

convicted of at least two murders, one of Guy Malary, who was a Justice Minister assassinated on the steps of the justice building in broad daylight by Mr. Chamblain and his thugs.

Mr. Chamblain, who was convicted in absentia of murder, is now one of the rebel leaders in Haiti. Guy Philippe who we keep seeing on television, is also a rebel leader. Amnesty International said he had turned a blind eye to many extrajudicial killings and murders committed by police under his command.

Well, I hope and trust that we do not support these people. I noticed in the hearing the other day in the House, Mr. Noriega, the Assistant Secretary of State for Western Hemisphere, said we did not support the violent overthrow of that man, referring to Mr. Aristide.

Well, I am sorry, Mr. Noriega, you are wrong. The United States aided and abetted, in more ways than one, the overthrow of a democratically elected government. We need some investigations.

What happened to all of the arms that we sent to the Dominican Republic in the last couple of years to patrol the border between the Dominican Republic and Haiti for drug smuggling? Reports are coming out that many of these arms we sent down there are now in Haiti in the hands of these killers and thugs: flack jackets, helmets, rifles, night vision goggles.

I don't know if it is true or not, but I am saying there are many reports that these arms we sent down there are in the hands of the armed insurgents, former members of the former Haitian military. How did they get their hands on these arms?

As Richard Holbrooke, our former Ambassador to the United Nations, said on a Sunday morning talk show, these individuals have a long history of murder and terror when they were members of the Haitian military. He said they have a long history of involvement with our intelligence services in the United States.

This needs to be investigated.

The New York Times today reported that the political crisis in Haiti is deepening. Prime Minister Neptune has declared a state of emergency and has suspended many of the rights to the Haitian people guaranteed by their constitution.

The Bush administration withdrew its support from the Aristide government because it said it was a "government of failed leadership."

I guess we get to decide whether a democratically elected government is failing or not. And if we don't like them, we have the right to go ahead and let armed thugs take over that government.

I tell you, the Bush administration has a lot to answer for, and will have a lot to answer for because of what has happened and what is happening in Haiti today.

President Aristide is gone, forced out of office, and the Bush administration

continues to sit on the sidelines and wring its hands while innocent people in Haiti continue to be killed.

I call on the administration to truly make a commitment to stabilize the security situation in Haiti by first instructing the Multinational Interim Force to collect the weapons used by the rebels who said they would disarm. If this vital step is not taken now, we are only setting ourselves and the Haitian people up for another disaster. The mandate is clear. The Multinational Interim Force should immediately disarm and arrest these thugs.

The failure to disarm the disbanded Haitian military and the paramilitary forces called FRAPH in 1994 after President Aristide had come back to office has been one of the root causes of ongoing political violence in Haiti.

We know who these thugs are and we have the mandate to arrest and turn them over to the Haitian authorities. We have arrested Baathists members of Saddam Hussein's party. We have arrested them and turned them over to the Iraqi courts. We also did this in the Balkans. Why can't we do it in Haiti? We cannot go out and arrest Mr. Chamblain, convicted of two murders? Why don't we go out and arrest him and turn him over to the Haitian courts to stand trial?

Let us show the Haitian people we are committed to ensuring that the democratic process works—not just in Iraq, not just in the Balkans, but also in Haiti as well.

The Bush administration can no longer sit on the sidelines. It is my hope the Bush administration shows the same dedication and commitment to supporting the new interim government as it did to stand by and actively destroy President Aristide's duly elected democratic government.

What has happened in Haiti should be a blight on the American conscience—the poorest country in this hemisphere, the poorest of the poor, struggling decade after decade under brutal dictatorships, repressive military regimes, finally becoming free in 1990, only to have its President overthrown in a coup. What signal are we sending to the Haitians? I guess if you are poor and you don't have oil and you are not strategically important, we don't care what happens to you. We will let the thugs take over. We will let the few wealthy elite rearm the military to protect them and to keep them in power.

I saw a newspaper article late last week which pointed out that this Congress had appropriated \$18 billion for reconstruction in Iraq. It went on to say how \$4 billion of the money that was appropriated for Iraq was for clean water and sanitation—\$4 billion of our taxpayers' money going to one of the wealthiest countries in the world, Iraq. Iraq is not a poor country. This is a very rich country with oil reserves. It is either the first or second in the world in oil reserves. Yet we are taking \$4 billion in taxpayer money to build a

water and sanitation system. Why can't we build clean water and sanitation systems, roads, hospitals and schools in Haiti? To me, that is the moral imperative of what we should be doing in our hemisphere—not trying to destroy democratically elected governments.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER (Ms. MURKOWSKI). The Senator from Missouri.

OUTSOURCING U.S. JOBS

Mr. BOND. Madam President, yesterday we began our discussion on outsourcing—a subject well worth discussing because it is of great concern.

I am sorry I didn't have a chance to hear all of the discussions because I think we need to address all of the issues related to the needless outsourcing of U.S. jobs abroad. It is a problem in my State as it is in many others. I imagine I am not the only Member of this body who has been confronted with workers who have lost their jobs, and many more who feel that the loss of their job is likely. They raise these concerns about outsourcing and jobs going abroad.

Yesterday I heard a lot of strong rhetoric about how bad it was, but I didn't hear a discussion of the many complicated issues that go into outsourcing. I did not hear a thorough discussion of how effectively we can remedy the problem.

As a matter of fact, the chairman of the Finance Committee raised the question that perhaps one of the remedies being proposed might put us in violation of the World Trade Organization rules with the possible imposition of much broader penalties on other U.S. workers not directly affected.

I think it is time we begin a discussion of this complicated issue. I hope we have hearings on it. I hope we have discussions on it because I think the people of America need to understand what it is like as we live in a true world economy.

I want to look first at what I consider to be a real problem of outsourcing; that is, governmentally enforced outsourcing. You say, What? The Federal Government and State governments are threatening to drive jobs out of the United States? Do we realize that?

In this body last year, I led a debate in which there were strong opinions on both sides. I don't think I need to remind my colleagues of the debate over the regulation proposed by the California Air Resources Board that proposed to require all small engines—the engines we have in weed trimmers, in lawnmowers, leaf blowers and chainsaws—would have to have catalytic converters. This was a very contentious debate. I thank my colleagues who supported me and who helped us prevent the imposition of this rule nationally outside of California.

We talked about some of the dangers—the danger that 1,100-degree catalytic converters would start fires. Grass burns at 500 degrees. The danger of a small engine with a 1,100-degree catalytic converter is great. But there was a more direct danger. If that California regulation had gone nationwide, then the companies set up to manufacture small engines would not have been able to manufacture them in their existing facilities. They told us—and outside experts agreed—that they would have to rebuild these facilities. Where would they rebuild the facilities? They would rebuild the facilities in China because they could do it so much more cheaply and use less expensive labor in China to turn out the engines. Some of them are now produced in China, and they would have moved all of the small engine production to China.

I was in Poplar Bluff, MO, last Saturday night. I was thanked by the 1,100 employees of Briggs & Stratton in Poplar Bluff. I was thanked, and my colleagues in this body and in the House were thanked, because we took steps to stop the California Air Resources Board from sending a regulation nationwide that would have cost them their jobs. Not just 1,100 jobs at Poplar Bluff in Missouri, a total of 5,000 jobs in Missouri would have moved offshore. They would have been outsourced.

Nationally, more jobs in Wisconsin, almost as many jobs in Kentucky, jobs in Alabama, jobs all across the Midwest, a total of 22,000 American jobs would have been outsourced by that governmental regulation if this body, at my request, and the other body at the request of Congresswoman EMERSON, had not been able to say you are not going to impose those restrictions outside the State of California. I thank my colleagues on behalf of the workers in Missouri and around the Nation whose jobs were not outsourced.

But then we have another problem. Do you know what is driving jobs offshore now? A shortage of natural gas. Natural gas prices have run way up because of governmentally enforced provisions. The natural gas crisis we have in the United States is a governmentally enforced shortage, a governmentally enforced hike. Many low-income families find their natural gas bills going through the ceiling. All of us who heat with natural gas see our natural gas bills going up.

Worse, men and women who work in industries that use natural gas—chemical and related industries—are seeing their jobs move offshore because the producers of those goods have to go to other countries where they have abundant natural gas supplies, where the natural gas supply has not been constrained by governmental action and not been enhanced by governmental mandate. We have been sitting around here and we cannot get an energy bill through that would tap the absolutely essential natural gas resources in the Presiding Officer's State of Alaska—and, I might add, ANWR, too.

We have natural gas, but we cannot use it. Why? Because governmental regulations say we cannot drill here or there; we have not been able to build a pipeline.

Why have natural gas prices gone up? We have mandated electric utilities not to use abundant coal but to use natural gas. Natural gas should not be used to fire electric generating boilers. It has too many other uses.

There was an article last week in the Wall Street Journal by Russell Gold talking about how natural gas costs hurt United States firms:

The root of higher natural-gas prices is a federal policy that promotes use of the relatively cleaner-burning fuel without providing incentives or means for natural-gas companies to increase production. So while demand soared in recent years, especially from a raft of new gas-fired power plants, producers have struggled with supply. Most North American gas fields are years past their prime, and environmental restrictions prevent drilling on many of the most promising areas.

He has summed it up well. We have a crisis in natural gas prices and natural gas supply and in outsourcing of natural gas-using industries because of government policy. The farmers in my State have to use fertilizer. The "n" in the three-numbered fertilizer most farmers use or the anhydrous ammonia comes from natural gas, and they see tremendously high prices. I believe in a little bit of 13/13/13 and the prices jumped in that small sack I buy. When you are buying tons and tons of this, it cuts into farmers' profits and raises their costs.

Do you know what I think. We have all these impact statements, environmental impact statements, but maybe what we need is a jobs impact statement. Before we pass one of these good ideas or before some agency of government comes up with a new regulation, maybe they ought to have to do an impact on the jobs it would cost or create.

I would like to have some of my colleagues who have been so vocal and persuasive and vociferous in arguing against outsourcing to have a chance to vote on whether we ought to have a jobs impact statement. That seems to make a lot of sense to me. Maybe we can do something. I will be working on that. I may offer that for this body's consideration.

But I tell you something else that is causing outsourcing and that we have not done anything about. We cannot move forward on asbestos litigation reform. There are 3,000 or 4,000 people who are tragically sick because of asbestos, but the asbestos trial lawyers have filed class action suits with 700,000 plaintiffs.

That struck home for me because I live in northeast Missouri. My hometown of Mexico, MO, used to call itself the saddle horse and fire clay center of the world. Saddle horses are three- and five-gaited horses. Rex McDonald, trained by Tom Bass, is one of the leaders. Unfortunately, we are no longer

the fire clay or refractory center of the Nation. We had thousands and thousands of people employed in making high-temperature and abrasive-resistant bricks that line steel furnaces and petroleum-cracking furnaces that line the Navy boilers. That used to be the major industry.

But it turns out that some time ago there was some asbestos used in the mortar that held the refractory's products together. So all of those companies have 700,000 lawsuits filed against them. Most, if not all of them, have been forced into bankruptcy because of asbestos litigation. Their buyers have come in and picked up the customer lists and the recipes and moved the production to Canada to supply our basic industry needs. The most basic industry, basic for steel, for aluminum, for petroleum products, has been driven largely to Canada to get away from asbestos litigation.

We are not taking the steps we need to allow us to bring back into the United States the production of one of the most basic elements of heavy industry. That is one thing maybe we can work on. Maybe we can pass an asbestos bill—we should have done so a long time ago—to care for those who are really sick, but also to cut off frivolous claims that do nothing but line trial lawyers' pockets. Tort reform is another thing we need to address to keep businesses productive so they can hire workers.

I tell you one other thing. I have a particular interest because the Senator from Maryland and I chair the appropriations subcommittee that appropriates funds for the National Science Foundation. We are seeing a tremendous shortage of scientists and engineers. We are just not finding enough United States students who want to follow a science or engineering curriculum. With the increasing developments in science and technology and engineering, we have to be turning out more scientists. We need more money. I make a plea for more money for the National Science Foundation budget so we can increase the incentives the National Science Foundation is using, along with science centers and educational institutions through the country, to train more scientists and engineers and technicians.

Yes, we need to train more people in community colleges. That is very important because if we do not train them, other countries, such as India, with tremendous reservoirs of engineers are turning out top quality engineers. If we do not have the engineers to do the work that is needed, that work is going to go to India. We need to do something about it. And we ought to begin moving.

In a growing competitive and interdependent global economy, as any economist will explain, there are increasingly greater flows of trade, capital, and labor.

Outsourcing apparently has been occurring wherever freedom has existed

because private businesses will seek to increase efficiency and provide better products at a lower cost by focusing resources on what they do better than everyone else. This has occurred in the United States in the previous half century, as the United States employment grew from 45 million to 130 million jobs.

I was one who thought I would always buy an American car. I thought I had been doing so. But do you know something. More and more American cars have foreign-made parts and foreign-made components. At the same time, more foreign companies are coming into the United States. You have to do a lot of research to find out which car has more and which car has less U.S. components.

The auto industries are employing people at good wages in the United States at high-tech jobs, while lower-tech jobs are done overseas. But the American consuming public has demanded the best quality automobiles. So it is difficult, when you go out and try to buy American, to find out what is truly American. Those eggs have been scrambled, and it is difficult to unscramble them.

But as much a problem as outsourcing and foreign trade is, I want to give you some good news. There are some in this body who voted for the North American Free Trade Agreement and have now roundly condemned it. But on Monday of this week, the Governor of Missouri proudly announced—and I congratulate the State—that Missouri exports grew by 6.5 percent in 2003. From his release, it says Canada and Mexico were top importers of Missouri products. Canada imported \$3 billion of products; Mexico imported \$748 million of products. Not bad. Those are two countries I believe are in NAFTA.

But more interestingly, the Governor goes on to say:

More than 75,000 jobs in the state were directly tied to industries that export to other countries. . . . Also, the top 10 exporting industries paid higher average annual wages, at \$41,894, than the statewide average wage of \$33,600.

Madam President, I ask unanimous consent that release be printed in the RECORD.

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

MISSOURI EXPORTS GROW 6.5 PERCENT IN 2003

Missouri's exports increased by 6.5 percent in 2003, reaching \$7.23 billion, the state's Department of Economic Development said.

Missouri's exports totaled \$6.79 billion in 2002. Transportation equipment was Missouri's top export in 2003 with nearly \$2.2 billion in sales. Other strong exports were chemicals, plastics and rubber, leather products and electrical equipment, appliances and components, and food and similar products.

Canada and Mexico were the top importers of Missouri products. Canada imported \$3.08 billion of products, and Mexico imported \$748 million of products. The other top importers of Missouri products were Japan, the United Kingdom, China, Germany, Italy, Hong Kong, Belgium and Australia.

Nationally, Missouri ranked No. 26 for export sales, but its international sales grew faster than the nation's, which grew an average of 4.4 percent.

More than 75,000 jobs in the state were directly tied to industries that export to other countries, the department said in a written release. Also, the top 10 exporting industries paid higher average annual wages, at \$41,894, than the statewide average wage of \$33,600.

Kelvin Simmons, director of the department, said Missouri's exports seem to be returning to the level they were at before the recession.

"Increased sales of Missouri products abroad is another important indicator that Missouri's economy has turned the corner on the national recession," Simmons said in the release.

Mr. BOND. Madam President, as businesses and our economy restructure—a natural occurrence of the business cycle—workers in our country have done better overall. "Overall," however, does not mean everyone has done better. Many have not, and those are the people for whom the overall benefits of restructuring or even the so-called temporary nature of the unemployment is of little comfort because they want to work and provide for their families but they do not have a job.

Yesterday afternoon, the Senator from New Jersey was very loudly and strongly decrying the outsourcing of jobs, and he made, I believe—I did not hear all of his statement—a very compelling case. At the same time, the firm he was associated with announced last fall it intended to establish an Indian unit with 250 employees working on operations in technology. Now, how does that square with not outsourcing? That is something perhaps we should discuss in a hearing or further debates.

But I just came across an interesting article from Tom Friedman, certainly not with a Republican base, but I think a very good New York Times international analyst. He was talking about interviews he had with an Indian who was a founder of 24/7's customer call center. He said:

How can it be good for America to have all these Indians doing our white-collar jobs?

The reply was:

All the computers are from Compaq. The basic software is from Microsoft. The phones are from Lucent. The air-conditioning is by Carrier, and even the bottled water is by Coke, because when it comes to drinking water in India, people want a trusted brand. On top of all this . . . 90 percent of the shares . . . are owned by U.S. investors [including U.S. pension funds]. This explains why, although the U.S. has lost some service jobs to India, total exports from U.S. companies to India have grown from \$2.5 billion in 1990 to \$4.1 billion in 2002. What goes around comes around, and also benefits Americans.

Mr. Friedman concludes his article quoting the Indian gentleman saying:

It's unfair that you want all your products marketed globally, but you don't want any jobs to go.

And Mr. Friedman replies:

He's right. Which is why we must design the right public policies to keep America competitive in an increasingly networked world, where every company—Indian or

American—will seek to assemble the best skills from around the globe. And we must cushion those Americans hurt by the outsourcing of their jobs. But let's not be stupid and just start throwing up protectionist walls, in reaction to what seems to be happening on the surface. Because beneath the surface, what's going around is also coming around. Even an Indian cartoon company isn't just taking American jobs, it's also making them.

Those are Mr. Friedman's comments.

Madam President, I ask unanimous consent that op-ed be printed in the RECORD.

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

[From the New York Times, Feb. 26, 2004]

WHAT GOES AROUND . . .

(By Thomas L. Friedman)

BANGALORE, India—I've been in India for only a few days and I am already thinking about reincarnation. In my next life, I want to be a demagogue.

Yes, I want to be able to huff and puff about complex issues—like outsourcing of jobs to India—without any reference to reality. Unfortunately, in this life, I'm stuck in the body of a reporter/columnist. So when I came to the 24/7 Customer call center in Bangalore to observe hundreds of Indian young people doing service jobs via long distance—answering the phones for U.S. firms, providing technical support for U.S. computer giants or selling credit cards for global banks—I was prepared to denounce the whole thing. "How can it be good for America to have all these Indians doing our white-collar jobs?" I asked 24/7's founder, S. Nagarajan.

Well, he answered patiently, "look around this office." All the computers are from Compaq. The basic software is from Microsoft. The phones are from Lucent. The air-conditioning is by Carrier, and even the bottled water is by Coke, because when it comes to drinking water in India, people want a trusted brand. On top of all this, says Mr. Nagarajan, 90 percent of the shares in 24/7 are owned by U.S. investors. This explains why, although the U.S. has lost some service jobs to India, total exports from U.S. companies to India have grown from \$2.5 billion in 1990 to \$4.1 billion in 2002. What goes around comes around, and also benefits Americans.

Consider one of the newest products to be outsourced to India: animation. Yes, a lot of your Saturday morning cartoons are drawn by Indian animators like Jadoo Works, founded three years ago here in Bangalore. India, though, did not take these basic animation jobs from Americans. For 20 years they had been outsourced by U.S. movie companies, first to Japan and then to the Philippines, Korea, Hong Kong and Taiwan. The sophisticated, and more lucrative, preproduction, finishing and marketing of the animated films, though, always remained in America. Indian animation companies took the business away from the other Asians by proving to be more adept at both the hand-drawing of characters and the digital painting of each frame by computer—at a lower price.

Indian artists had two advantages, explained Ashish Kulkarni, C.O.O. of Jadoo Works. "They spoke English, so they could take instruction from the American directors easily, and they were comfortable doing coloring digitally." India has an abundance of traditional artists, who were able to make the transition easily to computerized digital painting. Most of these artists are the children of Hindu temple sculptors and painters.

Explained Mr. Kulkarni: "We train them to transform their traditional skills to animation in a digital format." But to keep up

their traditional Indian painting skills, Jadoo Works has a room set aside—because the two skills reinforce each other. In short, thanks to globalization, a whole new generation of Indian traditional artists can keep up their craft rather than drive taxis to earn a living.

But here's where the story really gets interesting. Jadoo Works has decided to produce its own animated epic about the childhood of Krishna. To write the script, though, it wanted the best storyteller it could find and outsourced the project to an Emmy Award-winning U.S. animation writer, Jeffrey Scott—for an Indian epic!

"We are also doing all the voices with American actors in Los Angeles," says Mr. Kulkarni. And the music is being written in London. Jadoo Works also creates computer games for the global market but outsources all the design concepts to U.S. and British game designers. All the computers and animation software at Jadoo Works have also been imported from America (H.P. and I.B.M.) or Canada, and half the staff walk around in American-branded clothing.

"It's unfair that you want all your products marketed globally," argues Mr. Kulkarni, "but you don't want any jobs to go."

He's right. Which is why we must design the right public policies to keep America competitive in an increasingly networked world, where every company—Indian or American—will seek to assemble the best skills from around the globe. And we must cushion those Americans hurt by the outsourcing of their jobs. But let's not be stupid and just start throwing up protectionist walls, in reaction to what seems to be happening on the surface. Because beneath the surface, what's going around is also coming around. Even an Indian cartoon company isn't just taking American jobs, it's also making them.

Mr. BOND. Madam President, there are many ways to address the needless outsourcing of jobs. One of the things we could do is to have the Government impose even more restrictions on the private sector. However, in many cases that is not the solution; it is the problem. According to the Congressional Research Service, there is a relationship between high employment restrictions and high unemployment. CRS says:

... the four largest countries with the most protection (Germany, France, Italy, and Spain) had the highest unemployment rates of any country.

CRS cites the "unintended effect of making firms reluctant to take on new workers" is the result of the protectionist policies.

Interesting comments on this came from former Labor Secretary Robert Reich, who was President Clinton's Secretary of Labor. On November 2, 2003, in the Washington Post, he said, in a headline: "High-Tech Jobs Are Going Abroad! But That's Okay." What is he talking about? How did he say that? Man, that sounds bad. That sounds as bad as some of the statements we have heard out of economists in this administration. I will submit the whole thing for the RECORD, but at the end of it he said:

So why don't I believe the outsourcing of high-tech work is something to lose sleep over?

He says:

First, the number of high-tech jobs outsourced abroad still accounts for a tiny proportion of America's 10-million-strong IT workforce. . . .

Second, even as the number of outsourced jobs increases, the overall percent of high-tech jobs going abroad is likely to remain relatively small.

Next:

Outsourcing also poses quality-control problems.

Next:

As smart U.S. companies outsource their more standard high-tech work, they're simultaneously shifting their in-house IT employees to more innovative, higher value-added functions, such as invention, creation, integration, key R&D and basic architecture. . . .

There's no necessary limit to the number of high-tech jobs around the world. . . .

In conclusion, this former Secretary of Labor says:

... it makes no sense for us to try to protect or preserve high-tech jobs in America or block efforts by American companies to outsource. Our economic future is wedded to technological change, and most of the jobs of the future are still ours to invent.

Madam President, I ask unanimous consent that the article by Robert Reich be printed in the RECORD.

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

[From the Washington Post, Nov. 2, 2003]

HIGH-TECH JOBS ARE GOING ABROAD! BUT THAT'S OKAY

(By Robert B. Reich)

There's good news and not-so-good news in the American workplace. The good news is that the economy is growing and businesses are spending once again, on high technology. The Commerce Department reported last Thursday a sharp pickup in spending on equipment and software in the third quarter. Not so good is the news that high-tech jobs have not come back, at least not so far.

Jobs in America's sprawling information-technology (or IT, as is known in the info world) sector—including everything from software research, design and development to computer engineering—are down 20 percent from late 2000. Salaries are down, too. In 2000, senior software engineers earned \$130,000. The same job now pays no more than \$100,000. Meanwhile, a lot of high-tech jobs are moving offshore. Is that a cause for concern?

When I was labor secretary, I fought to preserve U.S. jobs. So you might assume that I would see the number of high-tech jobs moving offshore as a troubling trend. And yet, I do not. I'll explain why in a moment.

But lots of people are worried about it. Indeed, those anxieties seem to be increasing:

On Sept. 30, Congress let the cap on H-1B visas issued to foreign high-tech workers to shrink from 195,000 to its old level of 65,000. The ostensible reason: to make sure more high-tech jobs go to Americans.

Bills are pending in several state legislatures barring state government projects from using offshore high-tech workers.

High-tech workers are organizing against foreign outsourcing. One group of them—the Organization for the Rights of American Workers—has demonstrated outside conferences on "strategic outsourcing" in New York and Boston.

The fear is understandable.

More than half of all Fortune 500 companies say they're outsourcing software devel-

opment or expanding their own development centers outside the United States. Sixty-eight percent of more than 100 IT executives who responded to a survey last spring by CIO magazine said their offshore contracts will increase this year. By the end of 2004, 10 percent of all information-technology jobs at American IT companies and 5 percent in non-IT companies will move offshore, according to Gartner Co., a research and analysis firm that specializes in high-technology trends. And by 2015, according to a study by Forrester Research in Cambridge, an estimated 3.3 million more American white-collar jobs will shift to low-cost countries, mostly to India.

The trend isn't surprising. American companies are under intense pressure to reduce costs, and foreigners can do a lot of high-tech jobs more cheaply than they can be done here. Already India has more than half a million IT professionals. It's adding 2 million college graduates a year, many of whom are attracted to the burgeoning IT sector. The starting salary of a software engineer in India is around \$5,000. Experienced engineers get between \$10,000 to \$15,000. Top IT professionals there might earn up to \$20,000.

Meanwhile, it's become far easier to coordinate such work from headquarters back in America. Overseas cable costs have fallen as much as 80 percent since 1999. With digitization and high-speed data networks, an Indian office park can seem right next door. Matthew Slaughter, associate professor of business administration at Dartmouth College, says information-technology work "will move faster [than manufacturing] because it's easier to ship work across phone lines and put consultants on airplanes than it is to ship bulky raw materials across borders and build factories and deal with tariffs and transportation."

With such ease of communicating, the squeeze on H-1B visas will do little to keep IT jobs out of the hands of non-Americans. "It doesn't make a difference for firms whose business model has people largely working offshore," Moksha Technologies Chairman Pawan Kumar told the Press Trust of India. "It . . . will make firms drive business where the technology workers are." Guatam Sinha, head of the Indian human-resource firm TVA Infotech, agrees. "In fact, lots of techies are coming back to India." India exported \$9.6 billion worth of software last year. Such exports are expected to grow 26 percent this fiscal year.

So why don't I believe the outsourcing of high-tech work is something to lose sleep over?

First, the number of high-tech jobs outsourced abroad still accounts for a tiny proportion of America's 10-million-strong IT workforce. When the U.S. economy fully bounces back from recession (as it almost surely will within the next 18 months), a large portion of high-tech jobs that were lost after 2000 will come back in some form.

Second, even as the number of outsourced jobs increases, the overall percent of high-tech jobs going abroad is likely to remain relatively small. That's because outsourcing increases the possibilities of loss or theft of intellectual property, as well as sabotage, cyberterrorism, abuse by hackers, and organized crime. Granted, not much of this has happened yet. But as more IT is shipped abroad, the risks escalate. Smart companies will continue to keep their core IT functions in-house, and at home.

Outsourcing also poses quality-control problems. The more complex the job order and specs, the more difficult it is to get it exactly right over large distances with subcontractors from a different culture. In a Gartner survey of 900 big U.S. companies that outsource IT work offshore, a majority

complained of difficulty in communicating and meeting deadlines. So it's unlikely that very complex engineering and design can be done more efficiently abroad.

As smart U.S. companies outsource their more standard high-tech work, they're simultaneously shifting their in-house IT employees to more innovative, higher value-added functions, such as invention, creation, integration, key R&D and basic architecture. These core creative activities are at the heart of these companies' competitive futures. They know they have to nourish them.

The third and most basic reason why high-tech work won't shift abroad is that high technology isn't a sector like manufacturing or an industry like telecommunications. High-tech work entails the process of innovating. It's about discovering and solving problems. There's no necessary limit to the number of high-tech jobs around the world because there's no finite limit to the ingenuity of the human mind. And there's no limit to human needs that can be satisfied.

Hence, even as the supply of workers around the world capable of high-tech innovation increases, the demand for innovative people is increasing at an even faster pace. Recessions temporarily slow such demand, of course, but the long-term trend is toward greater rewards to people who are at or near the frontiers of information technology—as well as biotechnology, nanotechnology and new-materials technologies. Bigger pay packages are also in store for the professionals (lawyers, bankers, venture capitalists, advertisers, marketers and managers) who cluster around high-tech workers and who support innovative enterprises.

In the future, some of America's high-tech workers will be found in laboratories but many more will act like management consultants, strategists and troubleshooters. They'll have intimate understandings of particular businesses so they can devise new solutions that meet those businesses' needs. They'll help decide which high-tech work can most efficiently be outsourced, and they'll coordinate work that goes offshore with work done in-house.

Don't get me wrong. None of this is an argument for complacency. It's crucial that America continues to be the world's leader in innovation. Our universities are the best in the world, but they can't remain that way when so many are starved for cash. Federal and state support for higher education must keep up with rising demand for people who are creative and adaptive.

Federal government investments in basic research and development are also vital. We need to guard against what is already a drift away from basic research toward applied research and development—that is, from the creation of new knowledge that can be put to many different uses versus R&D that's related to the commercialization of specific products, especially military-related aerospace, telecommunications and weapons.

And just as with laid-off manufacturing workers, we need to ensure that high-tech workers are adaptive and flexible. They should be able to move quickly and get the retraining they need. Pensions and health insurance should be more portable across jobs. High-tech workers who want to polish their skills or gain new ones should have access to tax credits that make it easy for them to go back to college for a time.

But it makes no sense for us to try to protect or preserve high-tech jobs in America or block efforts by American companies to outsource. Our economic future is wedded to technological changes, and most of the jobs of the future are still ours to invent.

Mr. BOND. Madam President, as we have this debate, it is impossible to observe one nearly ignored reality. Despite whether we often or always disapprove of corporate decisionmakers,

it is impossible to be for employees while being against employers. We cannot be unrestrained in our desire to impose additional costs on employers and expect there not to be harmful consequences to employees.

One would not know it by listening to some of the Presidential wannabes, but when you put more burdens on employers, they respond. They respond to punitive taxation, regulation, and litigation. They will outsource. They will move away. They will respond positively to incentives. We hope the incentives of the underlying subject of the bill before us today to provide tax relief for exports will help us get more jobs in this country.

In my State, governmental regulations, State and Federal, are being used by some to try to prevent a foreign firm from investing \$400 million in a plant that will employ 200 high-paid workers in a poor area.

They are trying to stop insourcing. We are in year 3 of environmental assessments to see if the plant can meet all the EPA, Corps of Engineers, and State standards. If we keep piling on burdens, this firm can conduct operations in Thailand. I am afraid that option may be becoming more attractive every day.

As I said, the trial lawyers have litigated the refractory business out of Missouri. According to the National Association of Manufacturers, we have the most expensive legal system in the world, yet filibuster after filibuster keeps us from reforming the system. Tort taxes, for which America is famous, are estimated to have been over \$230 billion in 2002, 13 percent higher even than the costs in 2001. Who pays for these skyrocketing costs? The tort lawyers pocket their 40 percent, but employers, employees, and consumers contend with those costs.

We are not upgrading the locks and dams on the Mississippi River that are the vital lifeline to make sure we can use the farm productivity of the Midwest to ship grain to export markets around the world, export markets that are bringing up prices and restoring economic well-being to the agricultural sector. We need to invest in our infrastructure.

Let me add highways. Highways are very important to growing jobs. I wouldn't want to leave the Chamber without saying that. There is much work to be done.

Some apparently think that highways are too expensive: ignoring the greater expense of decay and inefficiency. A good highway bill has passed the Senate, but is bogged down and may not emerge from the House.

We spend \$60 million over 12 years studying whether our 70-year-old dilapidated locks on the Mississippi River should be modernized—a study that has resulted in nothing but red tape, congestion, and delay, without resolution. While failing to respond to the obsolescence of our Nation's most important inland waterway and artery to the world's markets, we are at risk of outsourcing corn and bean production to other countries.

This quagmire has been excellent news for South American farmers who are winning market share as fast as we are losing it.

On the Missouri River, another key waterway, the U.S. Department of Interior proposed in 2000 to end water transportation and increase flood risk for downstream businesses and landowners so they could experiment with pallid sturgeon habitat. Our farmers and other shippers who are struggling to compete look to government for more efficient transportation options. Instead, government uses its regulatory power to consign farmers and other employers to the mercy of a higher-cost transportation monopoly. More good news for foreign farmers courtesy of the U.S. Federal Government.

Farmers and businesses in my State routinely raise issues related to high energy costs. We need to be encouraging domestic production of energy. Instead we discourage it. Rather than safely developing renewable resources at home and oil in Alaska, we import oil from the Middle East. We had an energy bill that promoted all forms of domestic energy production but could not overcome a filibuster. So we are outsourcing midwestern farm jobs and Alaskan energy jobs to Saudi Arabia by Congressional obstruction. The Wall Street Journal featured an article recently noting how some firms were "off-shoring" in response to dramatic increases in natural gas necessary to fuel their operations.

Then there is the tax burden on U.S. businesses. According to some estimates, the U.S. has the second highest corporate tax burden in the world—second only to Japan. Most small businesses are taxed as individuals and are subject to the top marginal rates. Consequently, according to election-year Democrat rhetoric, these small businesses and corporations are "the rich" and next week we will see numerous attempts to raise their taxes.

Again, Congress can't stick it to the employers and claim to be deeply concerned about employees. We don't always like what corporations do—and I'm troubled by what seems like a herd mentality when it comes to outsourcing of many jobs—but businesses exist because Americans voluntarily purchase their products, Americans own them, Americans run them, Americans work for them.

No one advocates a business environment free of regulation, but we cannot continue to be oblivious to the costs that we, little-by-little, heap upon our employers.

If we want them to hire people and do so in the U.S.—and I certainly do—why don't we prove it. Why don't we resist raising their taxes next week? Why don't we end the filibuster on legal reform or "tort tax" reform? Why don't we end the filibuster on an energy bill? Why don't we modernize our infrastructure? Why don't we recognize that by working with businesses, we can reduce pollution rather than reduce American jobs.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, it is my understanding there are two additional requests for time. Do we have time left on the Democratic side?

The PRESIDING OFFICER. There is no time remaining on the Democratic side.

Mr. REID. I ask unanimous consent that there be an additional 10 minutes equally divided and that our 5 minutes go to the Senator from Delaware, Mr. CARPER, following the statement of the Senator from Minnesota.

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

Mr. COLEMAN. Madam President, I yield to my friend, the Senator from Delaware.

Mr. CARPER. I thank the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Delaware.

AMERICAN LEGACY FOUNDATION

Mr. CARPER. Today is March 4. Five years ago today something called the American Legacy Foundation was created. Over the past 5 years, Legacy Foundation has helped us to make great strides in the improvement of health for all kinds of Americans, not only today but in the years to come. They have helped us to begin building a world where young people reject tobacco and where just about anyone can quit smoking. But as we celebrate the work of the foundation today, a lot more work needs to be done.

The foundation was established in March of 1999 as a result of something called the Master Settlement Agreement between a coalition of attorneys general in 46 States and 5 U.S. territories and the tobacco industry. The foundation remains primarily today funded by payments designated by the settlement.

The foundation develops national programs that address the health effects of tobacco use. They do it through grants, technical training and assistance, and youth activism, strategic partnerships, countermarketing and grassroots marketing campaigns, public relations, and community outreach to populations disproportionately affected by the toll of tobacco.

The foundation has two goals that guide its work toward creating tobacco-free generations. One of those is to arm all young people with the knowledge and tools to reject tobacco. The other is to eliminate the disparities in access to tobacco prevention and cessation services.

The truth campaign is one effort to curb tobacco use among teens. Truth is the foundation's comprehensive countermarketing campaign to prevent and reduce youth smoking. The truth campaign was credited by the National Institute on Drug Abuse as one of the major programs which contributed to the steady reduction in teen cigarette smoking.

In addition to celebrating this achievement today, I also want to share with my colleagues the very real threats faced by the American Legacy Foundation. This year the foundation received its last payment from the Master Settlement Agreement. Because of this drastic reduction in resources, all of the successes that have been achieved to date are suddenly jeopardized. I don't believe we can afford to lose any of the ground we have gained on tobacco control.

I ask my colleagues to consider these facts: Tobacco is the leading cause of preventable death in this country. Tobacco kills some 440,000 people per year—more than alcohol, AIDS, car accidents, illegal drugs, murders, and suicides combined. Twenty-four percent of high school students in my State still smoke. That is down from where it was a couple years ago, but still almost one out of four. Every day some 2,000 teenagers begin smoking. Their average age is actually about 13. Of those who become hooked on smoking, one of three will end up dying from their use of tobacco.

Each year in my State of Delaware, some 1,100 adults die from cigarette smoking. I am told over 900 kids in my State have lost at least one parent through smoking-caused death. I would also say smoking is having a financial impact. Annual health care expenditures in my State caused by tobacco use total \$221 million and over \$62 million in State Medicaid payments are related to tobacco use.

I had the privilege of being the founding cochairman of the American Legacy Foundation. Our founding chairman was Chris Gregoire, the Attorney General of Washington State. I was succeeded and joined on the foundation board by former Governor Mike Leavitt of Utah, now head of EPA, and by Parris Glendening, former Governor of Maryland. I am proud of the association I had with the foundation at its beginning and the great work we did, especially with young people who themselves helped to design, to craft, and to deliver the truth campaign. In no small part because of their efforts, especially the young people, the incidence of smoking has dropped significantly over the last half dozen years, and it is important that that work and that trend continue.

I thank the Chair for the time and I thank my colleague from Nevada and my colleague from Minnesota for allowing me to speak.

I yield the floor.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. COLEMAN. Madam President, are we still in morning business?

The PRESIDING OFFICER. That is correct.

THE ECONOMY

Mr. COLEMAN. I would like to spend the little time remaining to talk about the economy. I was mayor of St. Paul,

MN, for 8 years, and I learned as mayor that the best welfare program is a job; the best housing program is a job. Access to health care quite often came through a job. I also learned nobody jumps on a sinking ship; that hope and confidence yield investment.

As we look at the data, look at what is happening in the economy, it is very clear the economy is moving forward. This Nation has come a long way from the terrible day of September 11 and the impact that had both on the infrastructure in New York and in Washington, but also on the psyche of the American public, the confidence.

Look at the scandals on Wall Street, the WorldComs and the Enrons. Undermining the trust and confidence in the American system, the way we do business, that has an impact. The reality is we have come so far. In the third quarter of last year we had the greatest GDP growth in nearly 2 decades. The fourth quarter exceeded expectations contributing to 6.1 percent annual growth rate in the last half of the year, the strongest 6 months gain since 1984. It is expected the 2004 economic growth will be between 4.6 and 4.8 percent.

We sound like statisticians here. I am not sure the average man or woman worried about their economic future and feeding their family understands the impact of that, but that is the fastest annual growth in this country since 1984.

When you try to turn around an economy that has suffered so much, when we try to do the things with the President's leadership—to cut taxes, put more money in the pockets of moms and dads, to allow business to increase expensing that, to generate bonus depreciation—it then results in more economic investment, which results in more jobs, more jobs.

Those are the things we have done, and the result is that the economy is moving forward. The statistics show that.

I understand that capital expenditures are on the rise. The Department of Commerce reported earlier this week that capital goods orders are rising and are 3.6 percent higher in January than in the final quarter of 2003. We have nearly 660,000 less unemployment claims than we had at our peak figure last summer and, I think, over 336,000 new jobs according to the payroll survey, the most narrow reading—and the household survey shows much more of an increase. If you do something out of your home, if you are individually employed, it doesn't count that. I learned from my 17-year-old that people do business out of eBay, and they are not listed in the payroll survey. But the household survey is significant.

Millions of jobs have been created in this country. So we are moving forward. In my State, the last report of the State budget showed very good news. The terrible deficits and gaps we were facing, the fiscal crisis, may be over. The National Conference of State Legislatures recently said that. So we