond time to get them here.

Americans need to remember this episode when they hear the President talk about his commitment to job creation. Put aside all the talk, and it is clear where the rubber hits the road. The President will prioritize government spending over private sector job growth.

Still, because of the President's insistence on this spending program, the TAA bill is likely to pass the House and become law. So here is my question: Given that we just debated a trade bill that we knew would likely become law, why was this currency bill not considered in that context? I can only conclude either that the administration opposes the currency bill and therefore asked that it not become part of TAA or that the consideration of this bill is merely a political exercise with little expectation that it ever will become law. With millions of Americans out of work and the economy stagnant, the people of Utah and all American citizens deserve more than political grandstanding.

Regarding the substance of the issue, the manipulation of currency values by major trading partners in order to gain unfair trade advantage represents a genuine threat to U.S. jobs and to rebalancing of the global financial and economic system. For many years and continuing into the present, that threat is a reality. There is virtually unanimous agreement among international analysts that there exists large-scale, prolonged, one-way intervention in exchange markets by some of our important trading partners in

order to limit or preclude currency appreciation, primarily in China but also in some of the other economies as well. There also seems to be little question that China manipulates its currency in order to subsidize its exports.

The bill before us seeks to address exchange rate misalignment specifically and global imbalances generally by sharpening the tools available to counter currency manipulation by a trading partner. Of course, any additional tools we can construct must be carefully crafted to align with all of our international trade agreements and global rules of trade.

The issue of China's currency has been with us for far too many years.

The issue of China's currency has been with us for far too many years. We have repeated discussions about how to address lack of appreciation of China's currency, followed by diplomatic bilateral discussions assurances of moves from China to allow appreciation while the political heat is on, and little change thereafter once the heat subsides.

This approach does not seem to be working. We have had large and persistent bilateral trade deficits with China, and those deficits continue. We have relied on China's massive excess savings to finance our growing debt, and we have worsened that reliance given the debt-fueled spending spree of the current President. China's dollar-denominated reserve holdings, which have grown for many years, have ballooned from around \$1.9 trillion when President Obama took office to over \$3 trillion, according to some recent estimates—a 50-percent increase.

But currency misalignment by China is not the only source of global financial and economic imbalances. If the President looked in the mirror, he would see his own responsibility for global economic uncertainty. Our budget deficits have far exceeded \$1 trillion for the past 3 fiscal years. For 2011, the deficit is expected to be around \$1.3 trillion, which is an unsustainable 8.5 percent of GDP and the third-largest deficit in the past 65 years, exceeded only by the deficits in 2009 and 2010. Deficits of this magnitude have not been seen since the years surrounding World War II, when virtually the entire economy was being directed by the Federal government. Given our budget deficits and the China currency issue, the important question is: What is being done?

Let's look at what is being done with a bit of recent history for context. Back in 2008, then-candidate Obama wrote the following to textile organizations:

The massive current account surpluses accumulated by China are directly related to its manipulation of its currency's value. The result is not good for the United States, not good for the global economy, and likely to create problems in China itself.

He went on to promise that, if elected, he would use all diplomatic

means at his disposal to induce China to change its foreign exchange policies. He promised to beef up U.S. enforcement efforts against unfair trade practices.

Also, back in 2009, during the Treasury Secretary's confirmation hearing before the Senate Finance Committee, now-Secretary Geithner stated that:

President Obama—backed by the conclusions of a broad range of economists—believes that China is manipulating its currency.

Those are strong words. Yet once in office, the President and Secretary Geithner failed to follow up on those words with action. The Administration promised to usher in an era of change but failed to change the way the U.S. deals with the China currency issue.

The Omnibus Trade and Competitiveness Act of 1988 requires that the Treasury Secretary report on exchange rate policies of major U.S. trading partners. Under the act, Treasury must consider whether countries manipulate exchange rates for purposes of preventing balance of payments adjustments or gaining unfair trade advantage.

The evidence clearly seems to show that China's currency policies amount to manipulation leading to an unfair advantage in international trade.

Candidate Obama agreed during his campaign.

Treasury Secretary Geithner agreed during his confirmation testimony.

Yet, as Treasury Secretary and as President, the two have refused to act.

Secretary Geithner has issued five foreign exchange reports, but has refused to label China as a country that manipulates its exchange rate for the purpose of gaining unfair competitive advantage in international trade. Let me repeat that, despite many bold claims about using all the tools at their disposal to counteract China's trade policies, the administration refuses to designate China's policies as being consistent with currency manipulation for trade advantage. The question that I and most of my colleagues from both sides of the aisle have is: Why?

Clearly, the administration must recognize the consequences of China's manipulation for American workers and manufacturers and for the stability of the global financial and economic system. Why, then, is the administration protecting China by refusing to designate it as a currency manipulator?

Under the Omnibus Trade and Competitiveness Act, once a country is so designated, there are no draconian actions required. The immediate repercussions are merely stepped-up monitoring and greater vigilance in dialogue. Those don't seem to be things that would lead to currency or trade wars.

So, why doesn't the administration act?

After all, American jobs are at stake. American workers can compete with any workers in the world, but our

workers should not have to compete against foreign firms that receive massive subsidies. If the President is as intent on focusing on job creation in America as his campaigning suggests, then why has he refused to take such a simple step as designating known, existing currency manipulation?

There is a severe mismatch here between political rhetoric and action.

My fear is that the administration's overreliance on overseas funding—in particular from China—to finance their exploding deficits is preventing the President and his officers from acting on behalf of the competitive, but struggling, American workforce.

It is well past time for the administration to recognize the negative consequences of China's manipulation for American workers and manufacturers, and for global stability.

Even though there has been only tepid support, even on the Democratic side of the aisle, for the President's much touted jobs plan, there is bipartisan agreement that Congress needs to take significant actions to address the massive jobs deficit this Nation is facing. We face a national crisis in having unemployment persisting at over 9 percent, with elevated numbers of the unemployed suffering from long-term bouts of joblessness and with many American workers having become so discouraged that they have simply dropped out of the labor force.

According to statements by the majority leader of the Senate, a focus on jobs is precisely why we are considering the bill before us. According to one of those statements, the majority leader is reported as having said that "I don't think there's anything more important for a jobs measure than China trade."

I am starting to think my friends on the other side of the aisle are like the gang that couldn't shoot straight. The majority leader thinks that addressing China trade is essential to job creation. But based on its failure to use existing tools available to designate China as a currency manipulator, the administration apparently disagrees or it would have long ago used its authority to make such a designation under the Omnibus Trade and Competitiveness Act and then acted on the problem.

The President's focus seems to be elsewhere. He seems to think that at least as important for jobs as the issue of China trade identified by the majority leader is his so-called American Jobs Act. Advertisements by the Democratic National Committee and campaign speeches by the President since he announced it in a joint session of Congress early last month tell us quite clearly that we should "meet our responsibilities" and consider that Act "right away."

Yet my friends on the other side of the aisle apparently believe that a political debate over China and its currency policies are more important for job creation than the President's American Jobs Act.

If the President's act is, as advertised, so crucial for job creation in the face of our national unemployment crisis, why is Senate Democratic leadership delaying its consideration? Why not consider the legislation right away, as demanded by the President in his campaign speeches and Democratic National Committee advertisements?

We are told by the President that Americans who are out of work cannot wait until the next election for us to act boldly for job creation. So why are we not considering his American Jobs Act, unless my Democrat friends disagree with the President that the act would be the most important job creator available to us today?

I suspect they know that the \$447 billion in new stimulus spending included in the President's jobs bill, and the accompanying proposals to impose \$1.5 trillion in new taxes on a sluggish economy, is economically counterproductive and a sure-fire political loser.

I must say that the President's Jobs Act looks like more of the same debt-fueled stimulus spending, cloaked under the guise of "investment," along with higher taxes, cloaked under the label "tax reform."

While I may disagree on the particulars of the President's proposal, I do not disagree with his premise that we face a national crisis in our labor markets and that we should be debating measures that will promote American job creation now, without delay.

We are also told by the President that we must pass our pending trade agreements with Colombia, Panama, and South Korea. Jobs are at stake, he says. As with the political campaign rhetoric exhorting Congress to pass the President's American Jobs Act, which the majority leader has opted to shelve until some unspecified future date, the President delayed the action required to get these agreements passed for much too long.

Pass the American Jobs Act, the President scolds.

But we can't because the Democrat's majority leader has not brought the Act to the Senate floor. The currency bill, which is unlikely to lead to much, if any, job creation before the next election, has come first, perhaps to allow more time for campaign speeches and ads by the Democratic National Committee.

Pass the free trade agreements, the President lectures. But they were delayed, as they sit idle on his desk.

I am pleased, since the trade leader in the administration called me a few minutes ago to tell me they are on their way up here today.

This currency bill is coming first. But what needs to come first is job creation, not electioneering and politics.

Our jobs deficit is a full-blown national crisis. The unemployment rate has been persistently above 9 percent since April of this year. It has averaged 9.4 percent since the President took office. It has been above 9 percent in 26

out of the 31 months since the President took office, despite promises by administration economists that the massive debt-fueled stimulus, which will cost over \$1 trillion when all costs are included, would keep unemployment contained below 8 percent. And the unemployment rate is even higher, at over 16 percent, once we include, for example, people who want to work but have become so discouraged that they no longer look for work.

Nearly 14 million workers are unemployed, and the number grows when we include discouraged workers. The number of long-term unemployed workers has been at record highs. According to Census data released last month, those in their twenties and thirties are suffering from the highest unemployment rate since World War II. The enthusiasm of young citizens in 2008 long ago gave way to disappointment and disaffection.

Our joblessness crisis is nothing short of a crisis for liberty. When American men and women do not have jobs and opportunity, their freedom to make lives for themselves is eroded. Yet we are to understand that in the face of this historic crisis, there is no more important issue regarding jobs than our bilateral trade with China.

Again, I agree we need to address the issue of currency manipulation and our sustained and large trade deficits with China. However, let us be clear that dealing with issues related to China involves only one bilateral trade relationship. The trade and current account problems facing the United States, and the global financial, trade, and economic imbalances that everyone faces are not solved by addressing this one trading relationship. That is one reason I will be offering an amendment to this bill calling for multilateral and plurilateral negotiations to address currency misalignment. If we are going to succeed, we need to look at the big picture and work with our allies to counter China's current practices. I will discuss my amendment in more detail soon, but hope it will receive strong bipartisan support.

Our trade imbalances are not with China alone. Rather, as part of the problem of saving too little, the United States has multilateral trades imbalances which require more action than focusing solely on one bilateral relationship.

According to recent data from the U.S. International Trade Commission, the United States has trade deficits with nearly 100 countries. The United States saves too little, and that problem will not be solved solely by passing the bill before us.

Make no mistake, the legislation we are considering can provide useful tools for addressing concerns about China, if the administration actually uses the tools. But those tools alone are not sufficient. If we try to address our multilateral problems by putting pressure on China alone, without also attending to our lack of saving and our own role in

generating trade deficits with nearly 100 other countries, the Chinese piece of the U.S. imbalance will migrate somewhere else. This bill is not a magic bullet to solve our problems or the problems arising from global imbalances. And it almost surely is not the highest priority piece of legislation if job creation is truly our focus.

The United States, for its part, contributes to global imbalances by persistently saving too little. Following the financial crisis, which was precipitated partly by large runups in household indebtedness, American families have tightened their belts to save more and repair their own balance sheets. It is the U.S. Federal Government that has been missing in action to restore national savings, reduce our Federal debt, and promote global balance.

Rather than repair the Federal balance sheet, the administration has chosen to run trillions of dollars of debt-fueled deficits and borrow ever-increasing sums from abroad, including China. And rather than facing the fact that the Federal Government has a spending problem, the President is advertising and campaigning on a new American Jobs Act stimulus and tax hike platform containing even more spending and short-term debt accumulation.

We are told that it will be in the interest of the American people to borrow more today in order to spend more on infrastructure, for example. The stimulus proponents say: Interest rates are low, so let's ramp up borrowing right now. That is the same approach the Senate took when it voted to extend and expand trade adjustment assistance. They ignore, however, that piling trillions more onto our national credit card issued by China and our other creditors moves us that much faster into the company of the eurozone countries who now face default and elevated interest costs.

While Federal borrowing rates are low today, what happens when global markets tire of our profligacy and debt-financed spending and begin to demand higher interest compensation? As Spain and Italy have seen recently, low interest rates are not guaranteed and the interest rate environment that you face can pivot on a dime and escalate rapidly. Borrowing at low rates today sounds great, until you wake up tomorrow and are forced to refinance at more punitive rates. More debt-fueled government spending beyond our means is sure to drive us rapidly down the road to the stagnation and debt crisis we are seeing today in Europe.

Of course, the President claims his new stimulus and tax hike proposals are all paid for, but the payments are largely promises of future austerity. Anyone who has paid attention knows that when the Federal Government promises to go on a spending diet later it never leads to fiscal weight loss because future Congresses are not bound by today's promises.

It is interesting to hear the President's persistent calls for more debt-

fueled infrastructure spending. Presumably, given his interest in job creation "right now," the projects he has in mind will be more shovel-ready than the readiness of the previous stimulus projects, which turned into something the President found so funny that he joked about it. Of course, it is no joke to jobless Americans who are stuck with the stimulus debt bill.

We heard in early September from the chairman of the President's Council on Jobs and Competitiveness that the council identified "ten high-priority infrastructure projects based on their potential to put Americans to work right away—projects that have already been funded, but are being held up by regulations."

The jobs council says it will work with the administration to try to get the projects moving. Let me repeat that: the projects "are being held up by regulations." This comes from the chairman of the President's own jobs council.

Yet when some on the other side of the aisle are reminded that regulations are holding back job creation, they recoil in disbelief. If there are 10 large-scale infrastructure spending projects ready to go and already fully funded and are only being held up by regulatory review lag, I urge the President to act "right now" to get those projects underway in the interest of job creation. Make one fewer campaign appearance and use that time to expedite regulatory review and get those projects going if, as should be the case, he believes job creation is more important than politics and wishes to act on that belief.

We have also heard the President remarking on how, from a global competitiveness perspective, the United States should borrow more today and spend on what he generically calls "infrastructure," which, as it turns out, can be anything from paving a road to doling out money to solar panel makers.

The President cited in his infrastructure advocacy a set of global rankings on infrastructure from the World Economic Forum's Global Competitiveness Report. The President seemed to read the report and its ranking of the United States as 23rd out of 139 countries for transportation infrastructure competitiveness as a call for more spending on whatever it is he thinks of as infrastructure.

It appears, however, that he did not read the report in its entirety. If he did, he would have noticed that the ranking is for only one of nine factors in the report's overall infrastructure assessment. More importantly, if he had read the report, he would have noticed the overriding area identified as the weakest one for the United States in terms of eroding our global competitiveness. To quote the report directly:

A lack of macroeconomic stability continues to be the United States' greatest area of weakness (ranked 87th). Prior to the crisis, the United States had been building up

large macroeconomic imbalances, with repeated fiscal deficits leading to burgeoning levels of public indebtedness; this has been exacerbated by significant stimulus spending. In this context, it is clear that mapping out a clear exit strategy will be an important step in reinforcing the country's competitiveness going into the future.

There you have it. The report the President data-mined to find a number to use to support more stimulus quite clearly says that declining U.S. global competitiveness has come from fiscal deficits, exacerbated by stimulus spending. It clearly says the solution is to exit from our unsustainable fiscal path. That means reining in the runaway debt-fueled spending, not more spending.

Before turning to the legislative process on the bill before us, let me post a trail marker for our deliberations. The currency bill we are considering includes reliance on exchange rate models used by the International Monetary Fund. Those models allow for the macroeconomic effects on currency valuations of fundamental changes in policies of trade partner countries. For example, if the United States engages in fundamental tax reform that would lead to improved growth and reduced deficits and debt, the models considered in the legislation before us have the ability to capture those effects.

The marker I wish to set here is a reminder that we should be similarly so inclined to use economic models that allow for macroeconomic effects of policy changes when we choose to make fundamental changes to tax and spending policies. We should be as willing to have our budget score keepers use economic models that allow for long-run growth and macroeconomic effects of fundamental tax and spending reform policies as we seem to be here in this legislation to use models that incorporate such effects when evaluating currency alignments. If it is good to use economic models that allow for an accounting of growth effects here, then it should be good elsewhere.

I also need to address the process we will follow in our consideration of the currency bill before us. The bill has garnered bipartisan support. In the interest of promoting a truly bipartisan effort, which the American people would love to see, it is my hope there will be balance in amendments that are allowed to be considered. This bill has sound objectives, but it is not perfect. I believe amendments from both sides of the aisle can improve the final product. And, as I mentioned earlier, I have an amendment that I believe will improve this bill significantly and help us devise a long-term approach to dealing with currency misalignment. I hope there will be an opportunity for it, and others, to be considered. I hope they are not going to lock up the tree again, which is the standard practice around here by the majority. This bill is an important bill, and we ought to be able to amend it with important amendments.

The overriding objective of the legislation—job creation—is shared by Republicans and Democrats alike. Therefore, it is my hope that amendments from my side of the aisle, designed to promote job growth today and in the future, will be duly considered, allowed, and duly debated.

I look forward to consideration of the currency bill before us and a robust, bipartisan process, which includes consideration of amendments from both sides to promote job creation.

As I have said, our Nation faces a crisis of unemployment and joblessness that is filled with pain today and threatens erosion of human capital and skills, which will negatively impact families and the overall economy for years and years to follow. Let us not have politics and special interests dictate what we consider to promote job creation and economic growth. American workers and families, many of them struggling and in pain, cannot wait until the next Presidential election is resolved for the Federal Government to act to promote job creation.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. COONS). The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. SCHUMER. Mr. President, I know our time expires shortly. Senator HATCH has concluded his remarks, so I wish to speak on two other subjects until Senator LEAHY arrives.

SSI EXTENSION

Mr. President, I rise in support of a bill to be introduced along with Senators LEAHY, GILLIBRAND, MENENDEZ, FRANKEN, and KLOBUCHAR, called the SSI Extension for Elderly and Disabled Refugees Act of 2011.

This bill, which the Senate is considering passing today by unanimous consent, is truly unique because it accomplishes three incredibly important objectives at the same time.

First, it ensures that approximately 5,600 disabled refugees will not lose critical life-sustaining benefits that are their only safety net, protecting them from homelessness, illness, and other effects of extreme poverty.

Some of the disabled refugees this bill helps are people who have aided American troops overseas in Iraq or Afghanistan—and risked their lives for America's cause. Others are victims of torture or human trafficking, whose injuries are so severe that they are now unable to sustain themselves without these benefits. The bill continues the Bush administration policy of making sure this vulnerable group does not lose its benefits.

But, unlike past bills, the second key fact about this bill is that it is fully paid for. It is paid for by imposing a \$30 fee on individuals applying to enter the

country through the diversity visa lottery program. Each year, hundreds of thousands of people apply to be one of the 50,000 individuals allowed to emigrate to the United States. The program has had great success. I have been very supportive of it. It has also enriched the American fabric with immigrants from countries that are not traditionally represented in the immigrant pool.

But, unfortunately, because applying for a "lottery ticket" has been traditionally free, the program has recently been compromised by third parties filing applications on behalf of unknown foreign nationals, who then turn around and try to extort money from these foreign nationals if the ticket turns out to be a "winning ticket." That is wrong and unfair. The State Department has told us that by charging this \$30 fee, we can eliminate this misconduct. So it is a win-win. We get some money to pay for these refugees who we all agree should be admitted here. As I said, many helped us in Iraq and Afghanistan and, at the same time, it does not cost us a nickel and eliminates a scam that involves a very worthy program, the diversity visas.

Finally, the third great thing about this bill is, by setting the fee at \$30, the CBO projects we will actually reduce our deficit by \$24 million. So it will help, in a small way, reduce the deficit. So the bill hits the trifecta: It helps a very small, targeted group of the most vulnerable and needy disabled individuals whom we traditionally have not abandoned, it virtually eliminates misconduct in the diversity visa program, and it reduces the Federal deficit. Because it is a win-win-win for all sides, I ask that my colleagues in the House take up and pass this bill immediately.

The benefits for these folks already expired on October 1. If we do not act soon, we will not be able to repair the irreparable harm that will be done to those most vulnerable individuals. I wish to thank my cosponsors and chairmen and ranking members of the relevant committees governing this bill: Senators LEAHY, GRASSLEY, BAUCUS, HATCH, CONRAD, SESSIONS, and CORNYN. I would also like to thank Senator COBURN for working with me to have this bill pass and address his concerns to make the bill better.

We have done something very good. I thank all my colleagues who have joined in the work on this bill.

NOMINATION OF WILLIAM F. KUNTZ, II

Mr. President, William F. Kuntz, II, is the nominee to the U.S. District Court for the Eastern District of New York. I wish to describe to my colleagues the extraordinary qualifications of Dr. Kuntz, the nominee to the bench of the Eastern District, whom hopefully we will confirm later today.

Dr. Kuntz has exactly the skills, temperament, and experience to be a perfect addition to one of the busiest U.S. district courts in the country. Dr. Kuntz, currently a partner in the New

York office of Baker Hostetler, is a native of Harlem. He grew up in what was then called the Polo Grounds projects and went to high school at Fordham Prep in the South Bronx.

He earned his undergraduate degree from Harvard University, followed by a master's degree in history, a law degree, and a Ph.D. in American legal history, all from Harvard—I hope no one will hold that against him—and all within 11 years of arriving in Cambridge, from Harlem.

What an amazing man. What an American dream story. I would venture that throughout this country, Dr. Kuntz has few peers, in terms of education and training. But he did not use his degrees to go on to teach and write, a valuable career path, to be sure, but possibly not one that would have put his skills as an advocate and his commitment to the people of New York to their highest and best use.

Instead, Dr. Kuntz went on to log 33 years of litigation experience in some of New York City's finest law firms. Most impressive to me, he served for 23 years as commissioner on the City Civilian Complaint Review Board. This independent agency oversees the investigation of citizens' claims of misconduct by New York City police officers. By all accounts, Dr. Kuntz staked out an admirable middle ground, informed by hard investigative work and careful consideration of all the 5,000 cases that came before the board every year.

When my legal committee looked into his work there, he was praised by both the police side and those who brought cases before the board. In that kind of tempestuous situation, that is rare indeed. Dr. Kuntz's commitment to public service is long and impressive. He served in leadership positions on the Lawyers' Committee for Civil Rights Under Law, the Legal Aid Society, the New York Bar, and PLI, among others.

I will note that Dr. Kuntz will be filling a judicial emergency vacancy in the Eastern District of New York, a court that adjudicates a large share of critical cases, such as terrorism and terrorism financing, organized crime and mortgage fraud.

Dr. Kuntz is sorely needed and more than up for the task. I look forward to Dr. Kuntz's service on the bench. I congratulate him and his family.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LEAHY. I ask unanimous consent that the order for the quorum call be rescinded.

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

EXECUTIVE SESSION

NOMINATION OF HENRY F. FLOYD
TO BE UNITED STATES CIRCUIT
JUDGE FOR THE FOURTH CIR-
CUIT

NOMINATION OF NANNETTE
JOLIVETTE BROWN TO BE
UNITED STATES DISTRICT
JUDGE FOR THE EASTERN DIS-
TRICT OF LOUISIANA

NOMINATION OF NANCY
TORRESEN OF MAINE TO BE
UNITED STATES DISTRICT
JUDGE FOR THE DISTRICT OF
MAINE

NOMINATION OF WILLIAM
FRANCIS KUNTZ, II, TO BE
UNITED STATES DISTRICT
JUDGE FOR THE EASTERN DIS-
TRICT OF NEW YORK

NOMINATION OF MARINA GARCIA
MARMOLEJO TO BE UNITED
STATES DISTRICT JUDGE FOR
THE SOUTHERN DISTRICT OF
TEXAS

NOMINATION OF JENNIFER
GUERIN ZIPPS TO BE UNITED
STATES DISTRICT JUDGE FOR
THE DISTRICT OF ARIZONA

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to executive session to consider the following nominations, which the clerk will report.

The bill clerk read the nominations of Henry F. Floyd, of South Carolina, to be United States Circuit Judge for the Fourth Circuit; Nannette Jolivet Brown, of Louisiana, to be United States District Judge for the Eastern District of Louisiana; Nancy Torresen, of Maine, to be United States District Judge for the District of Maine; William Francis Kuntz, II, of New York, to be United States District Judge for the Eastern District of New York; Marina Garcia Marmolejo, of Texas, to be United States District Judge for the Southern District of Texas; and Jennifer Guerin Zipps, of Arizona, to be United States District Judge for the District of Arizona.

The PRESIDING OFFICER. Under the previous order, there will be 1 hour for debate with respect to the nominations, with the time equally divided in the usual form.

The Senator from Vermont.

Mr. LEAHY. Mr. President, that would bring us to 20 minutes of 6. I think there was probably an attempt to vote at 5:30. I ask unanimous consent that the time be still divided in the regular way but the votes begin at 5:30.

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

Mr. LEAHY. Mr. President, today's consideration of six qualified consensus judicial nominations is welcome. It is all too rare. I commend Majority Leader REID for pressing for Senate votes on all 27 of the judicial nominees fully considered by the Senate Judiciary Committee and awaiting final action by the Senate.

We have a judicial vacancy rate that stands at 11 percent. We have 95 vacancies on Federal courts around the country. We have to build on today's efforts, the regular consideration of nominations without needless delay.

I was talking the other day with Bruce Cohen, who is the chief of staff of the Senate Judiciary Committee—chief counsel—and somebody who has had a great deal of experience working with different Senators. We were talking about the fact that there has never been anything such as this. We usually, whether it is a Republican President, Democratic President, Republican-controlled Senate, Democratic-controlled Senate, when nominees go through the Senate Judiciary Committee unanimously, supported by the Senators from their home State, they usually, within a few days during wrap-up, are voice voted through.

Once in a while whoever is leader may need a vote on a Monday afternoon. So the next Monday afternoon one will be voted on. It is always 100 to nothing.

Then we have people go through unanimously, supported by Republican and Democratic Senators, and they wait month after month after month. I hope we can get away from that. I hope, for the integrity of our judicial system, we can get away from that. But also just think of the personal account that it means to the people who have been nominated. If a person is a lawyer, a distinguished lawyer, they are nominated for the Federal bench, everybody is going to congratulate them, saying that is wonderful. Then the rest of their law firm is kind of looking at them, saying: Are you going to leave now? When are you going to leave? Because their life is put on hold. They are probably going to take a significant cut in salary anyway. But they cannot take on new clients.

I hope this is probably an indication we will finally get moving.

The Senate will need to vote on four to six nominations judicial nominees a week, not just this week or next week, but throughout the fall if we are to make a real difference and make real progress. With a judicial vacancy rate that stands at 11 percent and with 95 vacancies on Federal courts around the country, we need to build on today's effort with the regular consideration of nominations without needless delays.

Among the nominees selected for Senate action today from the 27 awaiting final consideration is the nomination of Magistrate Judge Jennifer Guerin Zipps of Arizona. She will fill a vacancy in Tucson created by the tragic murder of Chief Judge Roll earlier