

Their plight is being ignored in Washington. It is being ignored by the very people whose economic policies are largely responsible for their plight.

Let's be clear. Despite the uptick in jobs reported last Friday, America has been stuck in a jobless recovery for several years now. It is not an accident. Since the Bush administration took office, nearly 3 million private sector jobs have been lost, including nearly 1 in every 6 in manufacturing.

This administration presided over the largest job loss of any administration since the Great Depression of the 1930s. Yet Mr. Bush and his Republican allies in Congress remain stubbornly committed to policies that are making this problem worse. They continue to pursue a whole range of policies that are retarding job creation, driving down wages, and threatening the economic security of the American people.

In January, the White House issued its annual economic report—signed by the President—explaining why we should be celebrating the “offshoring” of U.S. jobs. The President's top economic adviser assured us of the outsourcing of high-end white-collar jobs to Asia is “a plus for the economy in the long run.”

The President's report praises the virtue of a level playing field for goods and services, arguing that “when a good or service is produced more cheaply abroad, it makes more sense to import it than to make or provide it domestically.” But do we really want American workers competing on a “level playing field,” head to head with factory workers in China making 20 cents an hour or software engineers in India making \$10,000 a year? Would this not precipitate a race to the bottom with nations competing to slash salaries and benefits in order to “win jobs”?

We are a free market economy. Corporations have the right to move jobs overseas. However, it is wrong for the White House to be a cheerleader for this unfortunate trend, and it is wrong for our Tax Code to reward companies that outsource jobs. That is why Senator WYDEN, Senator DURBIN, and I are sponsoring an amendment to eliminate these tax subsidies.

Our amendment, which would go on the so-called FSC bill, would eliminate the ability of companies to deduct, depreciate, or amortize costs involved in shifting jobs overseas. This would include such costs as training of replacement workers, transporting property overseas, the sale of property in the United States that is closed, administrative costs, and acquiring facilities overseas.

Our amendment would also eliminate the ability of companies to not pay taxes on the profits from outsourced activity by keeping those funds overseas that were generated by outsourced workers.

As I said, the Harkin-Wyden-Durbin amendment would not prohibit companies from outsourcing jobs—I do not

think constitutionally we could do that—but it would stop encouraging and rewarding them under the Tax Code. This is the least we owe to America's workers.

Outsourcing is not the only thing hurting job creation and suppressing wages. The Department of Labor is forging ahead with its radical rewrite of the rules governing who is eligible for time-and-a-half overtime pay. Up to 8 million American workers could be stripped of their right to overtime pay. American workers fear, rightfully so, that under these new rules they would be obliged to work 45, 50, 55, 60 hours a week with zero additional compensation.

Moreover, these proposed new overtime rules are all but guaranteed to hurt job creation. It is just basic logic. If employers can more easily deny overtime pay, they will push current employees to work longer hours without compensation. With 9 million Americans currently out of work, why give employers yet another disincentive to hire new workers?

So let me review. This administration sees the outsourcing of jobs as a plus. It is determined to eliminate the right to overtime pay for millions of American workers. It refuses to extend unemployment benefits for the long-term unemployed. There is one more thing. We saw last week on the Senate floor that the President and his allies remain adamantly opposed to any increase in the minimum wage which has been frozen at \$5.15 for years. This is not a living wage. It is a poverty wage.

A minimum wage employee working 40 hours a week, 52 weeks a year, earns \$10,700 a year. That is \$5,000 below the poverty line for a family of three.

It has been 7 years since we last voted to raise the minimum wage. We have raised our salaries three or four times since then. So it is time we raised it to a minimum of \$7 an hour. Yet, once again, my friends on the other side of the aisle are refusing to allow a vote on a key issue related to jobs. We debated the Boxer amendment to the Temporary Assistance to Needy Families bill, regarding minimum wage, but as with my overtime amendment and as with the amendment to extend unemployment benefits, we were denied the opportunity to have an up-or-down vote.

In fact, the Republicans on the other side would rather sacrifice the underlying bills, the FSC and TANF bills, rather than allow a vote on these issues so crucial to working Americans.

It seems the administration has one approach: tax cuts, mainly for those who are wealthy. But something is missing. Most working Americans are not participating in this so-called recovery. The rich are getting richer. Tax cuts are working for the privileged few, but more and more Americans live in fear of losing their jobs, their health benefits, and their retirement benefits.

The truth is, we cannot build a sustainable recovery by exporting jobs,

driving down wages, and making Americans work longer hours without compensation. Moreover, such a recovery is not desirable. A true recovery must include all Americans, and it can only be built on a foundation of good jobs with good wages in America, not overseas. It must be built on a minimum wage that is a living wage, not a poverty wage. It must be built on a foundation that preserves our time-honored right: time and a half pay for overtime over 40 hours a week.

So it is time for the Senate to get to work on the people's business. As my friends on the other side of the aisle like to say, the majority leader determines what bills will come before the Senate, but according to the rules of the Senate and according to our longstanding tradition, it is Senators who decide what amendments are to be proposed to those bills. It is Senators, in open, free, and fair votes, who decide how those bills are shaped on the Senate floor.

All I can say is, Senators on this side of the aisle have proposed amendments in good faith that we believe are necessary for job creation and economic growth in America. On all three—the minimum wage, extending unemployment benefits, and the overtime issue—the Republican leadership on that side refuses to allow a straight up-or-down vote. This is not just unfair to us on this side, this is unfair to America.

My friends on the other side seem desperate to change the subject. Instead of talking about jobs, they want to talk about guns, abortion, or gay marriage, whatever social wedge issue seems handy at the time. In fact, they are so eager to change the subject, they are so eager to prevent votes on overtime, minimum wage, and extending unemployment benefits, that it seems they are willing to sacrifice or at least substantially delay the underlying bills.

We need to get to work in the Senate. Our economy remains fragile and hesitant. We have millions of Larry O'Briens in this country who are desperate, who need help, who want to go back to work. We need to address outsourcing. We need to boost the minimum wage. We need to extend unemployment benefits and we need to assure working Americans that they are not going to lose their right to time-and-a-half overtime pay.

Strong, timely acts on these issues will give a much needed boost to the economy, and it will ensure that Friday's generally positive economic report was not just another one-time fluke.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

AT WAR WITH EACH OTHER

Mr. McCONNELL. Mr. President, there is no question that the terrorists are at war with us. Unfortunately, it is becoming apparent that in Washington we are also at war with each other.

Today, the senior Senator from Massachusetts, Mr. KENNEDY, delivered an incendiary speech in Washington that deserves a strong rebuttal. We should all remember that last September Senator KENNEDY made news and raised eyebrows with an astonishing claim that the war in Iraq was "made up in Texas" and that "the whole thing was a fraud" because it was going "to be good politically" for the President.

Of course, that suggestion was so absurd that the senior Senator from Massachusetts was roundly criticized for the recklessness of the charge, as well he should have been. Today the Senator has mounted another vicious attack on the President by leveling claims so outrageous, so completely outrageous I am not going to repeat them here on the Senate floor, although they are being carried on television across the world, presumably even in Baghdad where those who are fighting Americans in the street can view them.

I would simply say this to the Senator from Massachusetts, that the only one responsible for the attack on America is al-Qaida. Further, I would say we need to focus on routing out global terrorism by fighting the terrorists and not each other. It is this Senator's opinion America would be much better served if the Senator from Massachusetts would remember who the enemy is. The enemy is terrorism and the enemy is al-Qaida.

But the political season is upon us and this will not be the last attack on President Bush. But while the debate over the election proceeds, I am hopeful the tone set by the Senator from Massachusetts will not become the standard.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

THE AMERICAN ECONOMY

Mr. DOMENICI. Mr. President, I just heard the distinguished Senator from Iowa talk about the American economy. It seems to this Senator that for some it doesn't matter what happens to the American economy; it is not good or it is not good enough. That seems to me to be playing politics with the reality of the American economy.

Job growth in the first quarter of this year averaged more than 170,000 per month. The Friday number was not an aberration. The increase on Friday was 308,000 jobs for that quarter. That is not an aberration. It is a continuation of month after month of growth, once we got out of this recession.

Fiscal and monetary policy still matter. The tax cuts President Bush pushed through Congress and the steadiness of the Federal Reserve Board have been able to bring this economy to a true test. Truly, we have been involved in a war, a recession, and come out of it with the American economy growing rapidly. With productivity gains continuing, with corporate

earnings improving, job growth should continue to accelerate.

Every time you have a set of good things happen to America, which we have all been waiting to share with each other as Americans, it is instantly politicized and spoken of by some as if the good things didn't happen. It is like changing the subject because you don't like the subject even if it is true, so you turn to the other subject and you talk about something else.

I assume there will be a vote on those issues raised by the distinguished Senator from Iowa before this year is out. But I don't believe they have anything to do with whether America's economy grows, how much it grows, or whether we have productivity increases. You know historically when you had productivity increases, it meant there was more to be distributed. Generally it meant more people could be paid more, that corporations could make more profit so they could grow and prosper. We have been having incredible productivity growth, the highest and most sustained in our Nation's history, and we all knew sooner rather than later that would begin to respond in jobs. Everyone who looked at the economy kept saying it is a matter of when. That "when" happened in this last quarter. The "how" is very simple—a well-managed set of policies by the Federal Government, especially directed at small business.

If you look at the tax cuts, America's small businesses, millions of them, were in the front lines receiving assistance so they could grow and invest and hire. I bet if we could look at these new jobs, we would find it is the small businesses that were helped by the tax cuts that are finally getting around to hiring people.

Instead of realizing this is good for everyone, watch; today they on the other side tried to find excuses as to why this is not good. I think the facts are going to prevail. We have all been saying let the economy recover, let jobs come back, and that is happening.

THE ENERGY BILL

Mr. DOMENICI. Mr. President, I want to change the subject for a minute. Today the United States-Canada Power System Outage Task Force released their final report on the causes of the August 14, 2003 blackouts and the ways to reduce the possibility of future blackouts. The Chair remembers, it was not too long ago when they had this northeastern blackout. The August 14 blackout was the worst blackout in North American history. It affected Ontario, Quebec, the States of Michigan, Ohio, New York, northern New Jersey, and parts of Massachusetts and Connecticut. Approximately 62,000 megawatts of customer load was lost, leaving close to 50 million people without power. Economic losses related to the blackout are estimated to range between \$4 and \$10 billion.

The principal recommendation of the task force is that Congress enact man-

datory reliability rules like those included in S. 2095. Guess what that is. That is the Energy bill. Everyone speaks as if it has provisions in it that they like to tell the public about. The truth of the matter is that bill is loaded with important provisions, matters of policy for America's future, and one is it provides us, if and when it is signed, with a mandatory system to regulate the customer load and the kinds of things that would prevent us from having another blackout.

Its principal recommendation was mandatory reliability rules, such as the ones included in the Energy bill. Mandatory reliability rules are not the only requirement necessary to prevent blackouts. These standards by which our transmission grid should operate are the rules of the road, if you will, but we also need to upgrade our transmission system. The road itself, not just the rules of the road, needs to be improved. To avoid future blackouts and provide our industry and consumers with the reliable electricity they need, we need to invest in critical transmission infrastructure; provide limited Federal siting authority of transmission lines to ensure the transmission of national interest lines, and avoid the most significant areas where we had gridlock; streamline the permitting of siting for transmission lines to assure adequate transmission, develop advanced transmission technology and open access to the grid through regional transmission organizations. We need all these parts of the Energy bill.

In addition, we need similarly important provisions relating to our growing dependence on natural gas: relicensing of hydroelectric plants, building a new generation of clean coal-powered plants, ethanol, the Alaska natural gas pipeline and conservation, and obviously we need some kind of tax incentive to start up again the nuclear powerplant business in America.

The electricity reliability crisis was easy to see. Millions of people lost power. We are facing a similarly troubling time. It is more difficult to see the crisis because of our growing dependence upon imported oil and gas. By 2005, we will import 70 percent of our oil and 30 percent of our natural gas.

As economies grow around the world, where current demand is growing at extraordinary rates, we will become less influential in setting world prices and guaranteeing supply. We are literally slowly but surely allowing our economy to fall under the control of oil and natural gas exporting countries. We are worried about it now because of gas prices.

If we don't pass this Energy bill, we will worry about it more each year, and we will become more dependent on more kinds of products and be less capable of handling our own business in our own way.

From what I can see with the Chinese and the Indians out in the market, who want to buy up all the oil they can