

Berlin to meet with Gerhard Schroeder. The German Chancellor was explaining to us his policies to reduce taxes, to reduce regulation, to reform medicine and Social Security. I said in humor, Mr. Chancellor, your policies would make Ronald Reagan smile.

His response was: It isn't because I want to do this, but I must do this because Germany no longer grows. We no longer have opportunity for our people. Our economy is dead in the water and yours is growing at a spectacular rate.

He even commented to the effect: You worry about losing jobs? We wonder why Mercedes and BMW are building plants in South Carolina.

It is because you can get a return on investment here.

I think we have to get beyond this lamentable side of the Democratic message, we love employees but we hate their employers, because the truth is both have to win and there is room for both. These policies that are punitive are well-intended. They want a vote on the minimum wage. I am ready to vote on that. They want to vote again on the overtime provision. We have voted on all these things before. These are not reasons to hold up progress on FSC/ETI. But that is what is happening.

We have to vote two, three, four times on policies already decided by this bicameral Capitol Hill. It is so very frustrating. I don't want America to become a democratic socialist welfare state. I don't care how well meaning all that was when they constructed the French and German economies, but I know, as Vice President CHENEY pointed out last week, while our economy was growing at nearly 8 percent in the last half of last year, their economies were growing at 1.4 percent.

So as we look to where these policies that are being proposed lead, let's understand we don't want to become like that. We want to be Americans. We want the American economy to produce jobs and to ensure freedom. All the well-intentioned taxes, regulations, and burdens of costs that are put upon employers ultimately translate into harm to employees. I think we have to start pointing that out.

In the FSC/ETI bill we passed through the Finance Committee, there was included in that a very important provision I was proud to sponsor. It was the repatriation provision. One of the good things the Europeans do and many of the other countries with whom we compete do, when their companies invest over here they let them take the money back to their home country without a tax. They let it be taxed once here. They don't retax it.

As to American companies who compete overseas, we allow them to be taxed over there and then we tax them again when they come back. So this repatriation provision, which for 1 year would have treated our companies like our competitors treat their companies, would have dropped the tax from 35 percent to 5.25 for 1 year. That would

have created over 650,000 jobs. All the economists said that. It would have brought \$300 billion into the economy, and it would have increased Federal tax receipts by nearly \$12 billion a year. It is a win-win. Yet we are stuck trying to re-vote on votes we have already voted, holding up this critical legislation, which I promise you is a vote against jobs. To obstruct this bill is a vote against American jobs. It is a vote for a European tax increase on American workers.

Repatriation is a component of ending the FSC regimen that promoted exports by helping to bring into balance with our competitors American taxation on our companies which export abroad.

I listened with some humor last week when my colleague Senator KERRY, the Democratic nominee for President, introduced his tax plan. It contained my repatriation provision. But when we put it through the Finance Committee, Senator KERRY voted against it. But now it is included. I don't know. I am glad he changed his mind, but I don't know why the flip-flop. It is a great idea. It is important to do. I am glad he is now with us. I wish he were here today to vote on it. We could use his vote to get this off the Senate floor, to a conference, and into the American economy. It truly does produce jobs.

While I think it is easy to hate employers, it is easy to bash corporations, at the end of the day that is how American free enterprise does its work.

I know not all corporations are perfect. There is always a rotten apple or two to spoil the barrel. But most employees don't hate their employers, and most employers care about their employees. Most American companies are anxious to see America succeed. These are patriotic people. We have to understand there needs to be a win-win here. Right now the obstruction on FSC/ETI is a lose-lose for the American people.

If we want to see jobs created, we need to pass this bill. We need not to accede to a European tax through the WTO on the issue of FSC/ETI. We need to fix it now. We needed to fix it yesterday. We need to get it to the House so we can get it to the President and then get it to the union shop, the corporate board room, so labor can be re-employed, because American capital comes home.

The PRESIDING OFFICER (Mr. ENSIGN). The Senator from Wisconsin is recognized.

CORPS OF ENGINEERS MODERNIZATION AND IMPROVEMENT ACT OF 2004

Mr. FEINGOLD. Mr. President, I rise today to discuss the Corps of Engineers Modernization and Improvement Act of 2004, S. 2188, which I introduced right before the March recess. I am pleased that the senior Senator from Arizona, Senator MCCAIN, and senior Senator from South Dakota, Senator DASCHLE, joined me in cosponsoring this legislation.

This legislation is particularly timely because it comes at a time when Congress is debating the Nation's budget, and when we cannot ignore the record-breaking deficits that the Nation faces. Time and time again we have heard that fiscal responsibility and environmental protection are mutually exclusive. Through this legislation, however, we can save taxpayers billions of dollars and protect the environment. As evidence of this fact, this bill is supported by Taxpayers for Commonsense, the National Taxpayers Union, the National Wildlife Federation, American Rivers, the Corps Reform Network, and Earthjustice.

Reforming the Army Corps of Engineers will be a difficult task for Congress. It involves restoring credibility and accountability to a Federal agency rocked by scandals and constrained by endlessly growing authorizations and a gloomy Federal fiscal picture, and yet an agency that Wisconsin, and many other states across the country, have come to rely upon. From the Great Lakes to the mighty Mississippi, the Corps provides aid to navigation, environmental remediation, water control and a variety of other services in my State alone.

My office has strong working relationships with the Detroit, Rock Island, and St. Paul district offices that service Wisconsin, and I want the fiscal and management cloud over the Corps to dissipate so the Corps can continue to contribute to our environment and our economy.

This legislation evolved from my experience in seeking to offer an amendment to the Water Resources Development Act of 2000 to create independent review of Army Corps of Engineers' projects. In response to my initiative, the bill's managers, which included the former Senator from New Hampshire, Senator Bob Smith, and the senior Senator from Montana, Senator BAUCUS, adopted an amendment as part of their managers' package to require a National Academy of Sciences study on the issue of peer review of Corps projects.

S. 2188 includes many provisions that were included in two bills, one of which I authored and the other I cosponsored, in the 107th Congress. It codifies the idea of independent review of the Corps, and it provides a mechanism to speed up completion of construction for good Corps projects with large public benefits by deauthorizing low priority and economically wasteful projects.

The bill puts forth bold, comprehensive reform measures. It modernizes the Corps project planning guidelines, which have not been updated since 1983. It requires the corps to use sound science in estimating the costs and evaluating the needs for water resources projects. Under this bill, a project's benefits must be 1.5 times greater than the costs to the taxpayer, which alone would save the taxpayers over \$4 billion. And, to receive Federal project funding, local communities

must take on a greater share in the costs of the project.

The bill requires independent review of Corps projects. The National Academy of Sciences, the General Accounting Office, and even the Inspector General of the Army agree that independent review is essential to assure that each Corps project is economically justified.

The bill also requires strong environmental protection measures. S. 2188 requires the Corps to mitigate the environmental impacts of its projects in a variety of ways, including by avoiding damaging wetlands in the first place and either holding other lands or constructing wetlands elsewhere when it cannot avoid destroying them. The Corps requires private developers to meet this standard when they construct projects as a condition of receiving a federal permit, and the federal government should live up to the same standard.

Too often, the Corps does not complete required mitigation and actually enhances environmental risks. I feel strongly that the Corps must complete its mitigation and the public should be able to track the progress of mitigation projects. In addition, the concurrent mitigation requirements of this bill would actually reduce the total mitigation costs by ensuring the purchase of mitigation lands as soon as possible.

This bill streamlines the existing automatic deauthorization process for the \$58 billion project backlog, and it will keep the Corps focused on its primary missions of flood control, navigation, and environmental protection. Under the bill a project authorized for construction but never started is deauthorized if it is denied appropriations funds towards construction for 5 straight years. In addition, a project that has begun construction but been denied appropriations funds toward construction for 3 straight years is deauthorized. The bill also preserves congressional prerogatives over setting the Corps' construction priorities by allowing Congress a chance to reauthorize any of these projects before they are automatically deauthorized. This process will be transparent to all interests, because the bill requires the Corps to make an annual list of projects in the construction backlog available to Congress and the public at large.

This measure will bring about a comprehensive revision of the project review and authorization procedures at the Army Corps of Engineers. My goals for the Corps are to increase transparency and accountability, to ensure fiscal responsibility, and to allow greater stakeholder involvement in their projects. I remain committed to these goals, and to seeing Corps reform enacted as part of this Congress' water resources bill.

I feel that this bill is an important step down the road to a reformed Corps of Engineers. This bill establishes a

framework to catch mistakes by Corps planners, deter any potential bad behavior by Corps officials to justify questionable projects, end old unjustified projects, and provide planners desperately needed support against the never-ending pressure of project boosters. Those boosters, include congressional interests, which is why I believe that this body needs to champion reform—to end the perception that Corps projects are all pork and no substance. All too often Members of Congress have seen Corps projects as a way to bring home the bacon, rather than ensuring that the taxpayers get the most bang for their Federal buck.

I wish it were the case that the changes we are proposing today were not needed, but unfortunately, I see that there is need for this bill. I want to make sure that future Corps projects no longer fail to produce predicted benefits, stop costing the taxpayers more than the Corps estimated, do not have unanticipated environmental impacts, and are built in an environmentally compatible way. This bill will help the Corps do a better job, which is what the taxpayers and the environment deserve.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

PERSONAL RESPONSIBILITY AND INDIVIDUAL DEVELOPMENT FOR EVERYONE ACT

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 4, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4) to reauthorize and improve the program of block grants to the States for temporary assistance for needy families, improve access to quality child care, and for other purposes.

Pending:

Boxer/Kennedy amendment No. 2945, to amend the Fair Labor Standards Act of 1938 to provide for an increase in the Federal minimum wage.

The PRESIDING OFFICER. Under the previous order, there will be 60 minutes equally divided between the chairman and ranking member of the Finance Committee.

The Senator from Rhode Island is recognized for 5 minutes.

Mr. REED. Mr. President, I rise in support of the amendment offered by Senators BOXER and KENNEDY to raise the minimum wage.

The last time we increased the minimum wage was in 1997, and workers have already lost all of those gains of that increase. To have the purchasing power the minimum wage had in 1968, the minimum wage would have to be more than \$8 an hour, not the \$5.15 today.

In 1968, we could afford it. In 1968, we could provide the wages that would en-

able Americans to save for homes, to purchase homes, to save for college education, and to educate young people. Today, working Americans do not have that opportunity because the minimum wage is not sufficient to support a family and support the aspirations that all Americans have to better themselves and their children.

Indeed, what is very startling is if we had increased the minimum wage at the same rate CEO compensation had increased, the minimum wage today would be \$22 an hour. In fact, it raises the fundamental question we will address over many months and years ahead, which is whether the rest of the world is going to become like the United States with a strong middle class with opportunities to move forward or will we become more like the rest of the world with a huge divergence between the very wealthy and those who are working for very little.

I believe we have to have a society that continues to produce a strong middle class, that continues to make work something that allows an individual to provide for their families and to aspire to all of the dreams of American home ownership, education for their children, and a comfortable and secure retirement.

Indeed, the fact that the minimum wage has relatively decreased has contributed to a doubling of poverty. A minimum wage earner for a family of three who works 40 hours a week 52 weeks a year earns \$10,700. That is \$4,500 below the poverty line. Today, if you are working 40 hours a week for minimum wage, you are in poverty.

The proposed increase would bring the minimum wage to \$7 an hour, and even this modest increase would only raise the annual salary of families to about \$14,000.

It is not sufficient to replace what people had in 1968. It is not sufficient to ensure all families are above poverty. But increasing the minimum wage will at least give more opportunity, more hope, and more sustenance to the families in America.

Today, one in five children lives below the poverty line in our Nation. This is the richest Nation in the world. That poverty has an effect on them; indeed, in the long run, it has an effect on everyone. There is an adage: You can pay now or you can pay later. We are not paying now and we will pay later. We pay later in terms of children who do not have the educational skills or the health to become the most constructive workers in our society they could become. In fact, some of them, unfortunately, wander into crime and other areas which cost us immensely. We have to be able to ensure people can afford to live in this country.

One of the other aspects of the minimum wage is a family earning a minimum wage in this country cannot effectively afford a two-bedroom apartment in any of the major metropolitan areas and in many rural areas. That is unfortunate. Without proper housing,