be ignored. We cannot afford to turn a blind eye to corruption, or deal with it only at the local level. Rule of law must be instituted from the top, and we will not succeed if corrupt officials escape justice.

Since last year, this is the one area where there has been no progress. To the contrary, the Afghan Government has continued to derail corruption investigations led by Afghan institutions, such as the Major Crimes Task Force and the Special Investigative Unit. This situation has worsened in recent months, as demonstrated by the recent case of Mohammad Salehi, an aide to President Karzai who was arrested for soliciting bribes. President Karzai personally intervened to secure Salehi's release despite the fact that his arrest was ordered by the Afghan Attorney General and the investigation surrounding the charges against him was Afghan-led.

As the administration prepares for a December review of its strategy, I am deeply concerned that the debate has changed from reducing corruption to determining how much corruption can be tolerated. Reports indicate that the administration has considered focusing on lower level corruption as opposed to that which stems from the top. Make no mistake, just as the ''fish rots from the head,'' the root of the problem stems from Kabul. This has been clearly demonstrated by the decisions to release corrupt officials, which have been personally made by President Karzai.

Corruption in Afghanistan is a continuum, and we must address the problem at both ends of the spectrum. It is a fallacy to think we can delineate a clear line between corruption at the highest level and the local level, or that we can address this issue without dealing with President Karzai. National and subnational incidents are of equal importance and must be confronted at the same time if we are to be successful.

In the midst of the debate about the best way to tackle corruption, concerns have been raised about Afghan sovereignty. Fighting corruption and protecting Afghan sovereignty are not mutually exclusive, and combating corruption does not necessarily impede on Afghan sovereignty.

As someone once said, we cannot want to win this more than the Afghans want to win it themselves. To the contrary, the two most significant bodies for investigations—the Major Crimes Task Force and the Special Investigative Unit—are housed in the Afghan Interior Ministry, and they operate with only minimal U.S. involvement apart from advising.

While it may be unrealistic to eliminate corruption completely, we must demonstrate that we are committed to doing so. And at the moment, we are moving in the wrong direction. We must measure and assess levels of corruption using a standardized metric to demonstrate that we are on an upward trajectory as we move toward the July 2011 drawdown date.

The recent establishment of three U.S.-led task forces to deal with corruption in Kabul is a good idea, but it is a tacit acknowledgement that our current strategy is not working. Now that the task forces have been created by the State Department and DOD, coordination and implementation of a common strategy are key. At the same time, these task forces are worth nothing—they are worth nothing—if Karzai releases corrupt officials or stands in the way of prosecutions. As we approach July, the Karzai government must demonstrate it is willing to arrest, detain, prosecute, and punish those who are caught red-handed.

The war in Afghanistan is critically important and worth fighting. If we leave, al-Qaida and other terrorist groups will reconstitute and once again find safe haven in Afghanistan, which will undoubtedly increase the threat to the homeland. American lives are at risk, and we must do everything in our power to defend our national security interests and ensure al-Qaida does not return to Afghanistan.

That said, let me be clear on two critically important points. First, we must remain dedicated to a top-to-bottom review of the entire Afghanistan campaign this December. Anything less would be a disingenuous attempt to sidestep the hard questions that linger about this exceedingly difficult foreign policy issue. Second, and most important, the December review must assess whether the Karzai government is genuinely committed to detaining and prosecuting corrupt officials who are brought before the courts, regardless of their family and political connections. Additional findings to the contrary gravely threaten our prospects for long-term success.

At the end of the day, we have to ask whether the Afghan people will choose the Afghan Government over the Taliban when we begin transferring security and governmental responsibilities to the Kabul government next year. Given that rampant graft and corruption is the top concern of Afghan citizens who were polled—ranked even above their own security—the answer to that question will be no unless the Karzai government gets serious about this debilitating and rampant problem.

This is what defines, more than anything else, our long-term success. And we should not continue—I cannot emphasize this enough—we should not continue to put our brave young men and women in harm's way unless we are pursuing a strategy that we believe has a reasonable chance of success.

This is the litmus test, and we must confront it head-on in December. As stewards of America's treasure, both in terms of resources and American servicemembers' lives, we owe the American people and our distinguished fighting force nothing less. And the American people deserve no less.

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

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

The legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

CREATING AMERICAN JOBS AND ENDING OFFSHORING ACT OF 2010—MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the motion to proceed to S. 3816 which the clerk will report.

The legislative clerk read as follows:

Motion to proceed to the consideration of Calendar No. 578, S. 3816, a bill to amend the Internal Revenue Code of 1986 to create American jobs and to prevent the offshoring of such jobs overseas.

Mr. GRASSLEY. Mr. President, before I start to speak, it is my understanding I have 30 minutes for our side and I ask unanimous consent that Senator DORGAN be recognized immediately after my time.

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

Mr. GRASSLEY. Mr. President, I wish to tell my colleagues why I think the bill before us, S. 3816, is not a good approach. This bill is being sold as somehow having the potential to create American jobs, but it would likely have the exact opposite effect. It would lead to a net decrease in American jobs. For that reason, I encourage my colleagues to vote against this bill.

The bill has three key aspects: a payroll tax holiday for employers hiring U.S. workers to replace foreign workers; a denial of business deduction for any costs associated with moving operations offshore; and lastly, ending deferral for income of foreign subsidiaries for importing goods into the United States. This last provision, according to my colleagues on the other side of the aisle, is the principal issue of the three, and from that standpoint, in my opposition, I agree. It certainly is the most dangerous, so that is the one I wish to address in detail.

To understand this partial repeal of deferral, it is best to consider the topic of deferral more generally and then we can consider this particular idea in context.

The term ''deferral'' refers to how U.S. corporations pay U.S. income taxes on foreign earnings of its foreign subsidiaries, only when those earnings are repatriated to the United States. That is, the U.S. tax is deferred until the earnings are paid by means of dividend back to the U.S. parent corporation. Deferral is not a new policy.

Rather, it has been a feature of the tax law since 1918.

President Kennedy proposed outright repeal of deferral, but the then-Democratic Congress did not agree with him. Instead, the Congress and the President compromised. The compromise was this: For the passive kinds of income such as interest, dividends, royalties, and the like earned by a foreign subsidiary, the U.S. parent company would pay immediate U.S. tax whether or not the foreign subsidiary sent the earnings back to the parent. However, for active business income of the foreign subsidiary, there would be no U.S. tax until the foreign subsidiary sent such money to the parent corporation.

In short, the compromise during the Kennedy era was this: For passive income, deferral was repealed. For active income, deferral was still allowed. That compromise is embodied in subpart (f) of the Internal Revenue Code. That compromise was hammered out in 1962 and, with slight tweaks at the margin, that compromise has stayed in place for the last 48 years.

The compromise struck in the John F. Kennedy administration was the right one. Passive income is easy to move from one jurisdiction to another. If a U.S. corporation had a lot of interest income, it was very easy to instead have the foreign subsidiary earn such interest income in a low tax jurisdiction. So when interest income was earned by a foreign subsidiary of a U.S. parent corporation, there was a high likelihood that it was earned in the foreign jurisdiction out of motivation for the sole purpose of avoiding the U.S. tax. But with active business income, there are usually legitimate nontax business reasons for the income to be earned overseas. The reason a U.S. car company sells cars in Hong Kong is not out of some desire to avoid U.S. tax but, rather, out of a desire to sell cars to customers that live in Hong Kong.

So the underlying rationale to the subpart (f) compromise is this: If there is a high likelihood that a particular type of income is earned overseas out of a desire to avoid U.S. tax, then deferral will not be allowed. If there is not a significant likelihood of that, then deferral will still be allowed.

This is a very sensible rationale that was agreed to during President Kennedy's administration in the 1960s, because one of the most fundamental tax principles of all this is transactions should not be tax motivated but should be motivated by business or other nontax reasons. Tax motivated transactions should not be allowed the benefits of the favorable tax treatment sought. This fundamental tax principle prevents the tax laws from distorting decisionmaking and from distorting the economy. And the bill that is now before the Senate called the ''runaway plant'' bill cannot be justified by any similar rationale. They say they want to repeal deferral for foreign subsidiaries having income from importing goods back into the United States. But are they claiming that when a foreign subsidiary of a U.S. company imports back into the United States, there is a high likelihood that the production of the good would have been in the United States but for the motivation to avoid U.S. tax? They would have to be claiming that, if they wanted to be consistent with a half century of reasons why certain specific limitations on deferral have been justified.

But that simply can't be. There are numerous nontax reasons for having a foreign subsidiary of a U.S. parent company import goods into the United States, and I will mention a few. One reason could be that there is only small demand for the product back in the United States as compared to the overseas markets. For example, diesel engine cars are very popular in Europe, comprising 50 percent of all car sales. Here in the United States, diesel engine cars are well less than 10 percent of all car sales. So there is a very good reason for having diesel engine cars made in Europe and not here. Nonetheless, the bill before the Senate acts as if the reason these cars are not made here is because of our tax laws.

It may be that some items simply aren't found in appreciable quantities in the United States. For example, there is no diamond mining or chromium mining to speak of in the United States. A U.S. parent mining corporation with a foreign subsidiary engaged in diamond mining or chromium mining where such diamonds or chrome are imported into the United States may find deferral repealed. This could be true to the extent that the parent had any domestic restructuring at the same time it started up any foreign operations. But obviously the reason for the diamond and chrome mining outside the United States is not tax avoidance. The reason is those minerals are not found here within the United States. So I wish the sponsors of this bill to make clear whether minerals not found in the United States and imported into the United States would be included in this proposal.

I wish also to know whether this proposal would have applied to the Ford Motor Company's ownership of Volvo. Ford owned Volvo cars from 1999 to 2008. During that time, many Volvos were made in Sweden and imported into the United States for sale. If the acquisition had happened after the date of enactment, deferral would be denied in this situation, at least to the extent that Ford may have been shutting down any plants in the United States. However, no one can seriously claim that the reason the cars were made in Sweden rather than in the United States was from the desire to avoid U.S. taxes.

Keep in mind that another foreign car company—let's say Volkswagen—would not be treated the same way Ford's Volvo car income would be treated. Volkswagen would be better off taxwise on competing auto sales into the United States market over Ford's Volvo, thanks to this bill, if it were to pass.

There are lots of nontax reasons for having foreign subsidiaries of U.S. companies import into the United States. But it seems that the bill before the Senate does not recognize that fact, or maybe it doesn't care. Perhaps the bill is motivated not by a desire to curb tax-motivated transactions but by something else. Perhaps the bill has an anti-free trade motivation. Perhaps the bill is attempting to make it more difficult for American companies to conduct business outside of our country. Whatever the case, the bill's sponsors should make the rationale clear—is it to curb tax avoidance or something else?

Perhaps the bill's sponsors will admit that the bill has nothing to do with curbing U.S. tax avoidance. Perhaps they will say that it instead has to do with preserving and creating U.S. jobs. But if that is their position, that cannot be right. In some limited circumstances, perhaps it would increase employment in the United States, although probably mostly for tax lawyers than anybody else. But whatever the case, the net effect would be to decrease employment in the United States.

Allow me to explain why the net effect of the bill would be to decrease U.S. employment.

First of all, if a U.S. parent company has a foreign subsidiary, then this creates managerial headquarters jobs in the United States that would otherwise not be here. The bill before us might encourage American companies to simply sell off their foreign subsidiaries. This would, in turn, mean laying off employees in management positions at the American headquarters.

A bigger way this bill would hurt employment in the United States would be to discourage assembly jobs in the United States. A U.S. parent company could have foreign subsidiaries engage in manufacturing parts that are shipped back to the U.S. parent. The U.S. parent, in turn, might assemble those parts here in the United States into a finished product. So, yes, maybe this bill would encourage the company to repatriate the parts production, but it is just as easy to imagine that this bill would encourage the company to expatriate the assembly jobs. So this bill is an unacceptable gamble with American jobs.

In the words of the late Senator Moynihan, who preceded me and Senator BAUCUS as chairman of the Senate Finance Committee—he spoke in opposition to this proposal 14 years ago, so this issue has been around this body for a period of time. He said this: ''Investment abroad that is not tax driven is good for the United States.''

Senator BAUCUS's concern that this would put the United States at a competitive disadvantage is exactly right. I don't have the exact quote of Senator BAUCUS, but it was in Congress Daily recently. I am sorry I don't have that quote for my colleagues.

Senator BAUCUS very rightly states it. Phil Morrison, the Treasury Department's international tax counsel, criticized this proposal in congressional testimony 19 years ago. Mr. Morrison noted that the bill would be very hard to administer and that it departed from the traditional focus of the limited areas where deferral is denied.

As President Clinton's international tax counsel, Joe Guttentag, explained in 1995, during the Clinton administration:

> Current U.S. tax policy generally strikes a reasonable balance between deferral and current taxation in order to ensure that our tax laws do not interfere with the ability of our companies to be competitive with their foreign-based counterparts.

This proposal has been made year after year for 20 years. I ask that my colleagues again reject it, in an effort to keep American companies globally competitive, to protect American jobs, and to preserve the underlying rationale of why deferral should only be denied in limited circumstances.

Finally, I wish to briefly comment on one other aspect of the bill—the payroll tax holiday. This, too, has provisions that will be difficult to administer. For example, do foreign workers actually have to be fired to have their employer get the payroll tax holiday in the United States or do they need only to be reassigned job roles?

This provision only scores, according to the Joint Committee on Taxation, as costing $1 billion. Let's make sure we are clear on this point. The other side is seriously considering raising taxes on small businesses—the lead creator of jobs—by tens of billions of dollars by letting top individual tax rates go back up in the year 2011. But in an effort to support job creation, they offer this $1 billion payroll tax holiday.

According to the Joint Committee on Taxation, 50 percent of small business flowthrough income will be hit by a marginal tax hike of somewhere between 17 percent, on the low end, and 24 percent, on the high end. That tax increase is scheduled to hit these job-creating small businesses in just a little over 3 months. Finance Committee Republican tax staff calculates the effect of that tax hike to be 50 times the benefit provided by this bill. On our side, we don't see the logic of raising $50 in taxes and providing a complicated tax benefit of just $1.

Why aren't we dealing with the real problem for the folks responsible for creating 70 percent of American jobs? Of course, that is small business. We ought to take time out on the tax hit that is coming to small business this December. That is what we ought to be debating on the Senate floor.

But the Democratic leadership would rather spend valuable time talking about a bill that is artfully politically labeled a jobs bill. Given that the bill will lead to a net loss in American jobs, it seems there might be a truth-in-labeling claim against the Democratic leadership.

Let's have votes on real job creation incentives and get out of this gamesmanship. Let's do the people's business and forestall the big tax hike coming at American small business.

I also wish to take some time to address the issue of the estate tax, which is going to expire at the end of this year, at the very same time.

The majority party has had control of the Senate since January 3, 2007. That is 3 years, 8 months, and 24 days ago.

During the 3½ years of Democratic control, my colleagues have had an opportunity to address the death tax.

More pointedly, the Democratic leadership had a duty to provide certainty in the law as it relates to the estate tax.

My colleagues have had the duty to address the fact that this ill-conceived tax will snap back to pre-2001 law on January 1, 2011.

That is only a little over 3 months away. To be exact, it is 3 months and 5 days from now.

Unfortunately, as this chart shows, the estate tax is not the only piece of long overdue tax legislation.

Mr. President, the practice of ''good government'' is providing certainty in the law.

What I mean is, our country is made up of law-abiding citizens. As legislators, we were hired by these law-abiding citizens to make the law.

When we fail to provide certainty in the law, we fail to do our jobs.

But despite the fact that the Democratic leadership has not acted in over 3½ years we still have 3 months before the estate tax reverts back to a 55-percent tax rate and a $1 million exemption amount. So Congress still has time to act.

But I am skeptical that the Democratic leadership will indeed act.

Why? Because when my friends on the other side of the aisle were in the minority earlier in this decade, they blocked—let me repeat blocked—Republican efforts to make permanent an estate tax law that law-abiding citizens all across America could rely on.

The first effort was made in 2002. Specifically, on June 12, 2002, the Democratic leadership blocked legislation that would have permanently repealed the estate tax.

In 2004, Republicans in the House of Representatives approved a bill that would have permanently repealed the estate tax. But due to maneuvering by the Democratic leadership, a vote in the Senate was never allowed to occur.

Finally, in 2006, Republicans offered a compromise proposal on the estate tax. Under that compromise, the estate tax unified credit exemption would have gradually been increased to $5 million. The rate would have also been phased in to a 30-percent tax rate.

But again, the Democratic leadership filibustered the proposal to its death.

Mr. President, I believe on our side were practicing good government as it relates to the estate tax.

We were doing our jobs, and providing certainty in the law.

Yet the Democratic leadership stymied the practice of good government.

To this day, the Democratic leadership continues to stymie efforts to provide certainty in the law.

So why is the estate tax being held hostage?

Because a number of liberal leaning Senators would be satisfied if the estate tax reverted back to pre-2001 law—that is, a 55-percent tax rate and a $1 million unified credit exemption amount.

And why wouldn't they? There is $233 billion in extra revenue to spend.

Also, in this hyperpartisan environment that is plaguing the Senate, many policymakers are politicizing the estate tax issue.

What do I mean?

A number of Senators have taken to the Senate floor and characterized a reasonable estate tax rate as a ''give-away'' to the rich.

These Senators also argue that if the estate tax is ratcheted up to a 55-percent tax rate, we could use that revenue to reduce the deficit.

I respect every Senator's opinion, but I question whether these members are actually going to use this revenue to reduce the deficit.

Unfortunately, we have seen my friends' desire to spend, spend, spend. Increasing the deficit one dollar at a time. Not the other way around.

I will acknowledge that due to the budget rules that we must live by here in the Senate, making permanent an estate tax regime at a tax rate lower than a 55 percent will result in revenue loss to the government.

For example, my friend Congressman POMEROY—a Democratic Congressman from North Dakota—sponsored a bill to make permanent the estate tax at a 45-percent tax rate and a $3.5 million unified credit exemption amount.

When you compare this proposal against what the estate tax would revert to in 2011—a 55 percent tax rate and $1 million exemption—you find that this change in the law would cost around $233 billion over 10 years.

Now, when you compare $233 billion to the $2.5 trillion health care reform bill that was recently signed into law, it is a drop in the bucket.

Also, compare this to our $13 trillion national debt.

But $233 billion is nothing to sneeze at.

While it could be used to reduce the deficit, my colleagues on the other side of the aisle have made every indication that they will simply spend this money.

My colleagues on the other side will gloss over their plans to spend, and instead attack any proposal that includes a tax rate lower than 55-percent as a ''give-away'' to the rich.

I have some news for my colleagues. A large number of Americans who would be impacted by a 55-percent tax rate and a $1 million unified credit exemption are not ''rich.''

Let me repeat that. Those taxpayers that would be impacted by the estate tax if it reverted back to pre-2001 levels are not wealthy people.

I would like to take a moment and provide my colleagues with a real world example of an Iowan who would not consider herself ''rich.''

Recently, I received an email from Landi McFarland, who is a sixth generation Iowa farmer.

This is what Landi had to say about the impact of the estate tax and her ability to continue the family farm:

. . . As a 6th generation Iowa farmer whose family homesteaded land in Union county 154 years ago, I have concerns about current estate tax law. I am 26 years old and have a dream of pursuing a future in agriculture, the same as the generations that have come before me.

I currently raise Angus cattle with my parents and grandparents, where we are taxpaying citizens and supporters of our local economy and schools. My grandparents are both 84 years old, and own about 90 percent of the land, cattle, and equipment on our farm. Their combined estates will total approximately $7 million (the vast majority of this being farm assets like land and cattle). Recent land values have escalated the values of my grandparents' estate.

This rise in land values, however, does not increase the value of what the land produces (Angus cattle sell for the same price no matter if the land is valued at $1000 or $4000 per acre).

If my grandparents pass away AFTER 2010, and current estate tax laws are not fixed, my family will not be able to afford to pay the estate taxes without liquidating the herd and selling a large portion of the farm ground. This will put an end to our business that we love, and hence and end to our support of local businesses through daily business operations.

In the last four years, my family has worked on estate planning to try to help ease the burden of estate tax. This includes taking advantage of the $12,000 tax-free gifting each grandparent can do per person per year.

However, this only amounts to a total gifting of $48,000 per year, a drop in the bucket for a combined $7 million estate.

We are one of the oldest Angus operations in the country, and is all we wish to do is continue our family business that has been built with our own blood, sweat and tears over the past years. If current estate tax laws are not fixed, there will be thousands of small family businesses like ours put out of business. We need a SENSIBLE and PERMANENT fix.

Thanks for your help,

—Landi

Mr. President, Landi's story is not unique to her. There are more farmers like her in Iowa and around the country.

I want to talk more broadly now about how failing to address the estate tax sunset will affect Iowa farmers.

Over the past few years, farm prices have been escalating dramatically. According to the U.S. Department of Agriculture, U.S. farm prices have nearly doubled in the last decade.

While recent economic troubles have led to home prices dropping, this has not been the case for farmland. In fact, as reported in a recent LA Times article, Wall Street investors have actually turned to purchasing farmland in hopes of finding refuge from an unstable stock market. This in turn has pushed farm prices higher. Based on a recent survey by the Federal Reserve Bank of Chicago, Iowa farm prices are up 8 percent in the past year alone.

Why is this discussion of escalating farm prices significant?

Because this means that should the estate tax law revert to 2001 law, many farmers are going to be surprised to discover they will be considered ''rich.''

Now, I am not talking about wealthy corporate farmers, I am talking about many family farmers, just like Landi, who are taking over a farm that has been passed down for generations.

Mr. President, let me walk my friends through some data.

In 2007, the U.S. Department of Agriculture reported that there were 92,800 farms in Iowa.

In 2007, the average Iowa farm was 331 acres.

According to a survey conducted by Iowa State University, in 2009 the average acre was worth $4,371.

Let's do some simple math. If we multiplied the average acreage of an Iowa farm—which was 331 acres as reported in 2007—by the average cost per acre in 2009—which was $4,371 in 2009—we find that the average Iowa farm is worth $1.4 million.

Mr. President, $1.4 million exceeds the $1 million unified credit exemption amount that would be in place on January 1, 2011, if Congress does not act.

Admittedly, the value of a farmer's farmland does not tell us conclusively whether or not the farmer will be subject to the estate tax. Farmers sometimes carry debt. That would reduce the value of the farm. But they also have assets, including equipment and bank accounts, that would increase the value of the estate.

Let me shift gears and provide my friends with some national statistics.

The Joint Committee on Taxation has told us out of 92,700 estates of people dying in 2011, 49,000 of these estates would be taxable under the 55-percent rate and $1 million exemption. If the law were changed to a 35-percent tax rate and $5 million exemption amount, for example, 3,900 estates would be taxable. That is a ratio of 13 to 1.

For every one estate that would be taxable under a 35-percent and $5 million estate tax regime, a whopping 13 estates would be taxable if the law reverted to a 55-percent rate and $1 million exemption.

Even if the rate were set at 45 percent and an exemption amount of $3.5 million, this ratio is 8 to 1. That is, for every one estate that would be taxed under the 45-percent rate, with the $3.5 million exemption, eight estates would be taxable under the 55-percent rate and $1 million exemption if we do not change the law.

I will conclude this way. Let's now look at farmers who would be affected. Based on the Joint Committee on Taxation in 2011, 3,200 farms would be taxed if the law included a $1 million exemption amount. Compare that to 300 farms that would be taxable if the exemption was $3.5 million.

That means the result of no action will be that 10 times as many family farms will be hit by the death tax. The time for action on the estate tax is now, not a month from now or 3 months from now. We owe it to the farmers and small business owners and their young heirs to give them certainty. We need to give to the tax lawyers and consultants who advise people on their estate planning some certainty.

I yield the floor.

The PRESIDING OFFICER (Mr. WARNER). The Senator from North Dakota.

Mr. DORGAN. Mr. President, I believe by consent I am to be recognized for 30 minutes.

The PRESIDING OFFICER. The Senator is recognized for 30 minutes.

Mr. DORGAN. Mr. President, we have heard a couple of very spirited defenses this afternoon on behalf of jobs in China, which I pose is a wonderful thing if you live in China and have a job in China. The issue here is what about jobs in our country. What about the people who woke up this morning unemployed in America looking for work who could not find it? Who is standing on this floor speaking for those folks?

I have heard a lot of discussion about support for jobs in China, Mexico, or elsewhere. But who is standing up talking about the jobs at home?

Let me describe what this issue is about, if I may.

I think this issue is something most Americans understand because they have heard it over and over. In recent years, we have seen millions and millions of manufacturing jobs gone from America because the very manufacturing plants that were open in this country to manufacture goods that had a label on it that said made in America are gone from America. They are now in China, they are in Mexico, they are in Thailand, they are in South Korea, and elsewhere. Let me talk about those jobs and why they have left this country.

Listening to my colleagues—and, of course, the Chamber of Commerce, the National Association of Manufacturers, all of the usual suspects who get in the same tub and make the same thumping sounds—one would believe that what has happened is that we have actually increased manufacturing jobs in this country and that moving American jobs overseas does not hurt anybody; it helps our country. Of course, that is just patently untrue.

My colleagues were talking about something called deferral. That is not something people sit around a coffee shop talking about—deferral. It means, in certain cases under this bill, those companies that shut their American manufacturing plant, get rid of all their workers, and move the manufacturing to China or Mexico, for example—let's take China—actually get a tax break from our country that says if they are on one side of the street and their competitor is on the other side of the street, and they close their plant, fire their workers, scat out of town, go to China, hire people there, manufacture the same product, ship it back here, their country will be generous enough to say: Good for you, we will give you a tax break for doing it. That is what is called a deferral.

In the narrow scope of what is in this amendment they object to, deferral says if they leave this country with their jobs, shut them down here, move over there, manufacture there with foreign workers, and then ship the product back into this country to compete against the business men and women who stayed here, who manufacture here, who employ people here, they are not going to get a tax cut anymore. It is just not going to happen.

My colleagues say we have to have this principle called deferral. What about having every American have the opportunity for deferral? How about every American having the opportunity to defer their income taxes until it is more convenient for them? No, not everybody gets these things. Just the interests at the very top.

Then when we tried to narrow it a little bit because it gives a pernicious incentive to move jobs overseas, we have people standing up saying: We support those companies that are moving American jobs overseas. We support those jobs in China. God forbid you want to interrupt this process.

My colleague says: In 1962, there was this carefully crafted tax agreement on deferral—48 years ago. Do not interrupt that after 48 years. We made this careful agreement 48 years ago.

Let me tell my colleagues what has happened since then. I have shown this on the Senate floor before. In the last 48 years, the tax system has changed a little bit. This is a five-story white house on Church Street in the Cayman Islands called the Ugland House. The first time I showed this chart—by the way, this is enterprising reporting by David Evans from Bloomberg—there were 12,748 companies in this building. It is only a five-story small white building on Church Street in the Cayman Islands. It was inhabited by 12,748 corporations. A little crowded, I would say. Were they there? No, they just got their mail there. Why did they get their mail there? So they could slip under the American Tax Code and not pay taxes to the U.S. Government.

When I first showed this chart some years ago, it was 12,748 corporations. But there was room for more. Now there are 18,857 entities that call this building home. Is that unbelievable? They must enjoy each other's company, or at least their mail must fraternize.

Mr. President, more than 18,000 companies claim that little building. We made this careful agreement in 1962 on deferral? How dare you deal with the Tax Code in a way that you would upend that 1962 agreement. Everything has changed. There is not a ghost of a chance in 1962 that American companies would have even thought of trying something that audacious—just gather together in a mailbox in a white building someplace to avoid paying your obligation to this country.

I have shown this as well. Wachovia Bank (formerly First Union Bank) bought a sewage system in Bochum, Germany. Why? Did they have sewage specialists on their staff? I don't think so. Did they put out television advertisements: Come do business with Wachovia Bank because we know about sewers or we want to buy sewers in foreign cities? No, they did this to avoid paying U.S. taxes. This is Wachovia Bank. They did not pay $175 million in U.S. taxes because they bought a sewage system from a German city.

Did they move the sewage pipes? No. Do they know anything about sewers? No. They bought it from the German city and leased it back so they could depreciate it and not have to pay U.S. taxes. Unbelievable.

The Tax Code has changed, I say to my friends. It is a punch board of gimmicks allowing people to do things they could not previously have done before, and the most significant enterprise is to move American manufacturing jobs overseas and get a tax break for doing it.

This amendment is very misunderstood based on the discussions by the two previous speakers. There is discussion on the floor of the Senate about what is the motivation for moving jobs overseas—to serve, for example, a foreign constituency; want to move jobs to China to be able to sell into Thailand or Korea. The tax deferral piece of this amendment does not affect you. You can win that argument we are not having, if you wish, but you are misstating what the amendment suggests. The deferral part of this amendment does not do anything of the kind.

This amendment is narrow—narrower than I would have it, as a matter of fact. But it says if you are going to get rid of your American workers, close your plant, move those jobs elsewhere, and then ship back into this country to compete with the American businesses that stayed here, you do not get the advantage of deferring the payment of U.S. taxes. It is just very simple.

The question today is not just who is going to stand up for American jobs on this floor, who is going to stand up for American businesses that stayed here, manufactured here, hired workers here, paid the rent here, who is going to stand here and support that? I have not heard it yet.

Let me go through some points. Before I do, let me mention one other thing. One of my colleagues just said: There are some things you cannot make here. So if you make them abroad, we do not want to punish you in our Tax Code from selling them in this country.

They previously used bananas. I want my colleagues to understand, we actually have a banana exemption. We do not actually spell out bananas, but because the specter of fruit was raised the last time this was discussed, we included a banana exemption.

Of course, we do not grow bananas in the United States. If somebody ships them back here, they will not be affected by this amendment either.

There are a lot of points raised that have nothing at all to do with what we are describing in terms of public policy.

Let me go through a few items. Some people may not know this. I described previously in unsuccessful attempts to try to do what we are doing that in New Jersey, there are a lot of folks who loved their jobs and they worked for a company call Fig Newton. Some actually shoveled fig paste. By the way, the company's name was Nabisco, which stands for National Biscuit Company. But it was not quite so national because Nabisco, the National Biscuit Company, decided the pay they had to provide for people to shovel fig paste in New Jersey was way out of line, so they just took Fig Newtons right off to Mexico. If you want Mexican food, buy some Fig Newtons. It goes on and on. The list is so long.

I want to mention, as I have mentioned before, some of these same stories because it is important to understand what motivates people who want to stand up for American jobs.

Pennsylvania House Furniture—I was in Pennsylvania this weekend—was made in this country for over 100 years with fine Pennsylvania wood. It was a wonderful company making high-end furniture. One day it was sold to La-Z-Boy. La-Z-Boy decided: We are going to move Pennsylvania House Furniture to China, and we are going to ship Pennsylvania wood to China and have Chinese workers put the wood together and ship it back to be sold in the United States. It had nothing to do with whether the folks at Pennsylvania House Furniture were slothful, indolent workers not doing their job. It had nothing to do with that.

What it had to do with is La-Z-Boy did not want to manufacture Pennsylvania House Furniture in the United States. They wanted to acquire 50-cent an hour labor, 12 hours a day, 7 days a week in China.

On the last day at work at the Pennsylvania House Furniture manufacturing company, these craftsmen—nearly 500 craftsmen—as the last piece of furniture came off the line, they turned the cabinet over, and then they all gathered round to sign their name on the bottom of the cabinet. These wonderful American craftsmen signed that cabinet. Somebody has a piece of furniture they are probably not aware has all the names of those workers who were fired as those jobs went to China.

Why did they do that? Because they cared about their jobs and were proud of their work, but they could not compete with 50-cent-an-hour labor.

Stanley Furniture in Virginia is a furniture company that was started by Tom Stanley, a young dairy farmer in Virginia. He started it in a city that now is named Stanleytown. A couple of months ago, it was decided that Stanleytown was going to have some pretty bad news. Stanleytown was going to find out that these jobs were no longer going to be in Stanleytown. Stanley Furniture, another fine furniture manufacturer, was going to China.

Let me read from the Journal of Commerce of this year:

> Stanley Furniture's decision to close its plant in the small town that bears its name fell like a hammer blow on southern Virginia and resounded across an industry, increasingly now moving overseas. More than 500 workers will lose their jobs this year as the manufacturer shuts down its Stanleytown, VA, plant, where the company has made furniture since 1924.

So it goes—moving jobs overseas. Let me, if I might, go through a couple of others.

I notice the Hershey company—speaking of Pennsylvania—Hershey company's York Peppermint Pattie is that silver pattie with the ''York'' in the middle and the advertisement that says: ''The cool, refreshing taste of mint dipped in dark chocolate will take you miles away''—in this case, of course, to Mexico because Hershey decided it is time to move. So York Peppermint Pattie moves 260 jobs to Monterey, Mexico—part of a longer term job strategy by Hershey, they said. Well, that is a peppermint pattie. America's manufacturing strategy probably doesn't depend on peppermint patties—who knows.

I have previously mentioned a series of American manufacturers, and I have used this one often because they announced with great fanfare some years ago that they were going to leave America altogether. Not another piece of underwear was going to be made by Fruit of the Loom in the United States. The dancing grapes, for all their advertisements, must have been unhappy. Their advertisements were always happy and upbeat, with guys dressed as grapes and such marching in the meadow. They can't have been very happy when Fruit of the Loom said: We are not going to make underwear in America anymore.

Radio Flyer's little red wagon. This was a 100-year-old company in Chicago. All gone. Now made in Mexico.

Here is another company. I have been talking about this one for a long time. Last week, my colleague from Ohio talked about this company—Huffy Bicycles. You can buy them at Walmart and Kmart and Sears. They were made in Ohio—except, no more. No more. All those workers lost their jobs. All those jobs are in China. All those jobs are done by people who make 50 cents an hour, working 7 days a week, 12 to 14 hours a day. Huffy said to the workers in Ohio: You know what, you can't compete, so you are done. On the last day at work, where they parked their cars in the parking lot, those workers who were fired that day left a pair of empty shoes in the places where their cars were parked. It was the only thing they could do to say: You can move our jobs to China, but you can never replace American workers.

So I could go on and on, but I want to describe what so many here in this Chamber wish to ignore. This is a quote from Mr. Paul Craig Roberts, one of the top Treasury officials in the Reagan administration. Here is what he said this year:

> Outsourcing is rapidly eroding America's superpower status. Only fools will continue clinging to the premise that outsourcing is good for America.

Only fools will cling to that premise. And I agree with him.

Again, another quote from Mr. Paul Craig Roberts:

> In order to penetrate and to serve foreign markets, U.S. corporations need overseas operations. However, many U.S. companies use foreign labor to manufacturer abroad the products that they sell in American markets. If Henry Ford had used Indian, Chinese, and Mexican workers to manufacturer his cars, Indians, Chinese and Mexicans could possibly have purchased Fords but not Americans.

Again, he is absolutely right. It seems to me the question is, Will America remain a world-class economic power without a world-class manufacturing capability? Does anybody really believe that could be the case? You are going to decimate and erode a manufacturing base in this country and then say: Things will be just fine; don't worry about it. We can all sell hamburgers to each other and things will be just great? We know better than that. What is happening before our eyes is a hollowing out of America's manufacturing capability.

There is a lot of discussion about what do we do about jobs, what do we do about trying to create new jobs in the country, and that has to do with what is called the faucet. If we are trying to put new jobs in the tub, they say, turn on the faucet. That is fine, and I support a range of policies that try to turn on the faucet to create more jobs in this country. But what about the open drain? As we work on the faucet, what about the drain, when Stanley Furniture says: Well, I know you are trying to create jobs, but we are out of here; or Etch A Sketch in Bryan, OH, says: Yeah, we know every kid plays with Etch A Sketch. We know we have always made it in America. But we were told by Walmart that if we couldn't produce it for $9.99 or less, they wouldn't sell it. If they don't sell it, we are out of business, so we are closing down our plant and moving to China.

The list goes on and on. The question is, What do we do about all of this? My colleagues—too many of them—say: Let's do nothing. Let's act as if nothing is really going on. In fact, let's come in here and say: You know, we made an agreement in 1962 on some deferral tax issue, and let's stick with it.

One of my colleagues earlier today said: You know, we have to worry about American corporations because they pay some of the highest tax rates in the industrial world. Well, that is a little like Penn and Teller talking about fiscal policy, and only one speaks and the other is silent. It is true that our corporate tax rates, I believe second from the top of the OECD countries. But there is another truth. The other truth is that our corporations in America pay an effective tax rate that is right near the bottom. What is the difference? One is a statutory rate—that is what the law says you should pay—and the other is how much you pay, which is right near the bottom. Why? Because we have a punchboard of gimmicks to allow that to happen. I have described a couple: American banks and other companies buying German sewer systems, buying German railcar systems, streetcars, buying German city halls for the purpose of sale-leasebacks so they can avoid paying taxes to the United States. It is pretty unbelievable, when you think about it.

The only reason I have mentioned some of the companies over the years when I have talked about this is to give them full credit for what they are trying to do. They and all their neighbors should understand that they want all the benefits America has to offer, but they don't want to sign up for the responsibilities that exist for Americans, including an American company.

I want our corporations to do well. I want American corporations to be profitable. But I will tell you this: If you have two kinds of corporations, and one decides to stay here and manufacture in our country and the other decides to take the jobs and move to a low-wage, lower tax alternative, I want to be helpful to that corporation that stays here, that hires workers here, that keeps the plant open here and is proud to put a made-in-America label on their product.

There is a company called HMC in this country that makes very substantial industrial products. You can see that this is a company everyone admires. Let me tell you what this corporate CEO has said. The CEO of HMC corporation, Robert Smith, said this:

> Offshoring in search of higher profits is a mistake because it ignores manufacturing's larger purpose in U.S. society.

Here is something else Mr. Robert Smith said, and I compliment him because you will find precious few who will say it.

> It is my belief that every American citizen, not only me, should feel strongly about maintaining one of the most important cultures we have, and that is manufacturing. Now, why is it important? Does anybody think we would have prevailed in the Second World War without the prodigious manufacturing capability of our country? If anybody is interested in that, go read Manchester's ''The Glory and the Dream'' and understand what we did and how we did it in manufacturing war planes and ships and tanks and

trucks. We had the most unbelievable manufacturing capability in the history of humankind.

Some say that none of this matters—why should we pick winners and losers? If the marketplace says we manufacture products in China or Mexico, if, in fact, we actually import more cars from Mexico than we export to the entire rest of the world, so what? Don't worry, be happy. That is the way the U.S. Chamber of Commerce wants it, and it is what the National Association of Manufacturers wants to have happen, apparently—except I know of companies that belong to both those organizations that have called me and written to me and said that they are dead wrong. How about having a chamber in the U.S. Senate stand up for American manufacturing?

I know that when I talk this way and when I say these things, there are people in this room—and the Washington Post would be a good example—who will instantly say: Aha, I hear all that nonsense. This is about protectionism. It is about America becoming protectionist and building walls around its country to keep goods out.

Are you kidding me? Are they nuts when they talk that way? Last month, we had a $50 billion trade deficit in 1 single month. In a recent year, we had a $750 billion trade deficit. You can make a plausible case that our fiscal policy budget deficit is what we owe to ourselves. You can make that case, and we will pay it back to ourselves. You can't make that case with a trade deficit. The trade deficit is what we owe others in the world, and we will repay that with a lower standard of living in this country inevitably.

The question is, When will we start to decide that this trade strategy is not working? We are dealing with other countries that are engaged in managed trade, and yet we are saying it doesn't matter what happens to us. It just doesn't matter.

We, by the way, spent a century doing what other countries wouldn't or couldn't—in most cases, couldn't—and we lifted up this country. We had unbelievable battles.

The other day, I described the battle on workers' rights. In the first book I wrote, I described James Fyler. James Fyler was shot 54 times. I said—and I shouldn't have—that he died of lead poisoning. He died because he was shot 54 times in 1917 in Ludlow, CO. He was shot because he believed that people who worked underground digging for coal ought to work in a safe workplace and ought to be paid a fair wage. And for that, he gave his life.

There are many things we have done over the past century that people have died for to lift up standards in America, and now they are routine—decent wages, fair labor standards, and safe workplaces. We did all that. Other countries, in many cases, have not. So now the question is, Is it important for us to lift up others around the world or to allow ourselves to be pushed down in terms of the standards we have created and fought for over a long, long time? To me, the answer is self-evident: Let's stand up for what this country has done.

I am all for helping others. I want to lift them up, create standards that hopefully can mirror ours. I am not interested at all in having a Huffy Bicycle management team say to the Huffy workers in Ohio: If you can't compete with China's wages and China's workers, you are out of work, and we don't care what you think.

Well, the workers of Ohio said: You know what, we just can't live on 50 cents an hour, and we can't work 7 days a week, 12 to 14 hours a day.

The law won't allow U.S. companies to hire kids, so the company said: That is tough luck. You need to understand that it is a new world out there. If you can't compete, you lose.

Well, this is a race to the bottom in terms of standards.

Some say: Well, we can innovate. We are the innovators, yes, that is true. I chair the Congressional-Executive Commission on China, and so I held a hearing last week on counterfeiting and piracy. Do you know what? We innovate, and then we see it stolen. Intellectual property is stolen and produced elsewhere. It is always produced elsewhere. We invented the television set—gone, produced elsewhere; computers—largely produced elsewhere. I could go through a whole list.

The question is, What kind of a country do we want to have? For example, we have done a lot of free-trade agreements. In fact, let me do this. I want to just mention a free-trade agreement with South Korea, and I could go through all of the free-trade agreements and show how unbelievably ignorant our country has been with respect to its own economic self-interest. But let me give one example.

This chart shows the number of cars in South Korea. In South Korea, 98 percent of the cars driven on the streets and roads are made in South Korea. Now, you might think that is really interesting, that they have an appetite for buying those South Korean-made cars. It is not an appetite, it is what that country decides it wants. They do not want South Koreans to buy foreign cars, so 98 percent of the cars on their streets are South Korean cars.

So let's talk about our relationship with South Korea, and it is this: Last year, because we had a recession, we didn't sell as many South Korean cars in our country. At one point, it was close to 800,000 a year. Last year, the South Koreans put 467,000 cars on ships and shipped them to America to be sold here in our country. That is 467,000. Does anybody want to guess how many cars we could sell in Korea last year? Six thousand. So 467,000 to 6,000. Why? Because South Korea doesn't want us to sell American cars in South Korea, and they have dozens of clever devices to stop it.

Our country negotiates a trade agreement with South Korea—guess what, they don't even mention the bilateral automobile problem, not even a word.

Our country did a bilateral agreement with China, a country with which we had a $200 billion trade deficit. We had a huge deficit with China, biggest in the world. Here is what our country said. We said, on bilateral automobile trade we will do this: When you ship a Chinese car to the United States we will only impose a 2.5 percent tariff on your car, but if we ship an American car to be sold in China, you may impose a tariff of 25 percent. You may impose a tariff that is 10 times higher than we would impose in bilateral relationship with a country with which we had a $200 billion trade deficit. If that is not defined as ignorance, then I have missed the definition of ignorance.

Why wouldn't we step up for our economic interest? China, by the way, right now is ratcheting up a very aggressive automobile industry. You are going to see a lot of Chinese cars on the streets in this country in the years ahead.

But I rest my case. I mentioned automobiles. I could mention lots of other issues. I have written books about this. But the fact is, the issue before us today is not somebody coming here and saying, in the 1962 agreement on deferral—or another speaker talking about how if you let people go overseas there will be more jobs here at home.

Let me finally say, this issue of deferral is that in some cases these companies know they never have to pay taxes. The reason? Because they defer and defer on foreign profits. This amendment is only about if you have profits in a foreign subsidiary, from selling back into America, into this marketplace. Some of them can leave to go overseas knowing they will get the advantage of deferral and pay lower taxes than the company that stayed here, but they will get an even better deal. If they hang, we will have somebody in one of these Chambers thumbing their suspenders and shuffling around and harrumphing about maybe what we should do is say all of those people who have money overseas, let's let them bring it back here and pay a 5.25 percent tax rate. You say: Oh, they would never do that. Oh, they sure did. It is the rest of the people who do not get to pay the 5.25 interest. It is just the biggest interests who closed their American companies and moved their companies overseas and produced overseas after they got rid of their American workers. They were told in addition to getting a tax break for doing it, we want to give you something on top of that, the cherry on top of the sundae: If ever you do bring it back, you get to pay a tax rate that is one-half of the lowest tax rate that the lowest income American has to pay. What an unbelievable deal.

Let me say, as I started, if ever someone wishes to hear the strongest defense possible of sending American jobs to China, listen up because in the next few hours we will hear some more of it. We have already heard some.

They don't say it quite this way: We think it is nice that if China is not competitive, and their government decided they don't need to do certain things that we have done to increase standards and lift the American standards, we think it is OK if American jobs migrate elsewhere because we do not believe we have to long remain a world economic power in manufacturing to really be a world economic power.

They could not be more wrong. This is not a big step. This is the smallest of steps that you would take in the direction of saying: You know something, we are going to do something about a very serious problem. We are trying to work the faucet to put more jobs into this country, into this economy, at a tough time. We are also trying to shut the drain in circumstances where our Tax Code rewards those who now leave our country and move their jobs overseas.

If we cannot do that now, then, in my judgment, we can perhaps never do good public policy that lifts this country's economy, stands up for American businesses and American workers.

I yield the floor.

The PRESIDING OFFICER (Mr. KAUFMAN). The majority whip.

Mr. DURBIN. Mr. President, let me thank the Senator from North Dakota. He is retiring. We are going to miss him. He has been a powerful voice in the Senate and no more powerful on any issue than on this one, talking about American jobs and how we are giving them away, literally giving them away.

Time and time again Senator BYRON DORGAN has come to the floor to explain that our Tax Code rewards American companies that want to ship production overseas. Is that upside down? As Senator DORGAN has said on the floor, and I completely agree with him, we should reward American companies that keep good-paying jobs in America. That is what our Tax Code should reward. If they will pay a living wage and good benefits to a worker, and stay in the United States of America, we ought to give them every tax break we can give them—help them in every way we can. Instead, it is upside down. We create incentives for them to move jobs overseas.

We are a few weeks away from an election. I wish this election would be a simple referendum on the debate we are having on the floor of the Senate right now. The Senate Republican leader has come to the floor and said we should not be talking about this issue. He wants to talk about something else. Others, representing the largest corporations and businesses in America, say that the position being taken by the Democrats to stop the tax breaks for American companies that ship jobs overseas should be defeated. I wish to take that question to the American voters. You pick the State, you pick the city, you pick the neighborhood. I want to be there. I will take our position and I invite the Republican Senators and the Chamber of Commerce and whatever other groups happen to believe the other point of view for an active debate. Who in the world believes we should be rewarding corporations in our country for shipping jobs overseas?

We know what we are going through here. This recession has cost us millions of American jobs. Under President William Jefferson Clinton, we created 22 million new jobs in America. We had the growth of small business at a pace we had never seen. We had minority ownership, woman ownership of business at a pace we had never seen. We saw the growth of new home construction and new home ownership at a record pace. During the course of that 8-year period of time, we generated a surplus in the Federal Treasury—a surplus. We had not done that for a decade or more.

So came the time when President Clinton was leaving office, handing it over to President George W. Bush. This is what he gave him: a growing economy creating jobs, home ownership and business ownership. He said to President George W. Bush: Here is the state of our economy. We are reducing our national debt because we are generating a surplus, and the entire national debt of America, given from President Clinton to President Bush, was $5 trillion.

President Clinton said to President Bush: In addition to a strong economy that is growing, I also want to tell you I am leaving you a surplus in the Treasury—$120 billion in the next year, more than you need for the expenses of our government. President Clinton said: We have been taking the surplus, incidentally, putting it back into the Social Security trust fund, and that fund will now guarantee every payment with a cost-of-living adjustment through the year 2032. Not a bad gift from President Clinton to President Bush. That was when President George W. Bush took office.

What was the state of America 8 years later, when President Bush left office, when he said to President Obama: Now it is your turn. It was a much different picture. The national debt in America was no longer $5 trillion. Eight years later, after President Bush, it was $12 trillion. In 8 years, only 8 years, President Bush and the Republicans who supported him more than doubled the national debt. How do you do that? How can you take a debt accumulated from George Washington through President Clinton of $5 trillion and make it $12 trillion in 8 years? You had to work at it.

First, you had to engage in two wars we didn't pay for and then you did something—President Bush did something no President had ever done in the history of the United States. In the midst of a war he declared tax cuts. Remember that Republican theory: If we give tax cuts, this economy is going to mushroom and grow with jobs? It did not work. In fact, it failed miserably. It added to our national debt, more than doubled our national debt during the Bush Presidency, so that when President Bush left office he handed to President Obama a $12 trillion debt—not $5 trillion, $12 trillion. Instead of handing him a surplus in the budget of $120 billion for the next year, as he had been given when he came to office, he announced it would be a $1.2 trillion deficit in the next year. That is what President Obama inherited. And of course jobs were melting away—8 million jobs.

The month President Obama was sworn in as President and took his hand off the Bible, we lost 750,000 jobs, a leftover from the Bush economic policies.

Now come the Republicans. They have announced if they are given control of Congress in the next election, they have an idea of where we should go as a Nation. We should go back to the Bush economic policies. That is what the Republican plan for America is, go back to the Bush economic policies of declaring tax breaks for the wealthiest people in America. Senator MCCONNELL stated proudly on the Sunday talk shows yesterday that he has had the courage to step up and put a bill before Congress of what he thinks we should do as a Nation when it comes to economic policy. He did. It was historic. It was so historic that Senator MCCONNELL suggested a tax program that would nearly double the national debt—nearly double it—during the same period of time: $4 trillion of new debt for America. How does he do it? On the Republican side, by suggesting we continue to give tax breaks to those in the highest income categories in America.

I for one think that is totally irresponsible. In the midst of a recession, let us help working families, middle-income families struggling to pay their bills, struggling to deal with a home mortgage payment where the value of the home may be going down instead of up. Help those families. But for those who are making $1 million a year or more, why in the world would we add to the national debt to give them a $100,000 tax cut a year? Why? It only adds to the national debt.

The Republican theory is, if you give tax cuts to the wealthiest people in America, this economy is going to flourish. I say to the Senators on the other side, it is a theory we tested and it failed. It is the same theory we tested over the last 10 years of Bush tax cuts. If tax cuts for the wealthiest people in America is what we need for our economy, I have one basic question after 10 years: Where are the jobs? Where are the jobs to show for it?

Our approach I think is more reasonable, reasonable in that we would give tax breaks and tax cuts to those working- and middle-income families below $250,000 of income so they can get through this tough economy. I don't care if the economists tell us the recession is over. As far as I am concerned, to use the vernacular: It ain't over until it's over, and it ain't over until we start creating jobs again.

That is what this debate on the floor of the Senate is about, not just tax policy but basically what is our policy when it comes to shipping jobs overseas.

I think American workers are the hardest working, most productive workers in the world. Put them up against anybody. Will they work for the lowest wages in the world? No. And they should not. We should have a standard of living in this country that we are proud of. But our workers have shown that when paid a living wage, they are productive workers and can compete with anyone.

Yet American companies have decided they want to ship their jobs overseas and see if they can make more money. As far as I am concerned, that is their choice. I think it is a wrong one. That is their choice. But the last thing in the world we ought to do is give them a tax incentive to ship those jobs overseas. We know what has happened to American families here over the last 10 years and longer in America. They have been falling a little bit behind each and every year, in terms of their earning power.

As the Wall Street Journal, which I do not quote very often, put it recently, it was the ''Lost Decade for Family Income.'' The median income in America fell almost 5 percent between 2000 and 2009.

Meanwhile, Merrill Lynch reported earlier this summer the number of financial millionaires in America rose by 16 percent. Solid middle-class manufacturing jobs have been disappearing across the country. The AFL–CIO estimates that from 2000 to 2007—that was the period of time during the Bush Presidency—the United States lost 5.5 million manufacturing jobs.

In the 8 years before, under President Clinton, we had created 22 million jobs. Under President Bush, we lost 5.5 million manufacturing jobs. By the end of 2009, the fewest number of Americans were working in manufacturing since before World War II. But it is not just the jobs on the shop floor that disappeared during the Bush administration.

Goldman Sachs estimates between 400,000 and 600,000 professional services and information sector jobs have moved overseas in the past few years. That was during a time when these businesses were raking in record profits and jobs were leaving America. Then, when the boom turned into a bust, those wizards of Wall Street, those captains of capitalism, those kings of commerce, those malefactors of great wealth experienced a temporary setback. Profits were down, stocks were down, and so compensation was down on Wall Street, for about 15 minutes.

Corporate profits are now surging, the stock market is roaring back, and endless bonuses are raining down on the chosen few, just like the good old days on Wall Street. But what about the rest of hard-working families across America? What about the families who never have made a million bucks? That is the vast majority of them. What about the families who earned the median wage in this country, about $50,000 a year? Those jobs are not coming back fast enough.

The Recovery Act that we passed last year, with the support of three Republican Senators—only three who would join us in this effort—has at least slowed down the recession and the loss of jobs. It has not produced the turnaround we all want to see. It will take some time. But at least it stopped the recession from becoming even worse.

This recession would not be over yet by anyone's measure had President Obama taken the advice from the other side of the aisle. They believed we should do nothing—nothing—in the midst of a recession. I have heard Senate Republicans come to the floor and criticize President Obama for loaning money to General Motors and Chrysler. I will tell you, in my home State of Illinois, those automobile manufacturing jobs, at General Motors and Chrysler, are good-paying jobs. We have lost a lot of them. But the good news is, those companies are back. They are profitable. They are selling fewer cars and trucks now, but they are selling and they are competitive.

That would never have happened had the Republicans had their way and stopped the President from giving loans necessary to these automobile manufacturers. We would have seen maybe one company, Ford, that might have survived. The other two probably would not be here today in any form, and all the jobs, the tens of thousands of jobs they provide in America, would have been lost.

The Recovery Act saved another 2.7 million Americans from the unemployment roles, according to economists Alan Blinder and Mark Zandi. In case you think: Well, DURBIN, that must be your favorite Democratic economist, Mark Zandi happened to be JOHN MCCAIN's economist when JOHN MCCAIN ran for President, and he credits the Recovery Act with saving 2.7 million jobs.

But even with all these efforts, there is still a lot to do. It is not enough to help the private sector create more jobs. We need for them to be created right here in America. There is one line I can use anywhere in the State of Illinois, and I will bet across this Nation, which I think typifies what most people think about when they think about our economy.

I will bet you I could use this line in the State of Delaware. The line is this: I would like to go into the store tomorrow and find more products stamped ''made in the USA.'' People start applauding. They are sick and tired of all the imports coming in and all the jobs going away.

I know global competition is a fact of life. America could never be a wealthy nation if we just did one another's laundry. We need to produce goods and services that are competitive on a global basis, and we can do it. We have done it in the past and we can do it again. American workers can compete with the best in the world.

But our laws do not give many of our workers a fighting chance. Why should companies be rewarded for shipping good American jobs overseas? China, Germany and Japan and our other competitors do everything they can to generate more work in their home countries so they can sell products from China and Germany and Japan all around the world.

Meanwhile, our conglomerates and many corporations and their friends in Congress defend offshoring tax loopholes that other countries would never allow to stand. That is why I introduced the bill that is going to be voted on tomorrow, with the help of my colleagues and friends, Senator HARRY REID, the majority leader; Senator BYRON DORGAN, who has been our leader for years on this issue; Senator CHUCK SCHUMER of New York, and many others.

It is a bill that has three provisions in it. I think they make sense. First, we will make two changes to discourage U.S. companies from giving out pink slips to Americans while they open the doors at their new factories overseas.

We will say to firms: If you want to shut down operations in the United States and move somewhere else—I hope you do not make that decision, but if you make it, we are not going to give you a tax break to make it easier.

We will also say to the firms, if you want to sell your products in this country that you made overseas, we are not going to let you start making those goods overseas, ship them back to this country, and avoid paying your taxes on your profits, something called deferral.

Second, we will make it more attractive for companies to bring good jobs back home. This is a provision from Senator SCHUMER of New York, which says to firms: If you bring jobs back from another country, you do not have to pay your share of the payroll taxes on those U.S. workers for 3 years. It is an incentive to bring these jobs back home.

There is nothing radical in this proposal. You would think it would pass by a voice vote. Who in the world would object to ending tax loopholes to send jobs overseas? Who would object to creating tax incentives for bringing jobs from overseas back home?

But that is what this debate is all about. The defenders of these tax loopholes have wasted no time in launching an aggressive lobbying campaign against the bill: The Chamber of Commerce, the National Association of Manufacturers have written in opposition to the bill, and the Republican leader has already spoken on the floor against even debating this bill. He does not want us to bring it up.

The message they send is clear: Corporate profits are more important than American jobs. I could not disagree more. I have watched too many hard-working, middle-class families lose their livelihoods as companies fire American workers and then use the Tax Code to make shifting jobs overseas more profitable.

In August, I was in Rock Falls and Sterling, IL. A woman named Julie came. She had worked at the local national manufacturing company there for 34 years. She was a grandmother, raised her family, and was trying to help with her grandkids. She had just been notified that company was moving overseas.

I said to her: As painful as it is for you to get that pink slip after 34 years of service to that company, I am sorry to tell you that our Tax Code made it easier for that company to leave town, made it easier for them to do away with your job.

I ran into other workers around Illinois as well. To add insult to injury, after a lifetime of working for these businesses, some of these businesses actually bring in the workers from China and Mexico and ask the American workers, in their last week or two of employment, to train the foreign workers to do their jobs. Can you imagine how hard that must be—to realize that tomorrow you are out of work, and the person sitting across the table, whom you are training, is going to have your job?

Then, how about this? How about the fact that the cost of bringing that foreign worker over here to be trained is now tax deductible under our Tax Code? What is wrong with this picture? A good example of a company moving good American jobs overseas happened in Hennepin, IL. The local steel mill there was built in 1966. I remember it. I was a college student out here at the time, and we were so exited. It was Jones Laughlin, if I am not mistaken, when it first started. It changed ownership over the years. It was a big employer in the region around Hennepin.

They employed 600 people at their peak in a steel mill. Imagine that. As of last year, they still had 300 people on the payroll. Arcelor-Mittal, the huge steel conglomerate, bought the plant in 2005. Many in the community said: This is a break, a godsend. That huge company is going to invest in this plant and we are going to keep our jobs.

It did not happen. Arcelor-Mittal decided last year that the profitable plant in Hennepin—they were making money—the profitable plant, was no longer worth keeping open. Just like that, 300 solid, middle-class jobs disappeared.

I received a lot of letters from members of the community. A 10-year-old girl wrote to me:

> My dad . . . got laid off by Lakshmi Mittal, at Mittal Steel. You see, instead of selling the plant, Lakshmi decided to ship all of the parts over the oceans . . .—

This 10-year-old wrote to me and said—

> I think the plant should not be closed because if he shipped the parts all over, then hundreds of peoples' jobs will be lost. Please Help Us!

The heartbreaking news for that young girl is that our Tax Code rewarded the plant for shipping the equipment overseas. This 10-year-old girl, wise beyond her years, heartbroken that her dad had lost his job, may not understand the global implications of plant closings, but she sure knows what it means to her family.

Here is what a 30-year veteran of that plant wrote:

> The plant was shut down in the spring even though it made a profit. . . . Being the father of two college freshman, I have to wonder what the future will hold for my children . . . American industry, the backbone of our country, cannot exist in this environment.

Well, I agree. That is why I am on the floor. That is why this bill is on the floor. We have to do something about it. Here is another one. This is a company that once operated in my home State of Illinois, Honeywell International. They closed their plants in Freeport, Rock Island, Spring Valley, and Springfield and then sent the jobs to India, China, and Mexico.

The Department of Labor certified these workers lost their jobs because the jobs were actually sent overseas. In my hometown of Springfield, the plant closing cost us 120 jobs in the capital city. This was a plant that had been in production since 1938, long before I was born, when it produced the world's first electric clock for automobiles. The plant also supplied electrical products to support our troops during World war II. In an instant, this piece of American history vanished to Juarez, Mexico.

I received a letter from a victim of this particular example of offshoring good American jobs. Here is what he wrote to me:

> . . . stop rewarding Honeywell and other corporations that ship jobs out of the country . . . They don't deserve tax money for making the US unemployment rate go up further.

Well, that is exactly what this bill before us wants to stop. Let me show you one other illustration. U.S. multinationals are increasing hiring abroad and decreasing hiring at home. In total, between 1999, at this end of the chart, and 2008, multinational corporations in the United States added 2.4 million jobs overseas, a 30-percent increase.

Well, there is nothing wrong with companies growing. But look what happened here at home. Here is the problem. During the same period, these American companies cut 1.9 million jobs in America, an 8-percent decrease. It is obvious. The jobs are being shipped overseas and killed at home. This notion by some companies that if you let us produce overseas it will help our jobs back home, it is not happening. Exactly the opposite is happening—jobs overseas, loss of jobs in the United States.

Well, enough is enough. We need to stop rewarding companies, through our Tax Code, for killing American jobs, and we need to create incentives to bring those jobs back home. This bill is very straightforward. It is a clear choice. Senators can decide. Do they want to stand with American workers? Do they want to stand with those corporate interests that want to ship jobs overseas? Do they believe our Tax Code should reward good American companies that pay good wages and good benefits to American workers and stay here or do they want to create an incentive to ship those jobs overseas?

That is what this bill is all about. I hope there will be at least one Republican Senator who will join us in this effort. It would be a breakthrough. I hope it is more than one. But I hope they are hearing the same thing back home. I would just ask those who oppose it to go to your home State, pick the community, pick the town, and invite me to come and debate you, if you are on the other side of the this issue.

You pick it. I want to be in on that debate.

I believe the bottom line is this: The American Tax Code should be designed to help American companies create good-paying jobs right here in the United States. Our focus ought to be to make sure when people walk in stores across America, they can flip that product over and see made in the USA again. With this vote, Senators will be given a choice where they want the next round of job creation to be. Do they want it in the United States or in China? Middle-class families in this country have been struggling for a long time. They are upset. They want more jobs. They want a Congress that will stand up and fight for them. With this vote, they will find out who is going to be on their side.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maine.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Ms. COLLINS. I ask unanimous consent that the order for the quorum call be rescinded.

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

TAX EXTENDERS

Ms. COLLINS. Mr. President, I rise to express my concern that the Senate may adjourn this week without extending the 2001 and 2003 tax relief provisions which are slated to expire on January 1.

These tax laws include important reforms such as the 10 percent tax rate, relief from the marriage penalty, and the child tax credit. They provide tax relief to nearly 90 percent of all

Mainers. If they are not extended, virtually every Maine family and many—indeed, most—of our small businesses will see their taxes increase. If these tax relief provisions are not extended, the typical American family of four with a household income of approximately $50,000 will see their taxes increase by about $2,900 next year. That is right. Coupled with tax increases that are included in the new health care reform law, which I opposed, the result would be one of the largest tax increases in our history.

Many economists contend this is the worst possible time to increase taxes because our economy is so fragile. I fully agree. I cannot imagine anyone even contemplating increasing taxes in the midst of a recession. The consequences for small businesses would also be dire. Higher taxes would take critical investment dollars away, leaving less for innovation and expansion, not to mention employee wages and benefits. Raising taxes when the economy is still weak would make it difficult and in some cases impossible for small businesses to start, grow, and create jobs.

Peter Orszag, President Obama's former OMB Director, recently penned and op-ed for the New York Times in which he argued that this is no time to raise taxes. As he pointed out, the failure to extend existing tax relief would ''make an already stagnating job market worse.'' He went on to say:

> Higher taxes now would crimp consumer spending, further depressing the already inadequate demand for what firms are capable of producing at full tilt.

I hope President Obama will heed the advice of his former budget director and abandon his plan to raise taxes at this critical time.

It is important to understand that many small businesses are passthrough entities such as sole proprietorships, partnerships, and S corporations. These small businesses must report their earnings on their owner's individual income tax returns. The Joint Committee on Taxation has estimated that there are some 750,000 passthrough small businesses in the top two tax brackets.

I wish to share with my colleagues examples of a couple small businesses in Maine that would be hurt by this tax increase. They are representative of many others, of course.

This August, I toured several remarkable businesses in my home state. Their products are diverse and their histories vary greatly, but they share the traits of ingenuity, energy, and a commitment to excellence. The employees and the owners of these small businesses work so hard. An example is D&G Machine Products of Westbrook. Its name and products may not be familiar to the general public, but it is internationally known and respected throughout the pulp and paper, high technology, power, petrochemical, food processing, aerospace, and defense industries. Its precision design machining and fabrication operations put Maine on the cutting edge of innovation. As is so often the case, success started small with this small business. D&G was founded in 1967 by Dave Gushee and Fred Loring in a one-car garage behind Dave's home. They specialized in producing custom tooling and dyes for equipment manufacturers in the Portland area and soon added fabrication and welding services. D&G's founding principles of quality, attention to detail and delivering unsurpassed customer satisfaction paid off.

Within a few years, this young company outgrew the tiny garage and expanded into sophisticated design and engineering services. Today D&G has more than 100,000 square feet of shop space and more than 130 highly skilled and dedicated employees. I met many of them during my tour last month.

Duane Gushee, who now runs the company, tells me he is very concerned about the impact higher taxes would have on his company's ability to compete. Duane pointed out to me that his company does not compete primarily against other Maine firms or even against other U.S. companies. It has to compete successfully with companies all around the world for markets and customers. Without constant innovation and investment in cutting edge technology, D&G will lose its customers, and its employees will lose their jobs. If we don't act, the tax increase that will hit D&G on January 1 will take money out of its bottom line, money that is needed to upgrade equipment and stay ahead of foreign competition.

Another small business I visited is Pottle's Transportation, a trucking company headquartered in Bangor. This company was founded in 1972, and it has grown to more than 200 employees with 150 trucks. Pottle's now provides service throughout the continental United States and Canada, although it concentrates its efforts in the Northeast. It is known for maintaining an impressive on-time delivery record without sacrificing safety. In fact, it has received award after award in recognition of its safety record. Pottle's is also known for its commitment to the environment. Pottle's is a member of EPA's Smartway Program and received the EPA Environmental Merit Award in 2008.

The past few years have been very tough on the trucking industry. Barry Pottle, who runs the company, tells me that 1,100 trucking companies around the country have gone under so far this year. His company is in the black right now, but it is a real struggle to generate the capital needed to keep his trucks on the road. Pottle's needs to buy 25 to 30 trucks every year just to maintain its fleet. New trucks used to cost the company about $100,000, but in the past few years, the cost has gone up by another $25,000. Barry tells me this is due to an excise tax on heavy trucks passed in 2006 and new environmental regulations that require $13,000 in emissions equipment on each new truck. Together, these changes have raised Pottle's annual cost of doing business by about three-quarters of $1 million. On top of this, Barry has to worry about the tax increases his company will face if the 2001 and 2003 tax relief laws expire at the end of this year.

Visiting these businesses and others, reading what economists such as Peter Orszag have said, has confirmed my belief that the administration must reverse its present course, which is stifling job growth, discouraging entrepreneurship and risk taking, and hobbling the economic recovery. Americans should be proud of the spirit, the drive, and the determination that has produced small business success stories such as D&G Machine Products and Pottle's Transportation.

We in Washington must recognize that the policies we adopt or the tax laws we fail to extend have an impact on whether these companies can start up, grow, prosper, and, most of all, create good jobs. So what I have suggested we do as a compromise is to extend these two important tax relief laws for another 2 years. That will get us through this recession. It will send a strong signal to the business community.

I cannot tell you how many businesses have told me they are holding on to capital right now. They do not dare invest to create much needed jobs because of the uncertainty of what is going to happen on tax policy. We know we need to revamp our Tax Code. We need to make it fairer. We need to make it simpler. But for right now the best thing we could do would be to extend those two laws—the 2001 and 2003 tax reform laws—for an additional 2 years to provide certainty to businesses and to send a strong signal that we get it. We know we should not increase taxes in the midst of a recession.

One of the most startling conversations I had during August was with a small businessman who owns a small community grocery store. He told me he had an opportunity to buy a second store in another rural Maine town. He said he had the financing in place to make the purchase, and he would like to create more jobs and keep this small business going serving the needs of the community.

I said to him: Well, why don't you just do it? Interest rates are low, so it seems like a good time. Is the uncertainty about what is coming out of Washington keeping you from acting?

He said: You know, Senator, it is not so much the uncertainty. It is the certainty, the certainty of higher taxes, of more regulation, of having to pay more for health insurance for my employees. It is the certainty of more spending. That is what is discouraging me.

So I hope we could come together right now, and before we go home pass a 2-year extension of the current tax law, to provide some certainty that we are not going to impose higher taxes on the American people and our small businesses.

U.S. POSTAL SERVICE

Mr. President, in my remaining time, I would like to speak today about the future of the U.S. Postal Service.

The Postal Service is in the midst of a dire financial crisis. The data are grim. In the first three quarters of fiscal year 2010, the Postal Service posted a net loss of $5.4 billion. By the end of this week, when the fiscal year ends, I expect that number may hit $7 billion that the Postal Service will be in the red for this fiscal year alone.

Obviously, faced with this much red ink, the Postal Service needs to do everything possible to increase its revenue and reduce costs. Yet the Postal Service's plan for regaining its fiscal footing relies too heavily on service cutbacks, relief from funding its known liabilities, and the hope that enormous rate increases will be approved.

I am a huge supporter of the Postal Service, and I want it not only to survive but to thrive. It is a vital American institution that serves our Nation and whose roots are found in our Constitution.

To help the Postal Service identify additional areas for cost reductions, I asked the Postal Service inspector general to review three areas: the benefits the Postal Service pays on behalf of its employees, the Postal Service's contracting policies—which is an area where Senator CLAIRE MCCASKILL, who has been a real leader in procurement reform, joined with me—and, third, the Postal Service's area and district field office structure to see if there were efficiencies that could be realized there.

I must say, I was both dismayed and outraged when I received the results of the IG's audits.

The IG found stunning evidence of contract mismanagement, ethical lapses, financial waste, and excessive executive perks which, if remedied, could allow the Postal Service to realize in excess of $800 million in savings next year alone. That is at a minimum.

Let me give you some startling facts the IG found. For a long time, we have known the Postal Service has been more generous in paying the health insurance and the life insurance premiums of its employees, most of whom participate in the same health insurance and life insurance programs as Federal employees.

But what we did not know until this review was conducted is that the Postal Service pays 100 percent of the health insurance premiums for 835 of its top executives, an expensive perk that no governmental agency appears to provide.

This costs the Postal Service an estimated $10 million annually. If the Postal Service brought the contribution for these executives into line with federal agencies, it could save $2.8 million per year on this change alone.

It is unbelievable to me the Postal Service—awash in debt and asking for huge postal rate increases—is paying the full health care premiums for 835 of its executives.

The Postal Service is now paying 79 percent of health insurance contributions for its rank-and-file employees, in comparison to 72 percent for the average Federal employee. It is a little hard for the Postal Service to make the case to its employees that it needs to reduce health insurance if it is paying 100 percent of the premiums for 835 of its top executives. If the Postal Service brought its benefit contributions in line with other Federal agencies, it could save more than $700 million next year alone.

But that is not all. When Senator MCCASKILL and I requested that the IG review the Postal Service's contracting practices, the IG discovered unfair and unethical practices replete with no-bid contracts and examples of apparent cronyism.

The Postal Service's contract management did not protect it from waste, fraud, and abuse. Indeed, it left the door wide open. The Postal Service could not even identify how many contracts were awarded without competition. The inspector general found that 35 percent of the no-bid contracts it did review lacked justification. As part of its review, the IG discovered that more than 2,700 contracts had been awarded to former postal employees since 1991. Of these contracts, 359 were awarded as no-bid contracts to former postal employees in the last 3 years. Seventeen of them were noncompetitive contracts to career executives within 1 year of their leaving the Postal Service.

Some former executives were brought back at nearly twice their former pay—an outrageous practice the IG says raises serious ethical questions, hurts employee morale, and has tarnished the Postal Service's public image.

In one particularly egregious example, an executive received a $260,000 no-bid contract just 2 months after retiring. The purpose? To train his successor.

The findings of these three investigations show that the Postal Service must get more serious about cost cutting. Clearly, there are savings to be had.

Faced with shrinking mail volume and a declining workforce, the Postal Service understands the need to reduce unnecessary costs but its efforts have fallen short.

For example, the Postal Service can realize structural efficiencies. Even after the Postal Service consolidated 1 area office and 6 district offices last year, the structure still includes 8 area offices and 74 district offices, costing approximately $1.5 billion during fiscal year 2009.

To determine if additional efficiencies exist, the inspector general reviewed area and district offices, which handle administrative functions but do not actually handle any mail. In doing so, the IG identified several options for consolidating the area and district field office structure.

One option, which would entail closing area and district offices that have less than the mean mail volume and work hours, could save the Postal Service more than $100 million annually.

Another, more conservative, option could save the Postal Service some $33.6 million annually by closing district offices that are within 50 miles of one another.

Management at headquarters reported that last year's consolidations went smoothly, with no negative impact on operations. That result clearly shows that the Postal Service should continue its strategic efforts to consolidate.

After receiving the results of these three IG investigations last week, I wrote a letter to the Postmaster General, urging him to implement the inspector general's recommendations immediately.

In my letter, I emphasized that the IG reports had found concrete ways for the Postal Service to cut sizeable expenses. Reducing costs is a far better solution than reducing service and increasing rates remedies that run the risk of driving away even more customers.

Additionally, the Postal Service should increase cross-craft training and collaborate with high-volume customers to increase mail volume through initiatives like the ''Summer Sale.''

It also should work with OMB and OPM to access the more than $50 billion which the Postal Regulatory Commission believes USPS has overpaid into the Civil Service Retirement System fund.

I have been pressing the Office of Personnel Management to change its method for calculating the Postal Service payments into the CSRS pension fund consistent with the 2006 Postal reform law. The OPM, however, stubbornly refuses to change its methodology or to even admit that the 2006 Postal law permits them to do so.

I have continued to stress the importance of this change to both OPM and the administration. Clearly, the Postal Service's refund of a more than $50 billion overpayment would greatly aid its current financial condition.

In sum, the Postal Service must devote more energy and adapt a laser focus to reducing costs, such as those identified in the recent IG reports. It also must develop customer-first programs that can enhance revenue, increase volume, and earn loyalty.

The Postal Service is at a crossroads. It must choose the correct path. It must take steps toward a bright future that allows it to grow and thrive. It must reject the path of service reductions and ongoing postal rate hikes, which will only alienate customers.

The Postal Service must reinvent itself by embracing change that will revitalize its business model and enable it to attract and keep customers. These actions are within its reach and will help protect and preserve this vital American institution.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I wish to speak on the legislation that is pending, the Creating American Jobs and Ending Offshoring Act, but also more generally on the issue of the loss of jobs, particularly in the energy sector, as we go forward.

When BP Solar closed its Frederick, MD, plant earlier this year, 320 Americans saw their jobs sent overseas to China and India. Bloomberg said the announcement ''signal[ed the] exodus of US renewable-energy jobs,'' which it obviously did. In fact, BP Solar's move followed General Electric's closing of its Newark, DE, solar panel plant, Evergreen Solar's shifting of hundreds of jobs from Danvers, MA, to China, and Gamesa's shutting down of its wind turbine factory in western Pennsylvania.

Given the broad enthusiasm for creating clean energy jobs, few seem to notice this alarming trend. But we cannot afford to sit idly by as clean energy jobs steadily and stealthily move overseas. So as we debate this Creating American Jobs and Ending Offshoring Act—which the majority leader is trying to bring forward for Senate consideration, and which I support—I rise to call on the Senate, also, in addition, to pass three commonsense, bipartisan measures that will enable the United States to retain existing clean energy jobs and capture millions of new ones that the burgeoning global demand for clean energy will soon create.

To begin, let me dispel the myth that the United States cannot lead in producing clean energy technology. In fact, we once were the leader. As recently as 1997, we had a ''green trade'' surplus of $14.4 billion. By 2008, that surplus had become a deficit of nearly $8.9 billion. The reversal was triggered largely by a steep fall-off in domestic renewable energy technology manufacturing. For instance, only a decade ago, U.S. solar cell manufacturers controlled 30 percent of the world market. By 2008, that had been reduced to 6 percent. Meanwhile, Chinese production has grown from nonexistent in 1999 to 32 percent of the world total in 2008. Similarly, European manufacturers now account for more than 85 percent of the global wind component market. Today, only 1 of the top 10 manufacturers is an American firm.

What happened to bring about these changes? Simply put, other countries enacted policies to attract investment, both ''push'' incentives such as tax incentives and direct subsidies to attract manufacturers, and ''pull'' incentives to create domestic demand. As a result of the incentives they enacted, China displaced the United States last year as the world's leading destination for clean energy investment. Its total investment was nearly twice that of the United States. Measured as a share of gross domestic product, domestic clean energy investment places us—the United States—in the bottom half of the G20 countries. If the trend continues, we will fall further behind.

Over the next 5 years, government investment by China and Japan and South Korea is expected to outstrip U.S. Government investment by 3 to 1. This public investment will drive trillions in private sector investment within those same countries.

With global clean energy investments expected to reach $2.3 trillion by 2020, we cannot afford to delay measures that will ensure U.S. leadership in this area. We must look to create jobs across the clean energy value chain—from engineering to installation to sales. In particular, we must focus on manufacturing jobs, because failing to grow a domestic clean tech manufacturing base will result in trading our imported oil dependency for an imported clean energy component dependency. In fact, we are already seeing how shortages in renewable energy components and systems have slowed domestic renewable energy production. As we have begun to see, offshoring manufacturing is quickly followed by offshoring of research and development capacity.

To grow our manufacturing base, Congress needs to take decisive action this year to enact, at a minimum, the three commonsense, bipartisan measures I alluded to before. First, we must send the appropriate market signal by enacting the renewable energy standard I have introduced along with Senator BROWNBACK. Expanding demand for clean energy is essential to raising demand for domestically produced goods. For instance, every gigawatt of installed wind capacity—that is roughly enough to power all the homes in Atlanta—is estimated to create 4,300 jobs, more than three-fourths in manufacturing. European firms that now dominate U.S. wind turbine sales developed technical and marketing expertise by serving their own home markets first. Expanding domestic demand will enable American firms to catch up.

As I indicated, Senator BROWNBACK and I have introduced this legislation and we hope very much that in the short session of the Congress after the election, that can be brought up and dealt with in a positive way.

But a demand-side strategy for clean energy cannot suffice. We also need to focus on the supply side to ensure that policies spurring clean energy demand will not only be filled by imports from overseas. So the second call is to expand the Advanced Energy Project, or section 48C tax credit that we created as part of the Recovery Act. That credit allows qualifying companies to claim a credit for up to 30 percent of the cost of creating, expanding, or reequipping facilities to manufacture clean energy technologies. The Recovery Act authorized the Departments of Energy and the Treasury to award $2.3 billion in tax credits.

There are many success stories about funding that was way oversubscribed. The government received $10 billion in applications for the $2.3 billion in tax credits that were available under the Recovery Act. In December I joined with Senators HATCH, STABENOW, and LUGAR in filing the American Clean Technology Manufacturing Leadership Act. That bill would add another $2.5 billion in tax credit allocation authority. President Obama has called for $5 billion in additional funds to be made available this way.

The third of the initiatives I wish to focus on today is the need to address financing challenges that companies face in establishing onshore clean energy manufacturing facilities. Five years ago, Congress created a loan guarantee program at the Department of Energy. But from its start, the program has faced bureaucratic delays. So far, there are only 14 loan guarantees that have been issued, all of them in the past 14 months and 10 within the last year. The Recovery Act promised to add $6 billion to the program which would leverage about $60 billion in new loans for clean energy projects. Unfortunately, this Congress has seen fit to treat this funding as a piggybank and withdrew $3.5 billion as offsets for unrelated purposes. We need to restore that funding.

We need to restore it as well as retool the loan guarantee program. The Energy Committee, which I chair, reported a bill that would create a robust successor to that program called the Clean Energy Deployment Administration, or CEDA, and I urge the Congress to enact that legislation as well.

Alongside these three measures to retain and create clean energy manufacturing jobs, we also need to pass two important additional bipartisan packages. The Energy Committee has unanimously supported a bill to address the largest oilspill in our Nation's history. The American people are waiting for us to enact it. We should do so as soon as possible. The Tax Code is an increasingly important mechanism for delivering clean energy incentives. In fact, more than three in five Federal dollars spent on energy are delivered through tax provisions.

I will return to the floor later this week to discuss a bipartisan package of incentives for clean, renewable energy and energy efficiency and I hope that package will receive priority attention by the Congress before it adjourns as well.

Some have said the United States cannot regain its footing in the clean energy manufacturing arena. Those who doubt the potential of this sector think that clean energy jobs can flow only to low-wage countries such as China. We need only look at what has happened in Germany where employment in the clean energy industry is second only to the nation's strong automotive industry.

We are deservedly proud of our Nation's tradition as a leader in research and development, in innovation, and in venture-backed investing. With the right policies, we can guarantee that clean technology investment will come to our shores. Let's enact the job-creating legislation pending in the Senate today and then move swiftly to enact legislation creating a renewable electricity standard and a Clean Energy Employment Administration, and expanding the section 48C credit.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, this is what we are here to talk about once again: making it in America.

On Friday, the Department of Labor made available more than $500,000 to assist 183 Iowans laid off from the ThermoFisher Scientific plant in Dubuque. All of the workers were certified as eligible for trade adjustment assistance. This grant was designed to help unemployed Iowans as they attempt to find new work in an economy that is already desperately short of new jobs.

I am certainly grateful for the temporary assistance from the Federal Government, as I am sure are the unemployed workers and their families. But what is wrong with this picture? Once again, we find ourselves lending modest assistance to American workers whose jobs have been eliminated—whose economic security has been destroyed—because U.S. manufacturing is being shipped overseas. I would note that manufacturing jobs, which are generally high paying, have been particularly hard hit in this economic downturn.

In my State of Iowa, there has been a steady, relentless drumbeat of layoffs and plant closings as companies from Electrolux to Cummins shut down their plants and move to other countries—including Mexico and China and other countries—that offer low wages, lower workplace safety standards, and only minimal environmental oversight. This is happening despite the fact that American workers, while paid more, tend to be far more efficient and productive.

Adding insult to injury, these newly unemployed American workers must reckon with the fact that the United States Tax Code actually rewards companies for sending their jobs overseas. That is right. Most Americans don't know this, but the Tax Code actually incentivizes companies that shut down operations and kill jobs in the United States.

This betrayal of American workers is outrageous on its face. And with the official unemployment rate stuck near 10 percent—that is the official rate; the actual rate is closer to 18 percent—it is simply intolerable.

That is why I have come to the floor to speak in strong support of the Creating American Jobs and Ending Offshoring Act of 2010. This bill would take three urgent steps to reduce and begin to reverse the bleeding of jobs from America.

First, the bill would end subsidies for plant closing costs. That is right. There are subsidies if you close a plant. It would prohibit a firm from taking any deduction, loss, or credit for costs associated with reducing or ending the operation of a trade or business in the United States and starting or expanding a similar trade or business overseas. Let me note that the bill would not apply to any severance payments or costs associated with placement services or employee retraining provided to those who lose their jobs as a result of the offshoring.

Secondly, the bill would end the tax breaks for runaway plants, for companies that reduce or close a trade or business in the United States and start or expand a similar business overseas for the purpose of importing their products back into the United States. Under current law, U.S. companies can defer paying U.S. tax on income earned by their foreign companies or subsidiaries until that income is brought back to the United States. This is known as deferral. Deferral has the effect of putting these firms at a competitive advantage over U.S. firms that have stayed here and that hire U.S. workers to make products in the United States. Imagine that. So you take your company and ship it overseas. All of the money that plant makes over there, you don't have to pay taxes on it. You keep your money there and keep expanding your plant, or make another plant in another country that is low wage and has low environmental oversight.

What an advantage they have over good companies, good businesses in America that want to stay here. So we have to close that loophole.

The third loophole we have to close is the encouragement businesses get right now to create jobs that go overseas. We have to create incentives for businesses that expand here. This bill would provide businesses with a 2-year break from paying the equivalent of the employer's share of Social Security payroll tax on wages paid to new U.S. employees performing services in the United States that used to be performed overseas. In other words, if they have a plant and a business here and can bring jobs back to the United States, guess what. For 2 years, they get a tax break; they don't have to pay the employer's share of the payroll tax. We will pick it up—the Federal Government, the taxpayers—because those jobs will come back here; people will be hired; and they will be paying into this economy.

Mr. President, I salute the Senator from Illinois, Senator DURBIN, for introducing this bill. I also salute the senior Senator from North Dakota, Senator DORGAN, who has been such an outspoken champion of American manufacturing. He has fought long and hard to end the provisions in the Tax Code that have the perverse effect of actually encouraging and rewarding U.S. companies that ship jobs overseas. I also commend the Senator from Ohio, SHERROD BROWN, who also is a tremendous champion of the focus and attention to try to do everything we can possibly do to keep our jobs here. Ohio has especially been hard hit. If we look at all of the statistics, Ohio has been especially hard hit over the last decade, during the last 8 years of the Bush administration, from all of the jobs that left Ohio and were shipped overseas.

Let me give an example of the destruction that is caused by this. Almost exactly 1 year ago, workers at the Cummins Filtration plant in Lake Mills, IA, a small community, were gathered together on the shop floor. Company officials, surrounded by a phalanx of security officials, announced that some 400 jobs would be moved to Cummins manufacturing plants in Mexico.

This announcement came out of the blue. The employees immediately went into mourning, trying to make sense of their new status—victims of the outsourcing of their jobs to Mexico. Thirty-five married couples worked at the plant. So many families lost two jobs in one fell swoop. In one case, the couple had worked at Cummins for 30 years. As one plant employee said:

> This is going to be terrible for people, terrible for this town. It's going to hurt everybody, the gas station, the grocery store.

Mr. President, this is the kind of personal tragedy and devastation that we are seeing in thousands of towns all across America as companies lay off employees and/or shut down operations and move overseas.

Since 2001, some 42,000 American factories have closed their doors. Roughly three-fourths of those employed over 500 people. Not 42,000 jobs, Mr. President, but 42,000 American factories closed their doors since 2001.

The manufacturing sector lost 1.3 million workers in 2009 alone, continuing the disturbing loss of more than 5 million U.S. manufacturing jobs from 2001 to 2009. That is right, 5 million manufacturing jobs lost.

It is bad enough this is happening, but what is absolutely intolerable is that our Tax Code actually encourages companies to kill these U.S. jobs and take their operations overseas.

Senator DORGAN, many times, has cited the example of Levi jeans and Huffy bicycles.

What can be more American than Levi? They moved their production to Mexico and to other parts of the world. They don't make any Levis here anymore. They contract with foreign companies who make Levis for the Levi Company.

As Senator DORGAN said about Huffy bicycles in Ohio—Senator BROWN's home State—workers there made $11 an hour making those bicycles. But they got fired, laid off, and Huffy bikes are now made in China at 30 cents an hour. The Huffy Corporation reaped millions of dollars in tax breaks as a result of this offshoring.

Then, as this chart shows, is Fruit of the Loom, another signature U.S. company that has outsourced many thousands of jobs over the last decade. The company has closed plants in Kentucky, Mississippi, Louisiana, Texas, and elsewhere, and shipped those jobs to Asia, the Caribbean, and Morocco, and the U.S. Tax Code has handsomely rewarded Fruit of the Loom for doing so.

Mr. President, these are the Fruit of the Loom guys on the chart, which shows them leaving for Mexico, and they took 3,200 U.S. jobs with them.

It is time to end this outrage, with the U.S. Tax Code actually encouraging companies to lay off employees and ship operations overseas, even as we struggle to recover from the worst economic downturn since the Great Depression.

The way to grow our economy and drive our recovery is to create jobs in America and remove policies that encourage companies to ship American jobs overseas. We built the middle class by building things in America. We can do it again by giving companies incentives to bring jobs back to America and create new ones here as well.

I encourage and urge my colleagues to support the Creating Jobs and Ending Offshoring Act of 2010.

I assume our time has expired.

The PRESIDING OFFICER. There is 7½ minutes remaining.

Mr. HARKIN. Mr. President, I will take a couple more minutes.

First of all, I don't know how anybody can argue with this bill. It just says, one, we are going to end subsidies for plant closing costs. In other words, right now, a company could close a plant here and move it overseas. All of the costs of closing down that plant and ending that operation would take a deduction—or they could take losses or credit against taxes for the cost of closing that down. If they shipped it overseas—if a plant goes belly up, and they can't make it anymore, or whatever they have made is not being purchased anymore, that is one thing. I can see providing for credits and losses and deductions for that. But if they are closing it down and starting or expanding a similar trade or business overseas, they should not get any tax benefits whatsoever. That is what this bill does; it ends that loophole.

It ends the tax break for runaway plants when they expand their businesses overseas. Why should we allow companies that, as I say, are not good citizens—they take their plant overseas and the money they make over there—first of all, they don't have the same environmental protections. They have terrible working conditions and low wages. But they take all those profits—and a company that is here making the same products in America pays workers more, pays into Social Security, pays higher taxes, has environmental concerns to deal with—but this plant in America has to pay taxes on their earnings. The company over in China, making the same product, can defer those taxes, as long as they don't bring the money back here.

You might say, as long as they don't bring the money back here, why should they not get a deferral? Because they take those profits and expand operations in that country or other countries, further putting at a disadvantage the good companies that stay in America. We ought to end that loophole.

Third, this bill provides actual incentives for companies to repatriate jobs into this country—bring jobs back into this country. They get a 2-year break from paying their company's share of Social Security taxes. That is a good tax break for companies coming back into America.

For those three reasons, I don't see how anybody can argue with us. I am not here to say we have to stop every plant and put laws into effect to stop them from going overseas. That is not what I am saying. I am saying don't have the Federal Government subsidize that. That is what we are doing with our trade laws. I am not going to get into that now. That is for another debate maybe later this year or next year about redoing our trade laws and what we are doing in the WTO.

Why does China get away with undervaluing their currency, which makes their imports into this country cheaper, and we do nothing about it? At least Japan did something—raised tariffs to equalize the difference between what the currency could be worth on the open market. That is what we ought to look at in this country. China should not be allowed to get by with this undercutting of their currency just to make their exports to this country cheaper because it is taking more American jobs away.

Again, that is not part of this bill. That is a discussion we need to have, and we need to have it soon in order to, again, have us take a more or a stronger position in world trade than we have been taking in the last couple of decades.

With that, I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. JOHANNS. Mr. President, I rise today to discuss what I consider to be a rather disturbing trend on the floor of the Senate. I am observing more and more the majority bringing legislation to the floor for political reasons, knowing it doesn't have enough votes to pass.

Rather than working to address our economic woes in any kind of meaningful way, we instead find ourselves voting on what I would describe as ballot box topics designed to gain favor with select groups just weeks before the November elections.

Is it any wonder that the American people continue to give Congress such a dreadfully low approval rating? Is it any wonder that the people of this country look at what is going on and have come to the conclusion that the problems they are facing every day are not being solved?

Back in August, when I was going across the State, I did 14 townhall meetings, open events, where anybody could show up and offer their thoughts. What I heard over and over is that people are just exhausted, sick and tired of the games and the election year politicking that is going on, when we should be working to deal with the problems this country faces.

You see, the people don't care who is scoring political points. They care about their jobs, they care about finding a job if they have lost their job, and they care about keeping food on the family's table. For all too many people in this country, they care about the fact that the job they once had may never come back. They want action. In fact, they are crying out for action.

They want thoughtful approaches to our Nation's problems—not populist rhetoric devoid of any real solutions or a serious attempt to find solutions.

We find ourselves on the floor of the Senate this week debating a bill that has been labeled a jobs bill. Let me point out that there have been no hearings. There has been no debate on the proposal currently before the Senate. There has been no give-and-take in the hearings process to try to figure out if there is a way to come up with an approach that would make sense to create a jobs bill. None of that has happened.

You see, what this bill tries to do is seek to punish U.S. companies that do business overseas under the very misguided assumption that doing so will somehow result in economic growth and job creation at home.

This bill would not create jobs. What it will do is hurt U.S. companies that do operate globally. Let's take a look at exactly what is in this bill and set aside the rhetoric.

The first part is a payroll tax holiday. I want to be the first to admit that I supported the payroll tax holiday when the Senator from Arizona, Mr. MCCAIN, offered it during the stimulus debate. It is so amazing because when that was offered by Senator MCCAIN, our friends on the other side of the aisle wanted no part of the idea whatsoever. Instead, what they wanted was to shove tens and tens of billions of dollars into government spending, leaving businesses essentially out of the stimulus equation entirely.

Now we are seeing an eleventh hour, last-ditch effort that ties strings and redtape to tax relief for businesses.

Yet this proposed payroll tax holiday is different from Senator MCCAIN's. Senator MCCAIN, appropriately so, said: If we are going to get this Nation's economy going again, we need to include all employees in an attempt to bring money to the economy, back to the workers' wallets, where they could better spend or better decide how to spend those dollars.

What we have here is just a narrow element—only for those businesses that replace a foreign worker with an

American worker. How many jobs will that really create? When faced with a tsunami of uncertainties, ranging from increased taxes to a hostile business attitude in this administration—a downright antibusiness attitude—will a business really choose to hire because of this 24-month supposed tax holiday? There are some business groups out there that have answered that question for us. Let me quote from the chamber of commerce. They said this:

> The concept of economic growth is not a zero-sum game. Replacing a job that is based in another country with a domestic job does not stimulate economic growth or enhance the competitiveness of American worldwide companies.

At a time when we have a 9.6-percent unemployment rate and an underemployment rate in the double digits, do we really want to enact legislation that will set back job creators and threaten our ability to compete in this world? Why does it leave out mom-and-pop, Main Street businesses? Why are they left out in the cold? Even if these small businesses wanted to hire to get a 2-year payroll tax holiday, they could not because they do not have any foreign employees. How absurd. The payroll tax holiday before us today is designed to only help the biggest of the big multinational conglomerates. Talk about standing up for the little guy. Are you kidding me? It tells Joe's Garage or Smith's Tool Shop: You are just simply out of luck. Considering the fact that 65 percent of all new jobs are created by those small businesses—businesses such as those on Main Street in Nebraska—excluding them from hiring tax incentives simply defies any rational logic whatsoever. But that is, unfortunately, what this legislation does.

Let's keep examining the so-called jobs bill.

The next part of the legislation is a provision that would immediately tax the earnings of foreign subsidiaries. In other words, the legislation would repeal the so-called deferral rule. Currently, firms are able to defer taxation on their foreign-generated income until it is brought back to the United States. At a time of sluggish economic growth, enacting policies that will threaten U.S. business is downright unwise, and it is reckless economic policy. Repealing the deferral rule will only further hurt the ability of U.S. companies to compete against other companies around the world.

The United States imposes a 35-percent corporate tax rate. That is already one of the highest in the world. In fact, we are behind only Japan in how aggressively we tax our corporate businesses. Only Japan has a higher tax rate. The average for the other G7 countries is just under 29 percent, while the group of industrialized nations that make up OECD average only 19.5 percent. Let me say again that we are at 35 percent. We are punishing the job creators already. How can we expect these companies to compete with their foreign counterparts when the foreign companies have such a lower tax burden, when their countries say: Look, we want these companies to be successful and have kept the tax burden low. How do our companies compete with that? The simple answer is, they cannot. If we really want to spur job creation, we would be lowering our corporate rate, not trying to punish our multinational firms that are trying to compete in the international marketplace.

Once again, do not believe me. Go to people who are in the midst of this. The National Association of Manufacturers said of the bill:

> Manufacturers are concerned that the bill's proposed tax increases would impose new costs on American manufacturers, making them less competitive in the global marketplace and jeopardizing U.S. job creation.

Let me repeat the last piece of that: ''. . . making them less competitive in the global marketplace and jeopardizing U.S. job creation.'' This is not a jobs bill at all. It is a political punishment bill.

Once again, the majority has sought to villainize a piece of our economy hoping that somehow by villainizing them, it improves their chances. First, it was the credit card companies. Then it was the student loan makers. Next it was the insurance providers, the energy companies. And the list goes on and on. Unfortunately, this time they are trying to villainize companies that are trying to compete in an international economy.

But this bill also misses a very key point. A big part of the reason companies are not hiring is because of the vicious onslaught of bad policy Washington is throwing at them. I talk with businesses in our State. They are paralyzed with fear over what Washington will do next.

Let me share a story. I had a business roundtable in an area of Nebraska, Sarpy County, NE. A group of small businesspeople were sitting there. I was asking them: What can be done to help your businesses grow so you can hire people?

There was one lady there, and she said: MIKE, I have a business franchise in both Lincoln and Omaha. Our business in Omaha actually is not too bad. But I have looked at this health care bill. I have gathered information on this health care bill, and I have come to the conclusion that if I grow my business beyond 50 employees, which is right where I am today, I get tangled up in this mess. I do not want anything to do with it, so I am not hiring.

That is what I am hearing all across our State. And this payroll tax holiday for those who bring back workers to the United States is not enough compensation for all of the other looming tax increases businesses are facing. It is not going to offset the problems that have been created by this onslaught of higher taxes and regulation.

I am so disappointed that in these last days before we recess, a decision was made to take up such a flawed piece of legislation. Yet what is going to happen is this messaging attempt will take up our time. We will recess until after the elections, and we will miss the opportunity to take an important vote on what is headed to be the largest tax increase in our Nation's history. A vote on preventing the looming tax increases would have given individuals and some businesses some certainty about the future. We cannot expect any meaningful economic recovery to occur until businesses are provided with some certainty about what is happening in Washington.

Every day, I get calls from constituents. Every time I am home in Nebraska, people are saying: MIKE, please tell me what is going to happen on these tax issues. Tell me what to expect on January 1.

I can tell you that it is no consolation to them for me to say: We are debating a bill that everybody knows is not going to pass. That is how we are using our time between now and a recess that will extend well into November.

It does not make any sense whatsoever. No tax credit will prevent the punitive measures that are headed toward our population. Again, do not take my word. The National Federation of Independent Business has described it this way:

> Uncertainty about the economy and looming tax hikes has kept this sector from hiring new workers, resulting in a weak economic recovery and slow to nonexistent job growth.

The NFIB went on to say:

> Congress can take an important step to address the uncertainty by holding a vote and passing legislation extending all of the expiring tax rates. No small business owner should face higher taxes.

I could not agree more.

As I go across my State—and I doubt it is any different in any other State—Americans are struggling to meet this month's payroll. They do not need legislation designed only to gain political points at the polls. They want us to come here, to have a debate about what is going to happen on January 1 of next year, and that is the largest tax increase in our Nation's history. These good people deserve real solutions, not populous slogans meant to fool the electorate and somehow gain favor between now and November.

I know what is happening out there, and if we all think about it, what we are seeing is the American people are not fooled. They simply will not be fooled. They know that this latest bill supposedly meant to create jobs will not do a darn thing to address their concerns—looming tax increases, mounds of new regulations, and new 1099 paperwork mandates.

If I were going to design the perfect strategy for economic growth in our country, here is what I would say the people of Nebraska are telling me. They are saying: Extend all of the 2001 and 2003 tax reductions. Why? Because that is what makes the most sense for our economy. They see this massive tax increase out there, and they are asking themselves: How could you let that happen in these economic times?

Second, they would say: Repeal the 1099 mandate. We had a vote on that issue recently, as you know, Mr. President, on an amendment I offered. In that health care bill buried at section 9006 is a provision that says to every small business, every large business, every medium-sized business in America: Thou shalt do it this way, and this way is that if at any time during the year you buy more than $600 from any vendor, you have to produce and provide to that vendor a 1099 form and provide a copy to the Internal Revenue Service. It doesn't stop there. It also applies to churches, to nonprofits, to State and local governments. It is an absolute wave of new paperwork. One business group estimates it would increase paperwork by 2,000 percent. What have I heard from my businesses in Nebraska, especially our small businesses? They are saying: At a time when we need your help, what you are doing to us is burying us in paperwork, and we don't have the employees to deal with this.

This is a crisis that is hitting our job creators, and I am extremely disappointed with where we are today. We are literally not advancing the cause of creating jobs in this country. We are taking a course of action, instead, that is all about populism, that is all about gaining favor between now and November.

But I will say again: The American people have figured this out. They get it, they understand it, and they are watching us very closely. The bill we are debating is nothing more than an election year stunt, when we could be acting to prevent the largest tax increase in our Nation's history.

In those 14 townhall meetings, as I traveled from the largest community in our State—the city of Omaha—to some of the smallest communities in our State—Benkelman, in the very southwestern part of our State—I heard a common message. People wanted me to come back to Washington and fight for them against whom? Against a Washington government that they think has lost touch with their real problems, their real concerns. They wanted me to come back and speak on their behalf about what Washington politicians are doing to their businesses, to the job creation which this country depends upon, and to their pocketbooks. They asked me to come back and speak on their behalf because they see this tsunami of legislation that has come their way and they do not like any part of it.

It is no surprise to me whatsoever that what we are seeing out there are people who are sick and tired of what is going on here. They are sick and tired of a health care bill that is raising their premiums, forcing them into individual mandates, and complicating business creation literally to the extent where a job creator says to me: I can't grow this business beyond 50 employees because of what you have done to us in this health care bill.

It is a remarkable day in our Nation's history when the people of this great Nation are asking their elected representatives to come back here and fight against their government, but that is exactly what is happening. They are asking us to stand for them and to say to what is going on here: Enough is enough. We have punished the American people with endless regulations and with endless tax increases. At the end of this week, every Member of this body will be forced to go home and say: In a week where we could have made a difference and given you certainty and extended the 2001–2003 tax cuts, it wasn't done. Instead—instead—during this time, politics was played and nothing happened; just like we know today that politics is being played.

I think it is an unfortunate situation. I think we can do better for the American people than what is being displayed.

With that, 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.

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

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

Ms. STABENOW. Mr. President, this evening, we will be discussing—debating—a very important principle; that is, whether we are going to focus on making things in America and whether we are going to stop the incentives that ship our jobs overseas. This debate is about our efforts, through a bill we will be voting on tomorrow, to stop shipping our jobs overseas. That is what this is about.

We know we are in a global economy. We understand we need to do business around the world, but we want to export our products, not our jobs. Right now, we are exporting too many of our jobs. Frankly, there has been no State that has been hurt more from this set of policies as well as inactions than my home State of Michigan. No State has been hurt more.

For too long, we have not been enforcing our trade laws. We allow China to manipulate their currency so they can bring products into our country at a cheaper price artificially, which is against WTO. It is against the law. But they have been allowed to do that. I am very pleased the House is going to be taking action this week to address that. A number of us, Senator SCHUMER and I, Senator LINDSEY GRAHAM and a number of others, have legislation to do that, and we will be addressing that as we move forward in the Congress the rest of the year to get that done.

So enforcing our trade laws, stopping currency manipulation, stopping countries from stealing our patents, from artificially blocking us from going in and selling to them, this is very important. But we also know there are policies in place that have put the wrong incentives in place—the wrong incentives. That is what the bill we will be voting on tomorrow will eliminate. We have two areas where we want to take away incentives right now to shift jobs overseas and we want to put in place an incentive to bring back jobs—three provisions in our bill.

There is an incentive to create American jobs by allowing a company that, after the passage of the bill, brings back a job—hopefully a lot of jobs—to the United States sometime in the next 3 years. They would get a holiday of the payroll tax for 2 years, for 24 months, if they are bringing jobs back and it is clear that job was coming back from overseas. If they are stopping a job overseas, creating a job here, we want to create an incentive.

We also want to take away those things that have encouraged jobs being shipped overseas. The second provision would deny business deductions of any costs associated with moving jobs overseas.

The third provision would end corporate tax deferral of overseas income.

Why in the world American taxpayers would want to subsidize essentially shipping jobs overseas through our Tax Code is beyond me. That is what we want to change. Someone should not be writing off the costs of moving the jobs overseas and setting up shop somewhere else. This legislation would take away that tax deduction, that business deduction for writing off those costs you use to ship jobs overseas.

I have seen the devastation in communities around Michigan from efforts where a business will close up shop and will take jobs overseas. In many cases it is over the river to Canada or down to Mexico. I remember Electrolux, in Greenville, MI—it was 2,700 jobs in a community of 8,000 people—making refrigerators. They were productive, doing a great job. There was a second shift, in some cases a third shift. But they decided a few years ago to close up shop, 2,700 jobs lost, and they went to Mexico—where they could pay $1.50 an hour, by the way.

We have a Tax Code that would allow Electrolux to write off the business expenses to take those 2,700 jobs down to Mexico. This legislation stops that. It would provide incentives for bringing jobs back.

We cannot have an economy unless we are making things. That is the second part of what we are doing. We want to stop jobs being shipped overseas, but we want to make it in America. We want to make things in America again. We do not have an economy, no country has an economy, unless we make things and grow things and add value to them. I am very proud to say in

Michigan that is what we do: We make things, we grow things, we add value to things. If we focus on making things in America again, we will not only bring jobs back, we will bring the middle class back because, as we have learned painfully, after seeing the last decade a focusing on cheap prices but not where things are made, that if we do not have manufacturing in this country and if we are not focused on where things are made, we will lose good-paying middle-class jobs. We have lost many of them.

In fact, from 2001 until 2009 we lost 4.7 million manufacturing jobs in America. Nearly 27 percent of the jobs in manufacturing were lost during the last administration, from 2001 to 2009. We want to turn that around. In fact, we have been focused on turning that around. We have been focused in a number of ways to grow manufacturing, for example, in the Recovery Act with the Advanced Manufacturing Tax Credit—48C it is dubbed—which has brought a number of new businesses to Michigan and others around the country, focusing on other kinds of clean energy manufacturing, to make things in America. We have begun to see the manufacturing numbers go up—way too slowly, but one of the ways to make sure it moves more quickly is if we close the incentives to ship the jobs overseas. If we close those incentives for shipping jobs overseas and, instead, put the right kinds of incentives in place, we will bring jobs back and we will be able to partner with businesses to be able to do that.

One example I was pleased to author in the Energy bill passed a couple of years ago is a retooling loan program to help automakers and others manufacturing to be able to retool older plants and to be able to bring jobs back. We have seen a wonderful case of that with Ford Motor Company bringing the Ford Focus production back from Mexico to a plant in Wayne, MI, partnering with the Federal Government on the right kind of incentives to retool a plant—from a truck plant down to an energy-efficient, fuel-efficient car plant. Those are the kinds of incentives we need to have in place, not incentives that say if you ship jobs overseas you can write off the costs on your taxes.

We know the kinds of incentives that can work. We have seen them work. We have to have a much more aggressive policy about making things in America and making sure that we are closing the loopholes that have stopped the efforts to take our jobs overseas.

There is so much we need to do. I feel a tremendous sense of urgency about this issue of making things in America because of my great State, where we make not only automobiles, we make appliances, we make medical equipment—you name it and somebody in Michigan is probably making parts for it.

We have created a whole generation and a middle class because of our ability to make things in America. Then we see what has happened, where we have seen the pressures coming in an international marketplace with other countries rushing to have a manufacturing policy—China, Korea, India, Germany, of course Japan—rushing to have a manufacturing economy and doing whatever they can, cutting corners, not following the law, stealing patents, manipulating currency, and putting up trade barriers.

We are in a marketplace where we have to fight for our businesses and our workers, to keep the opportunities to make things here in America, not fold up and assume that your jobs are going to be lost and, in fact, incentivize that by tax policy.

The legislation we have in front of us is one of the most important, fundamental pieces of legislation that we have voted on this year, in terms of jobs and turning the incentives around. We want to make things in America and we want to stop shipping our jobs overseas. We want to incentivize companies to bring jobs back by giving them a 2-year payroll holiday for jobs that are coming back from other countries and putting people to work. We want to take away the ability to defer taxes on profits made on businesses overseas and to use business deductions from the American tax system to be able to deduct from American taxes those costs that are being expended to ship jobs overseas.

This is a time to be focused on fighting for America, on fighting for good-paying jobs and for workers and for businesses that have done the right thing. People who do nothing more than get up and go to work in the morning are proud of their skills. We have the best, most skilled workforce, the best engineers. We create the innovation in this country. But our tax policies encourage that to go overseas to create jobs. That is what this legislation is meant to address. This is about fighting for America, fighting for our American dream. It is about making sure that our priority is to make things in America again and to stop the policies that are shipping our jobs overseas.

I see my colleague from California here, who is such a champion on this issue, who has spoken out so many times on behalf of her State of California. We share many things, actually, in terms of innovation. In fact, we talk about innovation oftentimes as created in California, that we are buying it and putting it in our automobiles as well as creating it ourselves in Michigan. We have a great partnership.

You have more computer power in your automobile than anything else you own and we are very proud of that, and we are proud of the partnership we have—I am proud of the partnership with my friend from California, who is such a fighter for her people and a fighter for jobs.

I will relinquish the floor at this time, but let me say this is very simple and the vote tomorrow is very simple. We want to stop shipping jobs overseas. We want to make it in America again.

The ACTING PRESIDENT pro tempore. The Senator from California is recognized.

Mrs. BOXER. Mr. President, I want to thank Senator STABENOW for her leadership on this and so many issues relating to jobs—jobs here in America. I had the opportunity to listen to a bit of the debate back and forth. I heard some of my colleagues who were not in favor of this very important bill that we hope to move tonight, to reward companies that produce jobs and create jobs in America and take away the tax breaks from those who ship jobs overseas and then try to import those products back to America. We are saying let us reward those who create the jobs here in America. That is as simple as it gets.

I have heard my colleagues on the other side say in a very convoluted way that when we give tax breaks to companies that ship jobs overseas, it actually winds up creating more jobs in America. I wonder if they have met some of the people I met, who actually went to other countries to train their replacements. They went to other countries to train their replacements.

We just passed a very important small business jobs bill. I saw the President today sign it into law. It is going to create jobs right here in America because, guess what, it is setting up a lending system, a deficit-neutral fund through our community banks. That $30 billion deficit neutral fund will be leveraged to $300 billion and we will see a half million jobs created through the small business community. They need access to capital.

This is a good step. We cannot stop there. We have to do more. That is why, as we wind down before the election, we are trying to say to our colleagues: Please, all join together on the way out of this particular session. We will be back after the election. But on the way out the door now, let's do something for the American workers, for American families.

For too long the Tax Code has rewarded companies that ship jobs overseas. It seems to me it is common sense. You can make it complex. Some of my colleagues have made it complex. But when somebody tells you something like this—it is complicated—challenge them, because most ideas are not complicated. People make them complicated. If you create jobs here in America, guess what, we are going to give you a tax break. Not only that, we are going to give you a tax holiday, for the workers that you employ right here in America. We are not going to say if you move jobs overseas you get big tax break and big tax writeoffs. It is pretty simple. That is it. People who oppose this, I believe, simply do not believe it is important to create jobs here in America. I want to see the words ''Made in America'' again.

Manufacturing is an essential part of our economy. We have to do all we can to promote a strong manufacturing base here at home. In my State of California, over 1.2 million Californians work in the manufacturing sector, and the products these men and women make contribute $180 billion to our State's economy.

But in recent years, manufacturing businesses have left the United States and they have taken their production lines to countries such as China, India, Mexico, and hundreds of those of jobs left my State.

The number of U.S. companies with foreign manufacturing affiliates increased 14 percent in the last 20 years, and it continues even during the recession. I think it is important to make a distinction between companies that sell abroad—all right, we want that—and companies that close down manufacturing here and then manufacture abroad and then reimport those products back to America.

That is what we are talking about. We want our companies to get out there, make products here and sell them abroad. I think that is very important, and I want to reward that. I do not want to reward people who close down their manufacturing plants and open a new operation abroad, produce their product, and then bring it back to America.

That is what we have been rewarding. A Duke University study tells us the number of companies with a corporate offshoring strategy in place more than doubled in the last 3 years. A lot of us know Senator DORGAN has been a real champion on this issue of ending tax breaks for companies that shift jobs overseas. I was proud to support his measure to end those tax breaks at least four or five times. He has come to the floor to tell the stories of American companies that have uprooted their production lines in the United States, relocated to foreign countries, only to resell their products made by foreign workers to American customers, while receiving a tax break for doing that.

What is so important about these stories is, it is not just the job losses associated with companies shipping jobs overseas that hurts, it is that these companies have served as the center, the heart, of many of our communities. When a bicycle manufacturer closed its last factory in Ohio, 1,000 Americans lost their jobs to foreign workers who now build bicycles for American children to ride. So my colleagues on the other side can talk about how great that is for the workers, but 1,000 Americans lost their jobs. That is clear.

On the day the company left town:

Nearly 1,000 union workers streamed from a dark factory into the sun-drenched day. One worker, then another, then dozens and maybe hundreds removed their shoes. They walked in their socks to their cars and trucks and drove off the property for the last time. In their wake was a parking lot littered with rows of shoes set neatly on the asphalt. The message: Try filling these.

When an appliance company announced it would leave Indiana for Mexico, a woman who had worked decades at the plant wondered what would happen to her friends and neighbors.

Will they be able to stay and find work? Where is our community headed?

A candy manufacturer closed plants in Pennsylvania and Oakdale, CA. About 3,000 jobs were lost between the two shutdowns. At the Oakdale plant, a number of employees broke into tears when they were told of the plant closure. Said a worker who had been at the plant for 26 years:

I was one of the ones who was expecting it, but there were a lot of people in denial who took it really hard. There were a lot of people crying. It's shocking. It is so fast.

So my colleagues are going to tell you this is complicated. They are going to tell you: Oh, but you ship these jobs over here and we get more jobs here. Talk to those people—3,000 jobs. Talk to them.

This is a quote from the executive director of the nonprofit California Commission for Jobs. He said the plant closure "kind of tears at your heart strings because it is such a piece of Americana."

There are so many examples in my State of companies shipping jobs overseas. Here is what they include: a medical device manufacturer that moved 1,200 jobs to Mexico; a speaker electronics company in Chatsworth that shut down its plant and moved to China; an aviation technology company that closed its manufacturing facility in Hayward and moved jobs to China; a printer manufacturer in Camarillo that is moving its production line to China, costing 400 jobs; an optical lens manufacturer that cut 700 jobs in Petaluma and moved production to Mexico.

Here is the thing about our bill. What we do is very smart. We have a carrot-and-stick approach. These companies moved American jobs overseas. They were eligible for tax breaks on their way out of town, and they are selling American products back to us, back to American consumers, that used to be made by American workers. The Tax Code, as it is now, gives tax breaks to these companies. In so many ways it encourages them, encourages them to move. Close your plant and moving it to China. Right now, the Tax Code gives you the ability to take tax deductions, tax credits, write off losses associated with closing your factory and moving it overseas. It is wrong.

U.S. companies have taken great advantage of this tax benefit, slashing workers, moving production abroad, and receiving billions in tax credit as a result. It seems to me this must end, and we need to reward companies that stay in America, that stay in California, that employ our American workers.

Earlier this year, we passed legislation to keep over 16,000 teachers in California in the classroom, and we paid for that bill by closing tax loopholes for companies that ship jobs overseas. That was an important step. But more needs to be done to bring those jobs back home to help American businesses invest in our economy.

I have talked to American businesses that are creating jobs here at home. They are thrilled to do it. But they look at me and say: Why would you reward people who pack up, move out, and slash the American workforce? My answer is: I should not be doing that, and thank you for raising the subject with me.

That is why this legislation is so important. It will end tax subsidies businesses can receive for closing U.S. factories and moving them overseas. Remember, we are not talking about foreign sales. So do not let anybody confuse you on it. We are talking about manufacturing, production. We are talking about a company that produces a product here and decides to move that operation abroad. They are encouraged to do so by our Tax Code.

Today, we are saying—and we hope we get support from our colleagues—let's end those incentives and incentivize those who create jobs in America. The bill promotes job creation here at home. It includes, as I said, a 2-year payroll tax holiday for U.S. companies that hire new American workers to replace foreign employees, creating incentives for companies to bring jobs back home and invest in America's economy—in America's economy.

When people say: I am a jobs creator, I want them to mean, I am creating jobs in America, not in India, not in China, not in Malaysia but right here at home. I want to see those words "made in America" again. That is what this debate is about. I want to rebuild our manufacturing base, creating jobs here at home by taking advantage of American innovation to help lead us toward new technology, including clean energy technology.

We know the world is going green. Everyone in the world wants clean energy. We need to create those right here in America—right here in America—and export those products to the world. I am very proud of my State of California. We have led the way when it comes to creating clean energy jobs. But we should be incentivizing those companies and making sure they stay in America, that they do not move their manufacturing abroad.

That is why our legislation is so crucial. The Pew Charitable Trust looked at California through this recession. You know what they found? That because of our clean energy laws in California, we have seen 10,000 new businesses and we have seen 125,000 new jobs created and the words "made in America," again, are on those technologies. They are making the solar panels. They are installing them, and people are very excited about this.

But if we incentivize companies to move overseas, we could lose that. We want to be the innovators, the creators. We also want to be the producers. So it seems to me, if we proceed to this bill, we are taking a big leap forward, and that leap forward means we are sending a clear signal: If you choose to create jobs in America, we want to give you every incentive—tax breaks, tax holidays—for your employees. But if you choose to close shop and send those jobs elsewhere, to China, to India, wherever, what we are saying is: You can do that, but we are not going to give you a reward for it.

It is as simple as that. I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 578, S. 3816, a bill to amend the Internal Revenue Code of 1986 to create American jobs and to prevent the offshoring of such jobs overseas; that the bill be read three times, passed, and the motion to reconsider be laid upon the table; that any statements be printed in the RECORD.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. ROBERTS. Mr. President, reserving the right to object.

The ACTING PRESIDENT pro tempore. The Senator from Kansas.

Mr. ROBERTS. The distinguished Senator from California said that if we choose to proceed, we will have a vote tomorrow at 11:30 on this bill. I think her actions are premature, so I do object.

The ACTING PRESIDENT pro tempore. Objection is heard.

The Senator from Minnesota is recognized.

Ms. KLOBUCHAR. Mr. President, I ask unanimous consent to speak for up to 5 minutes.

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

Ms. KLOBUCHAR. I have come to the floor today in support of the Creating American Jobs and Ending Offshoring Act, which I believe, as was well stated by the Senator from California, will go a long way towards promoting job creation in the private sector and leveling the playing field for American workers.

In recent months, reports have shown that retail sales are up, hourly wages are rising, and household debt is at its lowest point in a decade. We have seen some particularly promising bright spots in Minnesota, where our manufacturing exports increased 19 percent in the second quarter to $4.3 billion.

Minnesota also has one of the lower unemployment rates, 7 percent, compared to 9.6 percent nationally.

But while the numbers are starting to point in the right direction, too many Minnesotans, and too many Americans are still out of work. As one of my constituents recently put it, ''unemployment may be 7 percent in the rest of the state, but it's 100 percent in my house. That is what matters to me.''

He is not alone. Nationwide, there are still 15 million Americans out of work, and another 6.6 million who have joined the ranks of the long-term unemployed.

I received a letter from one of them just the other day—a constituent of mine named Jon, from Northfield, MN—and I would like to share what we wrote. He says:

> I am 63 years old and I have worked my whole life. I lost my job in January 2009, and I've applied for every job I've seen since—even for some that'd pay half of what I previously earned. What's being done now for the millions of us without work?

The bill we are discussing today is not a silver bullet solution to our economic woes. But it will help answer JON's question, a question that is on the minds of millions of Americans right now.

First, it will create a payroll tax holiday for businesses by eliminating the employer share of the Social Security payroll tax on wages paid to new U.S. employees. This will be available for 2 years and applies to any new American worker who is hired to replace a foreign employee.

For far too long, we have seen our homegrown jobs shipped overseas. It is time to level the playing field for American workers, and the payroll tax holiday creates a market-based incentive for that. It encourages companies that might otherwise hire foreign employees to create jobs here at home—in places like Northfield, MN, not Mumbai, India.

Second, this bill will close the tax loopholes that have put our workers at a competitive disadvantage, a provision that will also encourage companies to bring jobs back to the U.S.

That is important, but I want to point out that this bill is about more than just job creation. It is about rebuilding our economic foundation. It is about reviving our manufacturing base and moving away from the mindset of the last decade, a mindset that glorified debt, consumption and the empty churn of money.

What we need now are policies that allow us to be a country that thinks, invents, and makes things again, a country where you can walk into any store on any street in any neighborhood, purchase the safest product at the best price and be able to turn it over and see the words: ''Made in the USA'' stamped on the bottom.

As Tom Friedman, the New York Times columnist and Minnesota native, has put it, we need to be doing some ''nation building in our own nation.''

I often think about the opening ceremonies at the 2008 Summer Olympics in Beijing, the ones that featured that perfectly synchronized 2,000-man drumming routine. Well, those drumbeats are only getting louder and louder.

While China builds the world's leading solar energy industry, we sadly still have not passed an energy bill, despite some that call for a renewable energy standard. While India encourages invention and entrepreneurship, we give our innovators the runaround. And while Brazil produces more engineers, we let our students fall behind.

The world is moving ahead fast. But we are not going to let it pass us by.

As a country, we have always been home to the most productive, innovative, and resourceful workers in the world. I am talking about the men and women who have mined, manufactured and constructed every great product of American innovation, from cars to airplanes to solar panels to satellites.

In other words, the men and women who are doing the kind of work our country was built on, the kind of work that made America great in the first place.

We have before us a bill that makes sure that work is done right here in America, in our factories, in our office buildings and in our manufacturing plants. It is a good step towards not only rebuilding our domestic industry, but towards putting more Americans back to work, and I urge my colleagues to support it.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Kansas is recognized.

Mr. ROBERTS. Mr. President, it is my understanding—and I am asking the Presiding Officer—that under rule VI, No. 4, at 7 we are going to be presented with a live quorum call. Is that not correct? Is that the schedule for the Senate? I am asking to determine how much time I have between now and 7 o'clock.

The ACTING PRESIDENT pro tempore. The Chair is under the impression that a live quorum call will be made at 7. The Senator has 30 minutes.

Mr. ROBERTS. It says, for those who take the time to be familiar with proceedings of this distinguished body, that:

> Whenever upon such roll call it shall be ascertained that a quorum is not present, the majority of the Senators present may direct the Sergeant at Arms to request, and, when necessary, to compel the attendance of the absent Senators, which order shall be determined without debate; and pending its execution, and until a quorum shall be present, no debate nor motion, except to adjourn or to recess pursuant to a previous order entered by unanimous consent, shall be in order.

So I thank the President for making that very clear. Hopefully, that sheds some light on what we are doing on a Monday evening, which some Senators would simply call a bed check. We are scheduled to vote at 11:30 tomorrow on whether to proceed with a debate that has been taking place here on the Senate floor. I think that obviously would be the time for the debate. But I think I have about 20, 25 minutes here to make my comments. I shall proceed.

We are really talking about a tax bill. I know the authors of the bill, the people who have spoken before, obviously think it is a major issue. It is a very important issue, but what we are really talking about is bringing to the floor a debate that raises taxes on U.S. companies and makes them less competitive globally. I don't think that is a very good idea, a tax increase on these companies, given the difficult times we have and given the difficult times we have in our export markets, to make our U.S. companies that deal overseas less competitive. But I don't think we should be surprised, given that the majority has not yet acted to keep taxes from increasing for families and small businesses—everybody—come next January. That is the real bill we should be considering. That is the bill we certainly should be considering before we adjourn until the lameduck session of Congress which I assume is still being planned.

It is most unfortunate that we are going to a lameduck session of Congress. I had a constituent say: Lameduck; that is going to be a Daffy Duck. I think that is a little harsh given the intent of both Houses of Congress, but what we really ought to be talking about is the tax increase that is going to take place in less than 90 days unless Congress acts. I know there was a great discussion within the majority caucus as to whether we should move on that, whether we should take a vote on that, both in the House and the Senate. That is really why I come to the floor.

This is a looming tax increase that will take effect next year. It is going to hit every American who pays income taxes. There has already been a great deal of debate about who will pay these higher taxes. The President and many of his supporters in Congress say they will not raise taxes on those families earning under $250,000 or individuals earning under $200,000. That was a campaign pledge of the President.

The American dream—or at least it was when I was growing up, and I had hoped it would be for my kids and grandkids meant one could climb the ladder of success, the ladder of economic success as high and far as they wanted, and nothing government-made or manmade would stand in their way, except they had to do the climbing. Now we find that when you hit $250,000, if you are filing a joint tax return or if you are earning $200,000 individually—you are rich. They describe people who earn over $200,000, $250,000, and regardless of their obligations, regardless of whether it is a small business, and regardless of what those circumstances may be, bingo, they are going to have to pay that higher tax rate. So we have somebody in Washington describing in manifest detail who is rich and who is not in the United States. I find that to be the antithesis of the American dream, at least as I understood it. I think now there is a hue and cry of, let's level everybody with everybody else. I do not think that is where we want to be in terms of our national intent.

The health care reform law has already broken the pledge in regard to that of the President, the $250,000 and the $200,000, because that imposes a slew of new taxes on small businesses and health care consumers, including those earning well under these income levels. So we should be weary of any pledge by the President or the majority to protect taxpayers from the harmful tax increases that are set to take effect in January. With less than 90 days—about 3 months—left in the year, this administration and the majority in Congress have done nothing except talk about it in their caucuses and to find out where the votes were and to find out how it was playing before the election. That is the truth. Nothing to prevent this massive tax hike on American families and small businesses.

Now it is September. I don't think most families are really thinking about their income taxes right now. They should, but they are not. They put the frustration of April 15 behind them. Tax freedom day is somewhere down the road in April or May. That is when you are paying all the taxes, and that is where all of your income goes to government and you finally have tax freedom day. That becomes something that comes to their mind right off the bat in the spring. But some families were fortunate enough to able to take a vacation as of this summer or late summer. However, many were working instead and very happy to do so, given the situation in regard to jobs. They are just happy to have a job to provide for their families. But none of them are probably thinking about what is going to happen on January 1. They will be handing more of their paycheck over to Uncle Sam. That is exactly what is going to happen if the administration and the majority in Congress do not act and do not act soon. We should act before a lameduck Congress.

Some have dubbed this tax relief package the ''Bush tax cuts,'' saying they only benefit the wealthy. Let me point out, that is simply not correct. I don't see how continuing existing tax policy that has been in effect for 10 years constitutes a tax cut. It is preventing a tax increase. If we want to get partisan about it, it is not about a Bush tax cut, it is about a President Obama tax increase that we are trying to prevent.

Let's take a minute and look at how this tax relief passed on a bipartisan basis and supported by several Senators in the majority who are still serving in this body let's take a look at it and how it has benefited families and small businesses across all income levels.

The bipartisan tax relief doubled the child tax credit from $500 to $1,000. This credit amount will be cut in half next year. The bill lowered capital gains and dividend tax rates to benefit families who invest long term and save for their future.

These taxes will go up dramatically next year. If you read any financial publication, are aware of any think tank that deals with taxes and finances and the economic outlook for this country, you find out that is going to have a dramatic effect—a very unfortunate law of unintended effects. Those taxes will go up, as I said, very dramatically next year by as much as 33 percent for capital gains and 164 percent for dividends.

This bill lowered income tax rates for every taxpayer who pays taxes—I am talking about the 10-year existing tax relief—whether you are a lower income taxpayer, a middle-income taxpayer or an upper income taxpayer. So unless we act soon—and that is in the hands of the majority—taxes will go up for every taxpayer as of next year, and that is the bill we should be considering now, not a bill that is going to cause quite a bit of harm to every company that does business overseas.

Here are just a few examples of what this will mean to working families if the majority allows these provisions to expire: A single parent with two children who earns $30,000 will see a tax increase of $1,100 a year. A family of four who earns $50,000 will see a tax increase, on an average, of $2,100 per year.

Clearly, these families are earning well below the $250,000 threshold the President promised not to raise taxes on, these folks. Yet in just 3 months, that is exactly what is going to happen. So you might want to think about it, America, as well as what is going to happen down the road a little bit. You have Halloween. That is about when the lameduck Congress comes back. You have Halloween and then you have Thanksgiving, Christmas—not the time you are thinking about a big tax increase that is going to whack you right in the forehead, but that is exactly what is going to happen.

The President's supporters in the Congress have yet to introduce a bill to prevent this tax hike. It is that simple. We certainly do not see any language on a bill to prevent these massive tax hikes that go into effect on January 1.

However, the President and his supporters in the Congress say they want to extend tax relief for everyone but those taxpayers they say are wealthy. Who are these folks? Who are these wealthy taxpayers? Well, under the President's proposal, and presumably the proposal supported by most in the majority, it is any individual who earns more than $200,000 in income per year or any family who earns more than $250,000.

I know there are some who earn much less than these amounts who think that sounds fine. Well, maybe to some it does. It is always:

> Don't tax me. I won't tax thee. Tax the guy behind the tree.

There is a little bit of envy here that goes on among all of us, I think, in our hearts when we look at people who earn huge salaries. Somehow, some way that we have now defined those people at $250,000 and $200,000.

I think that is unfortunate because we all benefit—we all benefit—when incomes increase and people become successful. That is how the economy gets turned around. That is how we have people who are entrepreneurs and they invest and they provide more jobs. When incomes go up and people have more of their own money to spend and invest as they see fit, more businesses are started, expanded, more jobs are created and—guess what—more income comes into the government.

There is a lot of money sitting on the sidelines waiting. If you do not take more money out of people's pockets, you will see, I think, a burst of economic activity that results directly or indirectly to the Federal Government.

I was just reading in the Wall Street Journal an article about that. I intended to bring it over, but I failed to do so. You can just take it from me. When incomes go up and people have more of their own money to spend and invest as they see fit, more businesses are started and expanded and more jobs are created.

To see the harm in raising the top two tax rates, to target those earning over the $200,000/$250,000 threshold, we only have to look at what allowing this tax relief to expire means for small businesses to see the danger in allowing this tax increase to take place.

Because many small business owners pay their taxes on their individual income taxes, if the top two income tax rates are increased as the President proposes, small business owners in these tax brackets will pay those higher income tax rates.

The administration says these higher taxes will affect only 3 percent of small businesses, so we should not be concerned about raising these taxes. If we have heard 3 percent, we have heard that enough over and over and over again: only 3 percent. But those numbers downplay the impact of raising taxes on small businesses.

Let's look at what such a tax hike would mean for America's small businesses. Keep in mind, these are the same businesses that, by the President's own admission, are the Nation's job creators. They create 70 percent of the jobs in this country—70 percent. Yet under the President's proposal, tax rates would increase by at least 17 percent on small businesses.

According to the nonpartisan Joint Committee on Taxation, that means three-quarters of a million businesses—750,000 small businesses—will pay higher taxes.

Allowing the top rates to expire subjects nearly $500 billion—another $1/2 trillion—in small business income to higher taxes. This is a very conservative number. Further, small businesses with between 20 and 299 workers employ about 25 percent of the U.S. workforce. So we are taking action to raise taxes on 25 percent of the U.S. workforce.

These small businesses will have to recover the cost of higher taxes somewhere. It may come from lower wages. Will they lay off workers? Will they reduce benefits or raise the cost of their products? That is dicey, given this kind of environment in regard to consumers and what they are able to do. None are good options.

With unemployment holding steady at over 9 percent, common sense would indicate, that raising taxes on those businesses that are creating jobs is a very bad idea. As small businesses face a significant tax hike come January, workers will inevitably pay the price. By one estimate, an increase in the top tax rate would cost jobs by reducing small business hiring by as much as 18 percent. That is 18 percent we do not need.

Raising taxes on small businesses will also likely slow the already weak economic recovery. We see a lot of headlines saying: The recession is over. But let's talk about the economic recovery we all wish—both Democrats and Republicans, all of us wish—would take place. The National Federation of Independent Businesses, the NFIB, has said the second most cited concern of small businesses is taxes. As a result, small businesses are sitting on the sidelines until they know whether they are going to be facing higher taxes come January 1. That ought to be obvious. Small businesses need certainty about how much they are going to owe in Federal taxes.

Yet, once again, this administration's rhetoric on small business does not match the reality of its proposals. The administration says it wants to help small businesses, and it has touted the recently passed small business bill as proof of that. Yet this same administration pushes through a health care bill that Americans do not want that imposes higher taxes on small businesses. Now it wants to raise taxes even further on these same small businesses by increasing their Federal income taxes.

It seems a bit ironic to watch the majority touting the small business bill that the President is, in fact, signing into law today. They said small businesses needed this tax relief so they could grow, expand, and create jobs. During debate on this bill, they criticized Republicans for holding up important tax relief for these businesses.

So it is curious now, that many in the majority who supported this relatively modest tax relief and who repeatedly stressed the importance of tax relief to small businesses are the same ones who oppose extending income tax relief that benefits small businesses.

Let me make it as clear as I can. The same members of the majority who supported the small business bill and who insisted we must provide them tax relief are the very ones who oppose extending income tax relief that will benefit small businesses. That is a contradiction. That is tough to explain, it seems to me. I am pretty sure a lot of people are simply not going to understand that, especially in the next month or in November.

If it is so important to provide tax relief to small businesses in this bill, why isn't it equally important to extend other small business tax relief? We will not get our economy back on track until small business begins hiring, period, and they are not going to hire if they have to pay more taxes in January on top of what they have already been burdened with in the health care bill. Yet that is precisely what the administration's proposal will do.

Why would our colleagues on the other side of the aisle want to allow income taxes to go up at the end of this year for hundreds of thousands of small businesses? Why are we having a vote tomorrow on proceeding to another bill that could be very hurtful in regard to our competitors overseas. How does that aid the economy? How do higher taxes help put unemployed Americans back to work? How does a higher tax burden allow a small business to grow and expand? How do higher taxes on small businesses aid the economy?

The answer is pretty straightforward. Small businesses are hurt by higher taxes. They cannot hire new workers and they cannot buy equipment or a new building or make other investments that can help their business grow.

This approach by President Obama and the majority is absolutely the wrong approach to take if we want to ensure job creation and grow our economy. We need to continue the tax relief passed in 2001, by a big bipartisan majority, that has lowered income tax rates for all taxpayers and encouraged families to save and businesses to invest. Continuing this tax relief, rather than more spending, will help get our economy back on track.

What I usually hear from my friends—and I want to comment on it—on the other side of the aisle, especially when you talk about tax cuts—you say: tax cuts, and then, bingo, for the rich, for the wealthy. We are beating a dead ''class warfare'' horse, it seems to me. But that simply is not an accurate picture of the massive tax increases that are facing American families next year.

The majority has been in power for nearly 4 years. They have had plenty of time to address this issue, plus estate tax reform, plus the AMT, plus all the other things we say we are going to do as members of the Finance Committee. I am privileged to serve on that committee. Yet, similar to a child who has not done his homework, they have put this off until the last minute, creating enormous uncertainty for families and small businesses.

They try to justify these massive tax hikes by saying this bipartisan tax relief contributed to the Nation's current fiscal problems.

The popular refrain Americans have heard from the President and his supporters in the Congress is that they inherited the current deficit, and that it is a result of the tax relief we passed, again, on a bipartisan vote, in 2001.

But the numbers do not add up. Did you know the Federal deficit decreased as the 2001–2003 tax relief took effect? The deficit stood at $412 billion in 2004 but dropped to $161 billion in 2007. That is the year the majority took control of the Congress. I was here. I know. I could list Senators on both sides of the aisle who made tremendous progress in regard to reducing that deficit from $412 billion in 2004 down to $161 billion in 2007—tough to do. We had Katrina, had all sorts of problems, Iraq, two major wars, but we did that.

Three short years later, the deficit has more than quadrupled and this year is estimated to come in at approximately $1.3 trillion—not billion, trillion. ''Trillion'' has become the watch word of the day; not billion, trillion.

That is a direct result of the massive spending agenda the President and his supporters in Congress have undertaken, including a failed stimulus bill, bailouts of failed companies, and a health care bill that a majority of Americans do not want—growing by the day when they find out the details of the bill.

What is particularly ironic about all of this is that the President has seen no reason to offset the billions in Federal Government spending that he and his supporters have put in place—billions in new Federal spending on a failed economic stimulus program and billions to failed companies, billions that have contributed to the largest deficit in this country's history.

Further, the President has already said he doesn't plan to pay for the cost of extending about 74 percent of the expiring tax relief—that is about $2 trillion—that benefits lower and middle-income taxpayers. I am for that. Everybody here is for that. And that number is actually expected to go higher. Yet the remaining 26 percent of the tax relief—that tax relief that in part benefits small businesses—the President doesn't want to extend. Why not? Here is the kicker. He says we can't afford it.

We can't afford it? This, from the same President whose spending spree has driven up the deficit to unprecedented levels? The same President who spent well over $700 billion on last year's failed stimulus program? The same President who handed out billions in Federal tax dollars to failed businesses? That is right. The President says we can't afford to extend income tax relief for small businesses to help them create jobs, grow, and continue to employ more than 20 million Americans who work for small businesses.

Well, we have a saying for this in Dodge City. It sort of resembles a lot of what we have in our Dodge City feedlots, but I am not going to go into that.

A recent observation by Kevin Hassett and Alan Viard with the American Enterprise Institute writing in the Wall Street Journal sums this up very nicely:

> The administration is right to view the deficit as a serious issue, but this sudden commitment to fiscal responsibility is bizarrely inconsistent. The administration professes deep concern about the $700 billion revenue loss from extending the tax cuts at the top, but apparently views the revenue loss of nearly $2 trillion from extending the tax cuts for the middle class as too inconsequential to mention.

I repeat, again, we are all for that.

They continue:

> Nor has the administration's concern about the deficit driven it to reduce federal spending.

That is the key. It seems to me it is disingenuous for this administration to say we cannot afford to provide tax relief that helps small business and gets our economy moving in the right direction when the same administration has pursued failed policies of unrestrained spending that do little but grow the deficit.

We can and should provide tax relief to all taxpayers, and that should be the business of the day, not a live quorum call or a bed check and then go out this week and then come back in a lame-duck Congress to debate that. Then it would be, what, 40 days before the ax would fall in regard to every American paying more taxes.

The PRESIDING OFFICER (Mr. MERKLEY). The time of the Senator has expired.

Mr. ROBERTS. I ask unanimous consent for 30 seconds.

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

Mr. ROBERTS. Thank you. We can and should provide tax relief to all taxpayers—tax relief that helps families keep more of their hard-earned dollars and tax relief that provides certainty to small businesses so they can make investments and create jobs without the fear that their taxes will go up. We need to extend this tax relief that keeps money in the hands of families and small businesses rather than putting it in the pocket of Uncle Sam.

I yield back the remainder of the time that the distinguished Presiding Officer granted me.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 5 Leg.]

Akaka	Kohl	Roberts
Alexander	McCain	Vitter
Bond	McConnell	Webb
Cardin	Merkley	
Collins	Reid	

The PRESIDING OFFICER. A quorum is not present.

Mr. REID. Mr. President, I move to instruct the Sergeant at Arms to request the presence of absent Senators, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The question is on agreeing to the motion.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. DURBIN. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. CARPER), the Senator from North Dakota (Mr. CONRAD), the Senator from Connecticut (Mr. DODD), the Senator from North Dakota (Mr. DORGAN), the Senator from North Carolina (Mrs. HAGAN), the Senator from Massachusetts (Mr. KERRY), the Senator from Arkansas (Mrs. LINCOLN), the Senator from Maryland (Ms. MIKULSKI), the Senator from Washington (Mrs. MURRAY), the Senator from Florida (Mr. NELSON), and the Senator from New Hampshire (Mrs. SHAHEEN) are necessarily absent.

Mr. KYL. The following Senators are necessarily absent: the Senator from Kentucky (Mr. BUNNING), the Senator from Texas (Mr. CORNYN), the Senator from Georgia (Mr. CHAMBLISS), the Senator from Idaho (Mr. CRAPO), the Senator from Wyoming (Mr. ENZI), the Senator from South Carolina (Mr. DEMINT), the Senator from South Carolina (Mr. GRAHAM), the Senator from Utah (Mr. HATCH), the Senator from Texas (Mrs. HUTCHISON), the Senator from Georgia (Mr. ISAKSON), the Senator from South Dakota (Mr. THUNE), the Senator from Alaska (Ms. MURKOWSKI), the Senator from Idaho (Mr. RISCH), and the Senator from Arizona (Mr. KYL).

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 48, nays 25, as follows:

[Rollcall Vote No. 241 Leg.]

YEAS—48

Akaka	Franken	Nelson (NE)
Baucus	Gillibrand	Pryor
Begich	Goodwin	Reed
Bennet	Harkin	Reid
Bingaman	Inouye	Rockefeller
Boxer	Johnson	Sanders
Brown (MA)	Kaufman	Schumer
Brown (OH)	Klobuchar	Specter
Burris	Kohl	Stabenow
Cantwell	Landrieu	Tester
Cardin	Lautenberg	Udall (CO)
Casey	Leahy	Udall (NM)
Durbin	Levin	Warner
Ensign	Lieberman	Webb
Feingold	McCaskill	Whitehouse
Feinstein	Merkley	Wyden

NAYS—25

Alexander	Corker	Roberts
Barrasso	Grassley	Sessions
Bennett	Gregg	Shelby
Bond	Inhofe	Snowe
Brownback	Johanns	Vitter
Burr	LeMieux	Voinovich
Coburn	Lugar	Wicker
Cochran	McCain	
Collins	McConnell	

NOT VOTING—27

Bayh	Dorgan	Lincoln
Bunning	Enzi	Menendez
Carper	Graham	Mikulski
Chambliss	Hagan	Murkowski
Conrad	Hatch	Murray
Cornyn	Hutchison	Nelson (FL)
Crapo	Isakson	Risch
DeMint	Kerry	Shaheen
Dodd	Kyl	Thune

The motion was agreed to.

The PRESIDING OFFICER. A quorum is present.

The Senator from Missouri.

Mr. BOND. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the motion to proceed to S. 3816. The time is organized in 30-minute alternating blocks.

UNANIMOUS CONSENT REQUEST—S. 3072

Mr. BOND. Mr. President, I ask unanimous consent that the pending business be set aside and that the Committee on Environment and Public

Works be discharged from further consideration and the Senate proceed to the immediate consideration of S. 3072, introduced by my colleague from West Virginia, Senator ROCKEFELLER, that would delay for 2 years U.S. EPA implementation of carbon regulations; I further ask unanimous consent that if the majority is serious about protecting American jobs, that we must be allowed to take bipartisan action to protect the American people from the backdoor national energy tax coming in the form of new job-killing carbon regulations from EPA; that the bill be read three times and passed, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, reserving the right to object, I say to my colleague from Missouri, clean energy jobs are the jobs of the future. As we create more clean energy jobs, we will find a way to compete with China and other nations that are trying to take over this whole area. They know the whole world is moving toward more sensitivity to emissions and the environmental damage they cause. As a result of that, I object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Missouri.

Mr. BOND. Mr. President, the regulations the EPA is proposing will hit every American family with higher electric bills, more expensive food and clothes, and more pain at the pump. American workers, especially those in energy-intensive manufacturing jobs, will face job loss or more difficult job prospects.

We have bipartisan language. Six Democrats have already stated on the floor they favor this. Whatever one thinks about the cap and tax, I believe there is a strong majority who thinks a regulatory agency should not establish it bureaucratically.

There is a lot of work we need to do in energy. We need to develop our own energy. When we talk about nuclear power, when we talk about clean coal technology, when we talk about biofuels and woody biomass, all of these things are good. But when we talk about wind power and solar power, how much is it going to cost us? We have found that the costs are overwhelming.

I welcome a discussion of this issue, but the first thing we need to do is make sure our country is not shut down by overreaching EPA regulations. That is why I proposed the unanimous consent request. I understand the leader on the majority side has promised we can vote on the Rockefeller bill. We need to vote by the end of the year.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

UNANIMOUS CONSENT REQUEST—H.R. 3617

Mr. BARRASSO. Mr. President, I will offer a unanimous consent request in a moment that will permanently lock fairness into the Tax Code.

American taxpayers are currently allowed to deduct either State income or sales taxes on their Federal tax return. Americans who live in States with a State income tax have always been able to deduct their State taxes. Since passage of the 1986 tax reform, Americans living in States without a State income tax have been out of luck.

With the leadership of Senator KAY BAILEY HUTCHISON, Congress responded by reinstating a deduction for State sales tax. This provision provided financial relief for millions of taxpayers, and it brought back some fairness to the Tax Code. Americans in States that have no income tax, such as Wyoming, Texas, Alaska, Florida, Nevada, South Dakota, and Washington, finally received relief similar to individuals in States with State income taxes.

The sales tax deduction needs to be made permanent. Now is not the time to raise taxes on American taxpayers.

Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 3617; that all after the enacting clause be stricken and the text of S. 35, a bill to provide a permanent deduction for State and local general sales taxes, be inserted; I ask unanimous consent that the bill, as amended, be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the measure be printed in the RECORD.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I reserve the right to object. This is one provision we need to pass. There are, however, many other provisions we need to pass. They are in the category of tax extenders.

Clearly, the State and local sales tax deductions should be passed into law. Senator MURRAY from the State of Washington has been working hard. Washington, obviously, is a State that needs this deduction. There are many States that need it.

Unfortunately, the provision called for by the Senator from Wyoming is not paid for. It is going to add to the deficit. I might add that the other provisions that must get passed which expired at the end of last year, I say with embarrassment, must be passed this year, and State and local sales tax deduction is one of them.

What are some of the others? Research and development tax credit, we have not extended that. It expired in the last year, as did the State and local sales tax deduction. It expired in the last year. There are many others that expired in the last year.

What is the Senate doing? The answer is nothing because the other side of the aisle would not let us bring up the package of extenders. The Senator from Wyoming picked out one little one. The fact is, we have to get them all passed; otherwise, many people are going to be in a very disadvantageous economic position.

I object to the request made by the Senator from Wyoming.

The PRESIDING OFFICER. Objection is heard.

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Finance Committee be discharged from further consideration of H.R. 4994——

The PRESIDING OFFICER. The Senator does not have the floor.

Mr. BAUCUS. Mr. President, I seek recognition.

The PRESIDING OFFICER. The Senator from Wyoming has the floor.

Mr. BARRASSO. Mr. President, at this time, it is my understanding that this time is reserved for the minority party.

The PRESIDING OFFICER. That is correct.

Mr. BAUCUS. What is the parliamentary procedure?

Mr. SESSIONS. If the Senator wants just 1 minute, I would——

The PRESIDING OFFICER. The Senator from Wyoming has the floor.

Mr. BAUCUS. I thought we were going back and forth.

The PRESIDING OFFICER. No.

Mr. BAUCUS. Mr. President, I ask unanimous consent to speak for 1 minute.

The PRESIDING OFFICER. Is there objection?

Mr. SESSIONS. I would be pleased to yield.

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

UNANIMOUS CONSENT REQUEST—H.R. 4994

Mr. BAUCUS. I thank my colleague.

Mr. President, I ask unanimous consent—it is on the same subject—that the Finance Committee be discharged from further consideration of H.R. 4994, taxpayer assistance; that the Senate then proceed to its immediate consideration; that all after the enacting clause be stricken and the text of the Baucus substitute amendment, the text of Calendar No. 572, S. 3793, be inserted in lieu thereof; that the substitute amendment be agreed to, the bill, as amended, be read a third time and passed, and the motion to reconsider be laid upon the table; that the title amendment, which is at the desk, be considered and agreed to.

The PRESIDING OFFICER. Is there objection?

Mr. BARRASSO. Mr. President, reserving the right to object, I would say that Senator THUNE has a bill similar in design to deal with a number of needed concerns and considerations, and in light of the fact that Senator THUNE's legislation has been objected to and not yet been able to get clearance from the other side, I do object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Alabama.

GLOBAL COMPETITIVENESS

Mr. SESSIONS. Mr. President, the World Economic Forum recently published its global competitiveness survey. It shows that the competitiveness of the United States has declined from first place in the world to fourth place since President Obama took office in January.

What is the main reason for this decline? Too much debt and too much spending. There are other reasons, but that is the primary one they cited. I would suggest that the proposals to drive up the cost of energy by regulation and cap and tax—supposedly to create green jobs—are another form of anticompetitiveness that hurts our productivity as a nation. A study of Spain, which has some of the most powerful alternative energy proposals and has taken some of the most dramatic action, has shown that even though there are green jobs created, the overall rise in the cost of energy in Spain has cost that nation more jobs than were created by the green activities.

According to the Washington Post, a senior economist at the World Economic Forum said:

> It was government debt and the country's overall economic outlook that pushed the United States down.

The article goes on to note:

> Government debt affects a country's competitiveness by limiting its ability to respond to crises or to make infrastructure and other investments that could boost future productivity. It may also lead to higher interest rates.

I would note also that the EU has a corporate tax rate of 19 percent, whereas the United States has a corporate tax rate of 35 percent, and that costs jobs in America. I talked to a CEO recently who said that 200 Alabama jobs were lost because of the higher corporate tax rate in the United States. We cannot sustain that.

How high is our debt today? It is $13.6 trillion or $44,000 for every man, woman, and child in America, and it is 93 percent of our gross domestic product, which is significant because a famous study produced earlier this year by economists Kenneth Rogoff and Carmen Reinhart demonstrated that economic growth slows substantially—it reduces GDP growth by 1 percent—when debt exceeds 90 percent of GDP. We are already over that. And when our economy is only growing at 1.6 percent—as it was in the second quarter—an extra 1 percent is a lot when you are talking about growth. They talk about a new normal where we may be showing only 1, 2, 3 percent growth for years to come. So if you lose a percent based on debt, that is very damaging to the American economy. Well, do we have a plan to reduce it? Have we taken any steps? Actually, the President's budget makes the problem worse. It shows that the gross debt by 2019 would go to $23 trillion—106 percent of GDP.

Look at this chart on interest payments. It is so stunning that I think every American needs to examine it. It reflects the analysis by the Congressional Budget Office, our professional budget office that serves us, the leadership of which is hired by the Democratic majority. They are good people, and this is what they have calculated. In 2009, the interest we paid on all the debt in this country was $187 billion. By 2020, they calculate that the 1 year's interest payment would be $916 billion—almost $1 trillion. This is a stunning figure. Last year, the baseline budget—or at least 2 years ago—on highways was about $40 billion. I think the spending on education totally is about $100 billion.

So we are talking about $900 billion in interest now because the public debt will triple from last year to 2019 under the budget submitted by the President. You would think we would be talking about that in Congress and we would be dealing with a budget and plans to try to bring that under control, would you not? Surprisingly, we haven't had any real discussion about the budget this year. Indeed, we haven't debated the budget on the floor of the Senate at all. This will be the first year since the modern budget process was created in 1974 that Congress has not even considered a budget. It was not brought up. It has not even been produced here.

Mr. WICKER. Mr. President, would the Senator yield for a question on that point?

Mr. SESSIONS. I would be pleased. I see my colleague from Mississippi is here.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. WICKER. Let me make sure the people within the sound of our voices tonight understand this. For the first time in the history of the modern-day Budget Act, the Congress has not even brought forward a budget plan to be debated, much less amended and voted on by the elected representatives of the people; is that correct?

Mr. SESSIONS. That is correct.

Mr. WICKER. And this is astonishing in light of what the Senator has pointed out with regard to where we are going on payment of interest on the national debt. Anytime we are paying interest, that is money that can't be used for highways, for infrastructure. If someone wanted to try a stimulus for small businesses by cutting their taxes, that is money that is not available to us for that purpose.

I wonder whether the Senator would like to talk about his particular plan, a bipartisan plan, that at least attacks the exponential growth we have had in discretionary spending. I think the Senator has a plan with the Senator from Missouri that would attack this issue at the discretionary level, virtually freeze domestic discretionary spending, and, at least for that small part of the budget, give us some relief; is that correct?

Mr. SESSIONS. That is correct, and I thank my colleague for mentioning that.

Senator CLAIRE MCCASKILL, my Democratic colleague from Missouri, and I have offered legislation that would essentially take the budget that was submitted last year, which had a 5-year number. The first-year numbers were not very good.

I will show some of the spending increases last year in our baseline accounts. I know my colleagues will find this hard to believe because it is so stunning, but the State Department and Foreign Operations got a 32-percent increase in baseline spending last year. EPA got a 35-percent increase. Commerce, Science, Justice, that is, the Commerce Department and the Justice Department, received 12.3 percent. The Treasury-HUD number was 23 percent; Agriculture, 8; and Defense, 4.1.

So we have been spending rapidly, but the budget called for less spending this year and next year and the next year. It was a 5-year budget. So we asked our colleagues: Let's, on a bipartisan basis, pass legislation very similar to what was passed in the 1990s. That really was a critical act in achieving a balanced budget in the late 1990s, and this action would say that if you went above that spending level, which is basically projected to be 1 percent or so, it would take a two-thirds vote of the Congress. This would help us maintain spending, wouldn't my colleague agree, if we had a two-thirds vote?

Mr. WICKER. If the Senator would continue to yield, I would say that I think it would certainly be a start. And I daresay that if Senator SESSIONS and I were the sole deciders on this issue, we might find a way to cut spending even further. But on a bipartisan basis, we ought to at least be able to say: Mr. President, let's bring to the floor for discussion a proposal that would virtually freeze domestic discretionary spending for 1 year.

I would commend to my colleagues a letter dated July of this year from every Republican on the Senate Appropriations Committee pointing out, No. 1, the enormity of the Federal debt and the problem and direct threat it poses to national security; the need for a long-term plan; the fact that the committee is compelled, outside of a budget because we didn't even get a chance to debate one, to come up with a topline number; pointing out the Sessions-McCaskill legislation that would essentially freeze nondefense spending, and, importantly, every Republican on the Appropriations Committee said we were committed to that number. I think that as the American people begin to look at us, particularly as we move toward this crucial vote on November 2, it is important for them to understand that Republican appropriators have made that commitment and made it in writing as long ago as July of this year.

Mr. SESSIONS. Well, I think that is important to note, and I would further note that every single Republican supported the McCaskill-Sessions amendment, but also 18 Democrats supported that. I believe that if we had the leadership just say yes instead of no, it would pass easily. It would be a healthy thing because it would send a message to the financial markets worldwide that we at least have some fiscal discipline, and it would be very unlikely that spending would go above this level if we had a two-thirds supermajority point of order to object to spending over that level.

I would note that the amendment is supported by a number of bipartisan groups, including the Concord Coalition, the Committee for a Responsible Federal Budget, the National Taxpayers Union, the Heritage Foundation, former Congressional Budget Office and OMB Director Alice Rivlin—she served under President Clinton—and former CBO Director Douglas Holtz-Eakin. So this is a bipartisan piece of legislation that would bring us to a point that, I believe, we can say to the world that we are going to stand by the numbers the President gave us last year—not Republican numbers but the President's numbers.

Remember, the baseline budget increases are already there. So I think what we are really going to have to do—when we really get a budget and get some new leadership and get committed after this election, when we get a spanking by the American people—is to get budget numbers based on the 2008 spending levels. It will not bankrupt us. The country is not going to sink into the ocean. If we went back to the 2008 levels, the 2007 levels, and then had some modest increases based on inflation rates, we would see an even larger improvement in our financial situation and be more competitive.

Mr. WICKER. If the Senator would yield one more time—I know we are limited on time—some other people are scheduled at the top of the hour, but I think this is very important.

We were spending an enormous sum of money in fiscal year 2008. I do believe that in this crisis we have, we can get back to that level and make do. That is so important in light of what this Congress and this administration have done to the national debt in 3 short fiscal years. Last year, this government added $1.4 trillion to the national debt. That is $1.4 trillion we spent here in Washington that we didn't have. This year, it will be almost that much—$1.34 trillion. And if things don't change, the national deficit, which will add to the debt, the next fiscal year will be $1.42 trillion. It is a crisis. We need to address it, and this legislation is a start.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SESSIONS. I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. SANDERS. Mr. President, I am going to be talking about a very serious crisis of offshoring, but before I do, I want to say a word about the budget. I am glad to hear my Republican colleagues being so very concerned about our budget deficit. My question is, where were they during the Bush administration when the budget debt of this country nearly doubled? We went to a war in Iraq, which some of us voted against, which will end up costing this country $3 trillion—unpaid for. I did not hear a concern at that point.

They gave many hundreds of billions of dollars to the top 1 percent in tax breaks, unpaid for. We didn't hear about the national debt concern there.

They brought forth legislation to bail out Wall Street, unpaid for; they passed a Medicare Part D prescription drug program, unpaid for.

I am very glad today our Republican friends are concerned about the deficit and the national debt. It would have been helpful to this country if they had been concerned about that issue 5 or 6 years ago, while they were in the process of doubling our national debt.

But the issue I did want to talk about this evening is, as I think most people understand, the middle class of this country——

Mr. WICKER. Was the Senator asking a rhetorical question or would he yield for an answer to that question?

Mr. SANDERS. I will be delighted to, when it is your time.

Mr. WICKER. Clearly it was a rhetorical question.

Mr. SANDERS. Mr. President, one of the major reasons the middle class of this country is in decline and why the working class is being decimated and why real wages are going down for millions of American workers who are working longer hours for low wages is that for a number of years now we have been hemorrhaging manufacturing jobs. While this trend has in fact been going on for decades, it accelerated during the 8 years of the Bush administration. During that period, those 8 years, we went from 17 million manufacturing jobs to about 12 million. We lost somewhere near 5 million manufacturing jobs during that 8-year period, a decline of about 30 percent in manufacturing jobs. Today, here in the United States, we now have the fewest number of manufacturing jobs since the beginning of World War II.

As Senator DURBIN pointed out on the floor today, from 1999 to 2008, multinational corporations based in the United States laid off nearly 2 million American workers at exactly the same time period as they were hiring over 2 million workers abroad. They laid off 2 million workers in this country and hired 2 million workers abroad.

Under President Bush, our trade deficit with China more than tripled, and our overall trade deficit nearly doubled. Today our trade deficit is over $370 billion. In other words, we are importing $370 billion more than we are exporting.

There are a number of reasons why manufacturing jobs are disappearing, but a very major one is that corporate America continues to increase its bottom line by hiring workers in China, Mexico, Vietnam, and other developing countries instead of employing American workers at decent wages in this country.

In my view, if large corporations want us to buy their products—and they certainly do; you cannot turn on television without corporate America telling us how much we should be buying their products—the time is long overdue for them to reinvest in the United States and build manufacturing plants here and not in China. A country that cannot produce the goods its consumers require and becomes more and more dependent on other countries for what it needs is not a country that will remain a major economic power in this global economy.

The legislation we are debating today, the Creating American Jobs and Ending Offshoring Act, is a good first step. This bill uses the Tax Code to begin to bring more manufacturing jobs back into America. But let us be clear: This is just a beginning. Much more needs to be done. The simple truth is that American workers cannot and should not be asked to compete against desperate people in developing countries, people in China, Mexico, Vietnam—other countries, where workers there are paid pennies an hour, where they may go to jail if they try to form a union, and where there are very few environmental standards. It seems to me to be absolutely unacceptable that our people are forced to compete against folks who are earning so little.

What we should be engaged in is a race to the top, not a race to the bottom. Yet that is exactly what is happening. If the United States is to remain a major industrial power, producing the products our people need and creating good-paying jobs, we must develop a new set of tax and trade policies that work for the American worker and not just for the CEOs of large corporations. The American people are sick and tired of losing decent-paying jobs to China, to India, to Mexico, as multinational companies throw American workers out on the street, go abroad, produce their products for pennies an hour, and then bring those products back into the United States.

In August I had about a dozen town meetings throughout the State. In every single town meeting I had in Vermont, people stood up and they said: It is becoming increasingly difficult to buy a product manufactured in the United States of America. How are we going to create jobs for our kids if we don't have a manufacturing sector?

I very much agree with that sentiment. We have to stop giving large profitable corporations tax breaks for shipping jobs overseas and start giving immediate tax relief to businesses that bring jobs back to the United States. That is exactly what this bill would do and that is why I am a strong supporter of it. But let's let there be no doubt, much more needs to be done. As somebody who voted against NAFTA when I was in the House, as somebody who voted against Permanent Normal Trade Relations with China, I think the evidence is now overwhelming that we need to fundamentally rewrite our trade policy to benefit the middle class of this country and to raise the living standards of people around the world instead of promoting a destructive race to the bottom, which is what we are seeing now.

Supporters of unfettered free trade told us over and over how their policies were going to lead to more jobs and a better life for the majority of Americans. Unfortunately, they have been proven dead wrong. NAFTA turned a trade surplus with Mexico into a huge trade deficit and we lost over 1 million jobs as a result. That is what NAFTA has done.

As a direct result of Permanent Normal Trade Relations with China, we lost over 2 million jobs to China and our trade deficit with that country nearly tripled. Anyone who has shopped at a Wal-Mart or any other large store in this country knows it is almost impossible to find anything made in the United States of America today. We are not just talking about sneakers; we are talking increasingly about high-tech products.

Let me give a few examples. Today, 80 percent of toys sold in the United States are made in China. Today, about 90 percent of vitamin C sold in the United States is made in China. Today, 85 percent of bicycles sold in the United States are made in China. Today, over 80 percent of all shoes sold in the United States are made in China. Today, about 90 percent of U.S. furniture production has moved to China. On and on it goes.

We have to recognize that if this country is going to remain a major economic force in the global economy, if we are going to have decent jobs for our kids and our grandchildren, we must rebuild the manufacturing sector of this country. We must demand and develop policies that enable corporate America to start rebuilding our manufacturing sector rather than moving abroad in underdeveloped countries. The legislation we have before us is a good start but, as I have indicated before, much more has to be done. I hope when we come up with a cloture vote tomorrow we can at least get the support of several Republicans, just a couple who are prepared to stand with the American worker, who are prepared to help us rebuild our manufacturing base so we can create the desperately needed good jobs we have to build.

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. BROWN of Ohio. Mr. President, I wish to echo the comments of the Senator from Vermont who has been discussing and debating and critiquing and understanding these issues of job sourcing as well as anybody in this institution. I am incredulous that we are fighting to bring this legislation to the floor, this legislation which will help us rebuild our industrial base, which will help us create, enlarge, strengthen the middle class, which helps us with our budget deficit and our trade deficit and will help us again become a country that knows how to make things.

In my State of Ohio we know how to make things. We know how to make chemicals and paper and cement and steel and autos and aluminum and glass. We led the Nation in many of those things. Yet look around and we see what has happened in our country.

The bill we are debating today is about helping Americans, not appeasing the Fortune 500, which is what the Republicans are doing tonight. It is about saving jobs. It is not about padding corporate bonuses. As they have done again and again over the last year and a half, my Republican colleagues are selling out the middle class.

I wonder if my Republican colleagues have met people who have lost their jobs to China; if they know anybody who has seen a plant close and they know what it does to the family. They lose their job, they lose their health insurance, they sometimes lose their house. They have to explain to their teenage children: Sorry, we are going to have to move. You are not going to have your own room anymore. I am not even sure what school district you are going to go to.

Do they know people such as that when they stand up on an issue this important, and their answer is to talk about the budget deficit as if they didn't run the largest surplus in American history 10 years ago into the largest budget deficit in American history in 8 short years of George Bush government, of tax cuts to the rich, wars that were not paid for, bailouts to the drug and insurance companies in the name of Medicare privatization, deregulation of Wall Street and these trade agreements that continue to send jobs overseas?

Let me put up a chart here to show some examples in my State of some companies that are pretty well known: ''American Standard Company factory in Tiffin To Close.'' If you go into a restroom, most of the plumbing equipment was once made by American Standard in Tiffin, OH. Bain Capital out of Massachusetts, Governor Romney's company, came in and basically did away with that company.

''Etch A Sketch Leaves Home.'' Etch A Sketch is called the Ohio Art Company, in Bryan, OH.

A small town at the corner of Senator STABENOW's Michigan and Indiana. Walmart came to Ohio Art Company and said: We want to make Etch A Sketch. We want to sell it at Walmart for under $10. The only thing that Ohio Art Company could do was shut down that part of the factory and move it to China.

One hundred years of vacuum cleaner production comes to an end in Stark County in Canton, OH. Same story. To the lowest bidder go the lowest paying jobs. Huffy Bicycle, Celina OH, on the Indiana border. Senator DORGAN has talked about what happened to Huffy Bicycle. So they moved that bicycle production to China. These were good-paying, industrial, union jobs usually—not all union jobs. They do not have to be union jobs. But they were jobs that created a middle class.

But do you know what has happened? Not since colonial times has American business had a business plan where they lobby Congress to change the rules. My Republican friends all go along with them because it is part of the big corporate agenda; they lobby Congress to change the rules, they then shut down their plants. In Burlington, VT, in Providence, RI, in Detroit, MI, and Toledo, OH, they shut down their plants, they move them to China, they obviously exploit the lowest paid workers they can get.

They then sell the goods back to their home country. They shut down the plants here, they move them 7 or 8 or 9 or 10,000 miles away. Then they sell the produced products back home to the United States. Look what that does to individual people.

Again, to my colleagues on the other side of the aisle, do they know people who lost their jobs when a plant closed and went to Mexico? Do they know people who lost their health insurance when a plant shut down and went to China? Do they know people who had their homes foreclosed on because they lost their jobs and their health insurance and they have nowhere else to turn?

Yet, instead of debating this, instead of their standing and arguing in support of these tax laws and trade laws that have started to bankrupt our country, and surely have caused our industry to decline, they just change the subject. They do not want to debate it. Senator DURBIN said—and I would echo it and make the same offer. I will go to any State in the country with any of my Republican colleagues and we will have an open, fair debate on this tax law and on this trade law.

I would love to go anywhere in the United States and have a public debate to show the public and show the American people how much this has undermined our sovereignty, our wealth, our manufacturing base. They are not willing to debate it. But when we bring this forward, you know they will object, and you know what the Senate rules are. One person can stand and object and we cannot pass the bill. They are more interested, way more interested in scoring political points than they are in debating the merits and showing what exactly we need to do as a nation to begin to restore our manufacturing base.

I would conclude with this. I hear my Republican colleagues talk and be critical of everything President Obama has done. That is fine. That is politics. But what they are arguing that we should do is go back to the policies that got us into this.

Let me put in a little bit of historical context. Eight years of President Clinton, January 20, 1993, to January 20, 2001. Those 8 years, 22 million private sector net job increase in this country. Eight years, from January 20, 2001, to January 20, 2009, 8 years of George

Bush, 1 million jobs created, not enough to even keep up with an increase in population.

The 8 years of President Clinton, wages went up for the great majority of Americans. Eight years of George Bush, wages went down for the majority of Americans. Eight years of Bill Clinton, at the end of his eighth year, he left a budget surplus that was the highest in American history. After 8 years of George Bush, he left a deficit that, at the time, was the highest in American history, and they have the gall to be critical of everything Barrack Obama has done, like he created this.

They have the gall to argue that the voters should choose them to go back to the same philosophy. They are not saying do anything different. They still say tax cuts for the richest Americans. They still say privatization of Medicare and privatization of Social Security. Thank God we did not pass that 5 years ago.

They still say more trade agreements that outsource jobs. They still say do not change the tax laws no matter how much damage they have done to us. They still say we should deregulate Wall Street. That is the contrast. That is what this debate is all about, the contrast.

Do we want to move forward? Do we want to move forward and write tax law and trade law that will create a middle class so we do not see another American Standard close in Ohio and another Ohio Art Company close and another vacuum cleaner producer and another Huffy Bicycle company close in Ohio and move offshore.

In the end, it speaks volumes about Republican loyalties, loyalty to these large corporations that outsource jobs, no real loyalty to communities, no real loyalty to these small companies, and no real loyalty to workers. When a plant closes, we know the heartache it brings to the worker, to the families. We know the damage it does to communities as they lay off teachers and firefighters and mental health counselors and libraries and police officers and we know what it does to the wealth of our country and the standard of living of far too many people.

The question ultimately is: Whose side are you on? One thing for sure, it is clear who is on the side of working families in communities. That is why this legislation is so important. That is why we need to move on fixing our trade law and our tax law, so manufacturing jobs begin to move back to this country, and we can protect that industrial base that is so important for our national security and so important for the economic security of our families and of our communities.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, first, I wish to thank my colleague who has spoken before me. The reason we are here tonight is because Senators BROWN and SANDERS said: Why talk about outsourcing of jobs, let's do something about it. That is what we are trying to do tonight. We are trying to actually do something about it. This is not just verbiage.

We see before us the faces of the people who have lost their jobs. We see the families, we hear the children, and so there is an urgency to do something. Every place I go in New York—it can be in upstate, an old manufacturing place; it can be on Long Island, supposedly the new economy—I hear about jobs leaving New York and leaving America and going overseas.

Then, there is some talk as if this is inexorable. It is not inexorable. That is what we are here to say tonight. We can do something to stop this, and stop it we must. Manufacturing used to be the backbone of our economy. It supported millions of families, was the staple of middle-class communities. It is no secret what happened.

Company after company after company began sending jobs to China and Vietnam and Malaysia, to Mexico and Brazil and parts of South America. These countries have lax enforcement of work rules, environmental rules, and pay rules. So it is cheap to produce goods. We have heard the statistics, how the United States lost millions of manufacturing jobs in the last 10 years—in New York, 90,000 manufacturing jobs in the last 3 years alone. One-third of our manufacturing base has disappeared nationally. In fact, I recently read that the United States has lost 42,000 factories since 2001, and 75 percent of those factories employed more than 500 workers. The bigger factories leave. Forty-two thousand factories closed, most of them employing more than 500 people.

I think of the people I have met who have lost their jobs. I go around my State and sit down with people who cannot find work. They come from all walks of life. I wish to tell you about Clay, a high school graduate who rose to the top of his industry in tool and die. He had a great life, married, six children, so his wife did not work.

Clay lost his job a year and a half ago because his company downsized, because they were sending jobs overseas. Here is what Clay does every day, every week. He wakes up Sunday night in upstate New York, drives down to Virginia. He looks for work in his field—he is a highly skilled tool and die worker—in Virginia. Tuesday, he goes to Washington, Baltimore; Wednesday, to Philadelphia, Allentown and others; Thursday, in the New York City area; and then goes back home Friday to find a job.

When he comes in the door Friday night, there is his wife and the kids, aged 2 to 14. You can bet a majority of them look at him and say: Well? These are not just statistics. There is a Clay in every community, many Clays in every community. That is just manufacturing.

Service sector jobs are going. I think of Dorothy, whom I met. Dorothy lost her job in the service industry, also because the company was moving jobs overseas. Dorothy told me she lost her job in June of 2008. I talked to her in January of 2010. She is about 50, did not have a family. Her life was her work. She loved her job. Here is what Dorothy told me. When you sit down and talk to people who have lost their jobs, little things stick with you. Here is what Dorothy told me. She said: Christmas morning I usually wake—she is a religious person. She goes to church and then goes to open the gifts with her nieces and nephews who are in her community.

She said: Do you know what I did this Christmas morning? I got up at 6 a.m. and I went online because I had this brilliant idea the night before, that maybe there would be jobs posted Christmas morning and no one else, everyone else would be too busy to go online and I would find it and get the job.

These are the people we are talking about. Whether it is in manufacturing or service, one of the most cited studies—and it is cited among conservatives—predicted that by 2015, 3.3 million U.S. service jobs will have moved offshore. So if you think you are safe because you are in a manufacturing job, forget it. No one is safe. No one. Whatever your income level is, whatever part of the country you are in, whatever industry you are in, no one is safe. By one estimate, about one-fourth of all U.S. jobs possess characteristics that make them susceptible to outsourcing within the next 10 to 20 years.

SHERROD BROWN, my colleague, talked about Ohio and New York. Fisher Price Toys, well known. Three locations in western New York—started there. In 1990, they stopped manufacturing in East Aurora and Holland. In 1997, they closed the plant in Medina. Two thousand jobs were lost when the three manufacturing plants closed. In 2001, they moved all their manufacturing to Mexico. Fisher Price still has a call center in East Aurora as well as its headquarters. Now they are considering moving the call center to India—both manufacturing and service.

Syracuse China. Famous. Founded in 1871. These are companies that go with the communities. They started and grew with them. It is in Geddes, a suburb of Syracuse. Onondaga Pottery Company is what the name was when it started.

If you went to a restaurant or a hotel, you were eating off Syracuse China, one of the region's oldest manufacturers. In 2008, after considerable downsizing, they closed their plant in Salina, 275 jobs. You can still get Syracuse China. It says ''Syracuse China'' on the plate or on the cup or on the saucer, but it is made in China, not in Syracuse.

Watson Pharmaceuticals, high-end company, Putnam County. Five hundred jobs, high-end jobs in Putnam County, a growing suburb, moved to India.

NXP Semiconductors. Again, you think: Oh, semiconductors, that is a big, new growing industry. I am going to be safe—600 jobs. East Fishkill, Dutchess County. Europe and Singapore.

Pfizer, largest pharmaceutical company in the world, used to have significant manufacturing operations in Rockland County. But as part of their worldwide restructuring, after Pfizer purchased Wyeth, 1,500 jobs gone to Ireland, Belgium, Canada, Puerto Rico.

We could all tell a few stories in every one of our States. I guess some of us, I hope everyone on both sides of the aisle knows the Dorothys and the Clays and the others who give this reality.

But there is another element to this debate. When companies move production overseas, it takes a human toll. Here is the most telling statistic of the last 10 years. From 2001 to 2007, a period of prosperity, median income went down. Even though we were prosperous, even though average income went up, wealth went up, GDP went up, but for the average middle-class person, income buying power went down. There are no statistics, but it would be hard not to assume that a good amount of it was because of outsourcing.

Last week, there were headlines quoting economists saying that, technically speaking, the recession was over. Let me tell my colleagues, to the average middle-class person whose paycheck is lower because they have less income, the recession ain't over. To most Americans, it sure doesn't feel like a recovery yet. The bottom line is that there won't be a true recovery until we create jobs in America, in the U.S.A. If we want to get our economic prosperity back, we need to bring the jobs back. We need to have ''make it in America'' become a reality on the floor of this Senate legislatively.

With this bill, we make our boldest attempt to reverse the trend of outsourcing. We do it in three ways.

First, the legislation eliminates tax breaks for firms that move facilities offshore.

Amazingly, right now if a company were to shut down a factory in Syracuse and move those jobs overseas, the company could deduct from their taxes the expense of closing that factory and the expense of shipping the materials. This legislation would end that.

Second, the legislation ends the Federal tax subsidy that rewards U.S. firms that move their production overseas. Under current law, U.S. companies can defer paying U.S. tax on income earned overseas until that income is brought back to the United States. This provides an incentive to keep that income overseas and employ people there.

Our bill says that if you close down your operations here in the United States and reopen overseas, you no longer get to defer paying your taxes.

This should be a no-brainer.

It is perverse that American taxpayers provide benefits to firms that offshore jobs. By rewarding the companies that bring jobs back to America, this legislation puts the incentive back where it should be.

Some say that this provision puts U.S. companies who open foreign subsidiaries at a competitive disadvantage to U.S. companies that don't. But I say that is just plain false. Under current law, if you have two companies in Oswego that are both going to expand capacity and create 100 jobs, our Tax Code puts the company that chooses to keep the plant in Oswego at a competitive disadvantage over the company that chooses to move jobs to China. Our bill would level the playing field, so that companies that keep jobs here aren't penalized.

These two measures will go a long way towards fixing the problem of outsourcing. But our bill doesn't just rely on sticks, it also contains a big carrot.

That carrot comes in the form of a major tax cut. We propose giving companies a tax cut—an actual cut, not a credit—for every position they bring back to America from overseas.

As long as the company can prove the employee is doing work that was once done overseas instead, the company won't have to pay the 6.2 percent social security payroll tax for that employee over a two year period.

For a $60,000 factory worker, that is a $7,440 tax cut. For a $100,000 manager, it is a $12,400 tax cut. That is real money. And it is not a tax credit that a business has to wait a year to receive. It is tax revenue that isn't collected in the first place, much like the HIRE Act that we passed back in March. So it is a tax cut that puts cash right in the pocket of a business, small or large, with no strings attached.

For once, rather than reward outsourcing, let's give employers an incentive to bring jobs home. I don't think that anyone who supports the motion to proceed on this bill believes that this modest piece of legislation is a silver bullet that will end offshoring. We need to do much more. We need to enforce our trade laws; we need to push China on its currency practices; we need to reform our tax code to make it simpler and more streamlined and representative of the modern economy; we need to get our fiscal house in order; we need to invest in science and education and infrastructure. We still have a lot to do to put America firmly on the road to prosperity.

But every step counts.

Earlier this year, as I just mentioned, this chamber passed the HIRE Act, a measure I worked on with Senator HATCH. It provided a payroll tax break for companies that hired an unemployed American. Already, through September, 5.6 million eligible employees have been hired under the act.

Just today, President Obama signed the small business bill that Republicans repeatedly tried to block in this Chamber. As a result, 1,400 small businesses signed the dotted line today on a loan that no bank would provide. That is $730 million worth of credit that flowed just today.

Under that same bill, eight new tax cuts for small businesses became effective today.

These are real results. So we should not stop trying things.

Right now, no issue bothers Americans more than the nonstop flow of jobs overseas. With this bill, we have a chance to do something about it. We can help the American dream launch a comeback.

This is not a Democratic or a Republican issue. Every single one of us has factories that have closed. Families don't have it easy anywhere in the country.

Politics is supposed to stop at the water's edge. The flow of jobs should, too.

So before we leave for the year, let's come together to take up and pass this measure to reverse this trend.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. BROWN of Massachusetts. Mr. President, I am a little under the weather, so if my voice fades in and out, I will do my best to muscle through it. It has been a tough three against one in a battle like I will have to do for the next half hour.

I enjoyed the signs. I didn't bring one. Maybe I can borrow that sign because I agree, it should be made in America. How are we going to do that when we make America uncompetitive, when we don't give America the tools and the resources businesses need to be competitive worldwide? This is not a U.S. economy solely where we just sell to Americans; we have to sell and compete worldwide.

I know I have said this before, but I am the new guy. I am the second newest guy here now. What I have observed is that there is plenty of blame to go around. We talk about President Clinton and everything wonderful he did. Yes, he did some great things, but he did it with a Republican Congress and their help as well. It was a bipartisan effort to solve problems. Unless I am mistaken, the majority party has been in the majority for the last 5 years, with the Presidency for almost 2 years. You don't hear about the problems we have had since that happened. I say there is plenty of blame to go around. Quite frankly, the rhetoric is white-hot. We should try to solve problems instead of pointing fingers at each other and saying that back then this happened or back then that happened and we should do it this way or that way. We have to focus on today, what is happening today.

Right now, we are not competitive. To think this effort to so-called close a corporate loophole is going to help—have you actually gone out to businesses and asked: Will this help you? Are you in favor of this?

It doesn't work unless we also lower the corporate tax rates to make them competitive worldwide; otherwise, if we keep the corporate tax rate the second highest in the world, we are just going to chase huge amounts of jobs overseas. We are going to exacerbate the problem we are experiencing now.

I often wonder, why does it take the Chinese less than a year to build, say, a 500,000-square-foot building? I have experiences with shopping malls, just to put on an addition, and it takes years, the siting, the permitting, the regulation at the local level, the harassment businesses get. If you are a business or a corporation, the mentality is that you are evil, that you are not good. We should be embracing businesses for employing. What is a corporation? Last I heard, it is a group of individuals forming together to take advantage of protections and opportunities to expand and be competitive globally. Since when did being a corporation become a bad name in Washington? Am I missing something? How do you think we are going to get out of this economic mess? It is not going to be by hammering corporations and small mom-and-pop businesses and raising taxes in the middle of a 2-year recession. Are you kidding me? It makes no sense. High taxation, overregulation, reregulation, siting, permitting—take the municipal laws and regulations, couple them with State laws and regulations and Federal laws and regulations, then throw in the EPA just for the heck of it, or any other agency—the National Labor Relations Board; just pick an agency—then throw in the taxation levels at the city and town levels, State levels, the Federal level. Why do you get out of bed to turn on the lights? Are you kidding me? What is the incentive for people to actually keep jobs in the United States of America?

In Massachusetts, the NFIB and AIM, Associate Industries of Massachusetts, have deemed Massachusetts the worst business climate in decades. That feeling is around the country. When I got elected, they sent a very powerful message. They were tired of business as usual in Washington, the disconnect when we deal with taxes and regulation and debt and spending. You don't seem to have learned the lesson.

We are going to do something right now where we are going to offer a little piece of candy by offering a potential tax break for closing a corporate loophole. The majority party is apparently protecting Main Street. Isn't that nice. Apparently, I, the new guy here, am protecting Wall Street, apparently, and big corporations. I didn't know that. I thought I was fighting for the people of Massachusetts to get this body working together to solve real problems.

Enough of the rhetoric. Enough of the blame. Enough of the posturing for the upcoming November elections. How about just solving problems? How about getting our country moving again and get us competing globally?

We just can't wave a magic wand and all of a sudden the tax policy in the United States is competitive with the world. If we do this, if we move this forward, we will be in deep, deep trouble, especially if we don't mirror it with a corporate tax rate reduction to counter the moves that will absolutely happen almost overnight.

If you think that by doing this, jobs are going to come flooding back—if you fire a foreign worker and hire a U.S. worker, you get a tax credit. Oh, that will really work. How about if you do this, you get a payroll tax reduction. Correct me if I am wrong, I made that offer about 3 months ago, a payroll tax reduction paid for by unallocated stimulus dollars. I got four votes.

Want to talk about jolting the economy and giving money to people? Want to talk about helping corporations and businesses stay competitive? How about making the R&D tax credits permanent. How about fixing that 1099 mess? How about accelerated deappreciation for small and medium-size businesses to give them incentives to create jobs? Do you know how much money is on the sidelines? I have done my homework. In this position, I have to be prepared or else. Do you know how much money is actually on the sidelines?

Corporations and businesses are saying: You know what, the health care bill, that is going to cost me about $440 million.

One corporation in Massachusetts, one of the biggest employers, has the market on a device that saves people's lives; hires, I guess, about 25,000 people throughout the world. If we do this, if we close this loophole, so-called, those jobs that were in Massachusetts in the United States are going. So let me see, it costs them $200 million because they are a medical device company. Then with the implementation of the health care bill, that is another $240 million. So that is $440 million. So where does that come from? R&D, employees, expansion? Why would they hire or even talk about hiring workers? Why?

That is just one effort, one thing that has been passed by this Congress and this administration to crush jobs. It crushes Massachusetts' businesses and jobs. We already had 98 percent of our people insured. Now we are getting lesser coverage, potentially longer lines, $½ trillion in Medicare cuts. Give me a break. There is no end in sight. The true numbers are coming out.

So why would a corporation or a mom-and-pop business or anybody who is even thinking of starting a business make that effort? Why would they even bother to open the door? There is the high cost of doing business, transportation costs, energy costs. They are concerned about cap and trade. They are concerned about maybe card check. They are concerned about a whole host of things that are keeping them on the sidelines. To take this and throw this in, forget about it.

The one thing I didn't hear and I thought I would was that Main Street—you know, you guys in the majority party, you are protecting Main Street. I didn't hear that I am protecting corporate America. I hear it in everything else. It is usually Wall Street. Up until this year, I have never been on Wall Street. I think I walked through it once. I am fighting for the people of this country, the people of my State, to get us financially viable, to get us to solve problems.

Sometimes I am the 41st Senator. I am. When it comes to debt and spending and taxation, I am going to be the guy who is going to hold it up to make sure we don't go further in debt. When I got here, $1.95 trillion was the national debt. It is over $13.2 trillion now, in 7 months.

I have been blessed. I am so honored to be here. You can't even imagine my life. I am the most honored guy to be here in this Chamber. I have been honored to visit the troops in Afghanistan. I went to Pakistan, Dubai, Israel, Jordan in that 7-month period. The thing that was fascinating to me was, from the kings and queens and prime ministers and leaders all over those regions, all they talked about was jobs. That is all they talked about: jobs so al-Qaida would not infiltrate their youth, to get produce to market, to secure the region so we can leave—jobs, jobs, jobs.

I am sorry, Mr. President. If I faint, will you save me? Thank you. I felt it was that important to come and make my point that I have been here about 7 months, and we have spent 10 days talking about jobs. Am I on a different planet or something? We should be talking about jobs every single day we are in session. We have spent 4 days, 3 or 4 days talking about the DISCLOSE Act. Give me a break. Do you think the 15 million, give or take, unemployed people throughout the country are concerned about the political content of political ads in the middle of an election season to give one party a tactical advantage or are they concerned about jobs? I know the people I speak to in Massachusetts and throughout the country want to talk about jobs.

How can we do it immediately? We can talk about the R&D tax credit and making that permanent. That 1099 bill—there is no reason we can't take that separately and put it forth in a bipartisan manner, clean up-and-down vote to protect the small businesses that are getting crushed through paperwork. There is no reason we should not be able to fix that. If we can't do that, we are in deep trouble. Accelerated depreciation, an across-the-board payroll tax reduction, a freeze on Federal hires, a freeze on Federal pay increases—I know it is not popular, but we have to look at these things. We have to look at entitlements. We have to collect moneys owed to us from contractors whom we overpaid or through fraud and abuse. Common sense, folks.

The thing I kind of get sad about—I know it wasn't popular in some circles for me to work on the financial reform bill. I got a lot of heat. But I looked at it, and I said: That doesn't include Fannie or Freddie. I know that. Do we do nothing? We do nothing, right? We don't fix the regulations that have potentially been outdated for 50 years? We don't prohibit the closing of an entire industry overnight? We allow dentists and doctors and people who are going to finance the fillings in your teeth to be all encompassed in this thing? We are going to allow that? I am not going to allow it. I knew they had the votes anyway, but I took the time to work it through. I will tell you what. Since I have been here, that is the most proud I have been to work across the aisle with people for what we did—11 weeks, I think, working with every thinker and leader in this country when it dealt with financial issues.

I have to admit, I learned a lot, sleeping 5 hours a day maybe, slept in my office trying to figure it out and do it right. I was the most proud to work on that bill in a bipartisan manner. I am part of history. Is it the best bill? No. Is it going to get better? I hope so. Can we fix it after November? I hope so. Did we close TARP? Yes. Did we stop too big to fail? Yes. Did we stop the bank tax? Yes. Did we do a lot of things people are concerned about? Yes. Did we do some things wrong? Yes. But—do you know what—ever since we got back after July it is as though we do not talk anymore. We are just filing bills with no hope of them passing.

The Defense authorization bill—give me a break. I remember being in committee on the Defense authorization bill. I was sitting there in the Armed Services Committee, all eager, ready to go, being someone who was in the military. ''Gosh, I am going to make a difference. I am going to make a difference, everybody.'' You get there, and it was an invigorating process. We worked our tails off. The chairman said: ''You know, SCOTT, the things you are concerned about that affect Massachusetts and the New England area, we will do it on the floor.'' ''Oh, good.''

I find out when it gets to the floor the amendment tree is filled. We were offered 20 amendments. That is not good enough. The process is about just scoring points, political points for November. I think the American people are fed up. They are tired of the rhetoric. They are tired of the finger pointing. They are looking for leadership. They are looking for somebody to say: Do you know what? Sometimes I am going to be the 41st Senator, but other times when it comes to getting this country moving, I am going to be the 60th Senator. I do not care if I get reelected or not, but while I am here, I am going to fight every single day to get this country moving again because we are in deep trouble, folks. And if you do not recognize it, by doing this piece of legislation—this is helpful? It is not helpful on its own. They say: Well, it is the first step.

Do not come to me with a first step. Come to me with a real plan, one that is comprehensive and can actually work and that can get some full support from your own party. Tell me you have every member of your party and I will say you are not being truthful. And then try to blame us as the party of no. With all due respect, since I have been here that has changed. But do you know how many times the majority party has voted with me? Zero. OK. So the party of no thing, I will tell you what, it is getting a little old—from the administration and the majority party, a little old. The numbers do not speak for themselves on that one.

I do not want to seem like a downer, Mr. President, because you are a good man. I respect you greatly, and I respect the people who spoke prior to me. Being here and being in this historic Chamber—are you kidding me? To be part of this process is like the greatest honor in the world. Aside from my marriage and the birth of my kids, this is it. And to think we are wasting this amazing opportunity, this amazing opportunity to get our country competitive again and to get us firing on all cylinders.

You cannot tell me we cannot find one thing to agree on. The leaders cannot get together and find one thing? Take the Energy bill. You are telling me we cannot do one thing, take the easiest thing everybody agrees on and do one thing, make it clean and get it through, and send it over to the House and make sure it comes clean and not filled with a substitution bill and comes back clean? Can we do one thing—just one? Am I the only one who believes this?

I get that the bill on the floor tonight is important to the majority party, and I respect that. I do. I get it. And pollsters, if you listen to them—which I tend to not—when they talk about companies that ship jobs overseas, I get that too. I understand that is bad. But it is what is in play now. If we change this one thing and not change and reduce the corporate tax rate to make them have an incentive to staying, it is not going to work.

I believe without a doubt this bill will cause real harm to the economy, and that job creators are united in their opposition to this legislation. I guess it is bad to make money in America, to pay the bills. I am in favor of corporations making money. I am in favor of the employees making money. I am in favor of free trade and free enterprise. I am also in favor of government regulation. It has its place. But the government needs to know when to get out of the way too and to stop overregulating. There is a role for government, absolutely. But government needs to know when to get out of the way, to let free enterprise, free market—you cannot regulate every single thing. You cannot do it.

I have gone around. I have tried to do my research. As I said, I have to. The major employers in Massachusetts whom I have talked to—and we have a tremendous amount, thank goodness. They are not hiring, but they are there. They are not going to expand because of health care and regulation and taxation and the uncertainty of the business world.

I remember I read it or I heard it, Senator BAUCUS, chairman of the Finance Committee, said he was worried that this bill would put the United States at a ''competitive disadvantage.'' Those words are his, not mine. This bill puts the United States at a ''competitive disadvantage.'' I believe that in my heart. Again, echoing his words, this bill will make American multinational companies less competitive. So it is not just Republican Senators. My colleague, whom I have great respect for on the other side of the aisle, is questioning also the wisdom of this legislation.

Having the second highest corporate tax rate—I notice my colleagues who spoke earlier said—well, I do not want to characterize how they speak. But the companies that are going overseas, yes, they are taking advantage of lower tax rates. Absolutely. But you would believe, in listening to them, that there are also lower labor costs as well. Yes, in some countries that is absolutely true. But in places such as Belgium and Ireland, I respectfully disagree. Companies are doing this to get a good solid workforce, paying good wages, but taking advantage of the 11-percent, 12-percent corporate tax rate versus a 35-percent corporate tax rate.

But I have to take exception to the statement that everybody is going overseas to take advantage of the tax rates.

Well, yes, this is a global economy. We are fighting a battle here. And when China can do the things they are doing and basically provide—well, let's step back. I remember growing up, and you would look at space exploration, roads and bridges, and teachers, and all that, R&D tax credit money, all that great stuff we would use to lure businesses from other parts of the world here. Do you know where that is now? It is all debt service to China. So when I see and when I speak to the companies back home in Massachusetts, and they say: We need A, B, C, and D, I am like, we have no money. It is all in debt service to China right now. I would love to give it to you.

So how do we get our financial situation moving forward? We are not going to do it by having the tax cuts expire. We need to address the tax extenders. We cannot play games and push it off and push it off. How about the death tax? Oh, my God, how many billionaires have died and we have not gotten a penny? Good for them. One over on the government. But is it good for the Federal Government to not get a piece? I am all for people getting money, but we have not even addressed the death tax.

I remember in my first caucus, when I went in, we were talking about it, and in the second caucus, the third caucus, the fourth caucus, and on and on. It is time to kind of come together to solve some real problems so tax planners and families can kind of get their planning done. It is all about uncertainty. The reason we are in part of this mess is because of the financial uncertainty associated with the continued overregulation, the fear of more taxation, the fear of governmental interference, and the things we are trying to do. You can go on and on and on.

So as I said, what is the point? Why even bother getting out of bed?

Mr. President, may I ask, how much time do I have?

The PRESIDING OFFICER. The Senator has 6 minutes 20 seconds.

Mr. BROWN of Massachusetts. Six minutes 20 seconds.

Mr. President, I am fading fast, and I would ask if my colleague wishes to take the remaining part of my time.

The PRESIDING OFFICER. The Senator from Florida.

Mr. LEMIEUX. Mr. President, I thank my colleague from Massachusetts. Before I walked down to the floor tonight, I was watching him on television as he gave his remarks. I know he is more than a little bit under the weather. I thank him for his comments, and I thank him for his refreshing point of view because he comes here as a common man to try to do the best he can for the people of Massachusetts and the people of this country, and he knows in the short time he has been here that this system is broken. It is not working for American families. It is why Americans are so upset at their government.

It is not America that is broken. It is the government that is broken—a government that is now saying: We do not want you to profit. We do not want the business to succeed, sending all the messages that say America is not open for business, with too much regulation, too much taxes, too much spending, too much uncertainty, too much of Congress pulling these big levers on government and on the economy that stops job creators in their tracks.

When I visit businesses in Florida, as I often do, they tell me: Look, Senator, we do not know—actually, they call me GEORGE—we do not know, GEORGE, what is going to happen with our business. We do not know what this 2,000-page health care bill is going to do for our business. Are we going to hire one more employee and fall under some new fine or mandate? Is this financial regulation bill going to make business more expensive?

Small businesses, medium-sized businesses, and the few large businesses we have in Florida are frozen in their tracks. They will not hire. Worse still now, we have these tax cuts that are set to expire at the end of the year, and these businesses do not know what their taxes are going to be. Is their tax on their dividends going to go up? Are capital gains going to go up? Are they going to be paying a higher tax rate themselves because they file as if they are an individual because they are a subchapter S corporation? All of this uncertainty, all of this regulation, all of this taxing, too much debt, too much spending, too much borrowing freezes business in its tracks.

Now we have this Creating American Jobs and Ending Offshoring Act. I am new here too. I have been here about a year. But you can mark my words, when you hear a title like that, you better read the details. Boy, it sure sounds good. We want to end the offshoring of jobs. Who would not be for that? It sounds great. But the truth of it is, you are going to tax American corporations that are doing work in foreign countries. You are going to double tax them under this proposal and make them uncompetitive.

So when Caterpillar sends bulldozers to India, they are going to be taxed more, which is going to hurt the folks in this country who are building bulldozers. You can apply that to any business that is doing work overseas. We do not need to be discouraging exporting. We need to be encouraging exporting. We know when we invest in exporting we get a huge return on investment. That is what we should be doing. But that does not make a nice sound bite. That does not sound good right before an election.

We should not be imposing more taxes on businesses that are trying to create jobs overseas which employ more people in this country. That is uncompetitive. That does not make any sense. What we should be doing is reinstating these tax cuts that have been around for 7 and 9 years respectively and not raising taxes in the middle of a recession. Can you imagine that we are going to go back for the next month and businesses in our country are not going to know what their tax rate is next year. And people wonder in this Chamber why people are not hiring. Because there is too much uncertainty. They do not know what their taxes are going to be.

Do you know what businesses want? They want a level, fair playing field, and they want predictability. All this government does, all this Congress does, is change the rules every couple months to make things unpredictable.

I heard my colleague from New York talking about the fact that the last decade was lost to the middle class, that they lost wages, that they actually went down, not up. That is something that appeals to all of us. But government is not going to be the solution to that problem. Government is not going to fix that. The private sector is going to fix that.

Why are we demonizing business? Why are we demonizing profits? This has never been a country where we said we are going to bring you up by pulling other people down. This has been a country where we said we will give you the opportunity to succeed, and then you can be rich too someday.

That is the American dream. That is what separates us from every other country in the world. We look on these other countries such as India and China and say, look, they are going to overtake us. They are more competitive. They are not playing by the rules. They are doing things cheaper in those countries, opening call centers, stealing American jobs.

Let me tell you, I have had the opportunity to travel to some of these countries in my stead as a Senator. And on its best day, India is not as good as we are on our worst. There is nothing America can't do. There is nothing Americans can't do.

The thing that is failing America now is this Congress and this government. What we should be doing is creating certainty. What we should be doing is approving the three free-trade agreements that we still have outstanding with Colombia, Panama, and South Korea. That would get Americans back to work. What we should be doing is cutting the payroll tax across the board for every employee and every employer. Let's cut it temporarily by 3 percent. Let's give every employee a 3-percent pay raise and every employer 3 percent more that they can use to hire new employees, buy new equipment, and get Americans back to work.

People in this Chamber are willing to work across the aisle to be problem solvers. I did that on the small business bill because it was the right thing for Florida, and it was the right thing for this country.

Let's not demonize each other. Let's not demonize American business because we know American business is what creates jobs. We don't need to create more government jobs. We need to create more private sector jobs. That is what is going to get this economy back up and running.

What I fear is what Senator BROWN talked about and his notion of why you get up in the morning. Is the next Bill Gates who started Microsoft, is the next Hewlett Packard who started that company in their garage—the next innovator, the next entrepreneur—just going to say: Look, there is too much taxes, too much regulation, too much uncertainty; I am not going to go pursue that idea. Have we taken away the American dream? As someone just recently said to the President in a townhall meeting: Is this my new reality? Is the American dream lost?

It is not. We will get through this. But we are only going to get through this when we realize that government is not the creator of jobs, the private sector is the creator of jobs. Our obligation is to have regulation for it to be fair, to make sure people don't cheat; otherwise, our job is to get out of the way and let business succeed to employ our people and allow them to achieve their dreams. This bill doesn't do that. It makes us less competitive. It will hurt jobs.

What we should do is reinstate the tax cuts to create certainty and not raise taxes in the middle of a recession. We should cut payroll taxes, we should approve the free-trade agreements, and we should focus every day we are here on jobs, not on campaign election laws, not on this frolic, not on this detour but on jobs.

The American people are hurting. The people in my State are hurting badly. It is the worst recession that anyone can remember in Florida—the worst recession that anyone can remember. Unemployment is near 12 percent. In some cities it is 14 percent. When we figure in the underemployed, it is more than 20 percent—people who want to work but can't. Let's give them certainty. Let's not raise taxes on them, and let's make sure we have a level playing field for business so business can do what business does best, and that is create jobs.

With that, I see my time has expired. I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

Ms. STABENOW. Thank you, Mr. President.

I have found it interesting, having the opportunity to spend this evening listening to colleagues on the other side of the aisle. A lot of things have been talked about except the bill we are going to be voting on tomorrow. We certainly want to focus on the legislation we will have an opportunity to vote on together tomorrow to decide whether we are going to take up a bill that will stop shipping our jobs overseas. That is what this is about. We want to make things in America again and stop the incentives for shipping jobs overseas.

I also wish to indicate that today, talking about certainty—and I agree with my friends on the other side of the aisle that we need economic certainty. I agree with that. It would be so helpful if everything was not filibustered and there wasn't sand thrown in the gears at every turn when we are trying to move forward and create economic certainty, making it take much longer in terms of trying to get to economic certainty. But I agree, and we agree, that we need certainty.

I wish to commend the Senator from Florida for working with us on the small business jobs bill that was just passed. The previous speaker said we need bonus depreciation. Well, but that particular Senator and the majority of the Senators voted against that in the small business bill. We need to extend expensing provisions, we were told a while ago. Well, the majority of Republicans voted against that. We need tax cuts for small business, we were told. Well, we just had a bill with $12 billion in tax cuts for small businesses that the majority of the Republicans voted against. Again, with all due respect to my colleague from Florida who reached across the aisle and helped make that happen—and we are very grateful—but I have been listening all evening to people talking about how we need tax cuts who just voted against tax cuts. They have talked about how we need certainty, and certainly one of the areas where we need certainty is in small business lending, and we have just created that.

In fact, tomorrow, we are told, the SBA is going to provide about 1,400 loans for small businesses to be able to grow and expand and hire people—tomorrow—because of what was signed today. So that creates a little bit more certainty. We certainly need more of that. I am all for doing that, and I am all for creating the kind of level playing field that was talked about as well.

We want to export our products, not our jobs. But at every step of the way, from the Recovery Act we passed 18 months ago to focus on manufacturing—making things in America, clean energy, advanced battery technologies, jobs and infrastructure—from that time until now we have seen nothing but delay tactic after delay tactic after delay tactic, slowing down the economic certainty that colleagues are now talking about this evening. So we want that certainty.

We want certainty for middle-class families in this country who have been torn apart because of the fact that we have lost jobs. We have lost 4.7 million manufacturing jobs in this country under the policies of the last administration that now, we were told last week, they want to do again. The proposals unveiled by our Republican colleagues are exactly the same proposals that cost my State 1 million jobs. We are not interested in going back to that. We want to keep on a course that is going to get us out of the hole.

So what is this bill about? I will soon turn this over to my colleagues to speak as well. What are we really talking about tonight? We are talking about doing three things that will bring jobs back that have been lost overseas. These jobs have been lost to China time and time again. They have been lost to India, lost to Brazil, lost to Mexico, and lost to many other countries because of a system we have that doesn't have a level playing field on trade, is not enforcing our trade laws, having some trade agreements that are not fair, and then having incentives that reward companies to write off their costs here while the jobs are shipped overseas. So we want to stop that.

This bill, in fact, would prohibit a firm from taking any deduction, a loss or credit, for amounts paid in connection with reducing or ending the operation of trade or business in the United States and starting a similar trade or business overseas. What is that about? Well, we don't think American taxpayers should have to pay the bill through a deduction or a credit while their jobs are being shipped overseas. Companies shouldn't be able to write that off their taxes.

We are also saying through this bill that we want to end the Federal tax subsidy that rewards U.S. firms that move their production overseas. Finally, we want to provide a carrot to say, if in the next 3 years a company closes down operations and brings jobs back—and we have success stories like that to tell of companies that are doing that—but if they do that, close operations in the next 3 years, bring the jobs back, they will get a 2-year payroll tax holiday. So they will get a tax cut if they bring jobs back.

That is the simple bill. It is very simple. It is very straightforward. We want to take away the incentives to ship jobs overseas—the subsidies that cause Americans to lose their jobs—turning around and then subsidizing the jobs overseas, and we want to create incentives to bring jobs back. That is what this is about. This adds to what the President signed today in terms of the small business bill that creates jobs. This is another step in our effort to make sure we are focusing on American jobs.

We want to make sure we are making it in America again. It is no surprise we have lost the middle class as we have lost manufacturing. Our ability to have good-paying American jobs is built on the premise of a foundation that says we are going to make things in this country. We are going to make things. We are going to grow things. We are going to add value to it. That is what has created the middle class of this country. We are losing that. People are losing their jobs, losing their futures, their ability to care for their families, as we are seeing these jobs shipped overseas. This bill is about bringing them back. It is one piece of the puzzle. Take away the tax deductions and bring them back. That is what this is about.

Tomorrow, the question is, Do you want to debate it? Do you want to move to the bill? It is not final passage; it is voting to move to the bill so we can have the debate about creating that certainty and creating jobs and making things in America again.

I see my friend from Rhode Island, and I wish to turn things over to him because I know he is a passionate advocate for jobs, as I am. We often share, unfortunately, the same kinds of concerns about jobs in Rhode Island and Michigan. I know the Senator from Rhode Island cares passionately about bringing those jobs back to America.

The PRESIDING OFFICER (Mr. DURBIN). The Senator from Rhode Island.

Mr. WHITEHOUSE. Mr. President, let me first thank the Senator from Michigan who has worked so long and hard on this. We do, indeed, have in Rhode Island the distinction of being in the top three or four States for unemployment for month after month after month. Rhode Island is still hovering near 12 percent unemployment.

For a State that was once the manufacturing capital of the world, for a State that was once the place where the industrial revolution was sparked off, to be in this situation is very painful for a lot of Rhode Islanders, and it is particularly painful and frustrating to have that situation exacerbated by our country's tax and trade laws. At last we are getting around to doing something about it.

So I am here today in strong support of the Creating American Jobs and

Ending Offshoring Act. I wish to speak a little bit about the bill itself because one of the things I have noticed about my colleagues on the other side is that they have spoken about anything and everything. They have spoken about taxes. They have spoken about the deficit. They have spoken about wages. They have spoken about every economic issue they can bring to mind, but they haven't spoken about this bill. Nobody has said this is a bad piece of legislation; they just don't want to get to it. They want to give long speeches about macroeconomics rather than look at this bill and how it will help. It is a shame because we are just trying to get to this bill.

Last week, Leader REID made a procedural motion that the Senate take up this legislation to address the epidemic of companies laying off American workers and moving their jobs overseas.

I was just in a facility in Rhode Island a few weeks ago and there were machines running and there were people working. But if you walked around the machine shop floor, you could see marks on the floor marked off in tape with holes where bolts had been taken out. Those were machines that had been taken out of a Rhode Island factory and shipped to South America so that South American workers could work those machines and sell the exact same products that had been made in Rhode Island back into America.

So this is a very real and practical problem we have to face. With the kind of unemployment we have still in this country, I hope every one of my colleagues, Republican as well as Democrat, will acknowledge that this is a topic that is worthy of debate in the Senate.

Senator LEMIEUX from Florida was just here. He is a very distinguished Member of this body, and I consider him a personal friend. He came forward with a great list of ideas he believed we should be considering in order to improve our jobs posture and move America forward. Those were all fine ideas, and every single one of them he could have offered as an amendment if he would vote yes to go to this bill.

Where we are is the Republicans saying we are not even going to discuss this piece of legislation. So every good idea or what they consider to be a good idea we have heard about tonight, bear in mind their votes will prevent them from offering amendments to implement those very ideas that they are claiming are good ideas.

This is a basic, smart piece of legislation. The Creating American Jobs and Ending Offshoring Act would close some really perverse loopholes in the Tax Code that, right now, reward American companies for moving American jobs overseas. The law, right now, permits companies that close down American factories and offices and move those jobs overseas to take a tax deduction for the costs associated with moving the jobs to China or India or wherever. Those machines that were unscrewed, unbolted from that Rhode Island shop floor and shipped to South America so that South American workers could run them—the cost of that was a tax deduction subsidized by the American taxpayer. That simply doesn't make sense.

If we want to send a message that we are tired of sending American jobs offshore, then giving people a tax deduction for doing that should be a practice that ends. We would end those taxpayer subsidies for the expenses of moving American jobs overseas.

That taxpayer subsidy is just the cherry on top—the big prize—for companies that are offshoring jobs. The real money comes from their ability to defer paying taxes on profits they earn overseas. Here is an example. Let's say a company manufactures a boat in my State of Rhode Island. That company pays taxes on its profits from selling that boat every year that it earns a profit. Let's say there is a company right across the street—a competitor—that also makes boats, and it decides that it is going to take its manufacturing and move it overseas to China. They will make the same boat but will make it in China and then sell it back to the same U.S. customer. They are identical except that one company moved its jobs overseas. The company that moved its jobs overseas is not obliged to pay income taxes on its profits from the overseas manufactured boat at that time. It can strategically defer and maneuver its taxing to pay it later and use the money in the meantime instead of having to borrow capital or pay it at a time when it has offsetting deductions. This deferral gaming can be quite lucrative for the companies that move jobs overseas, and it can be quite costly for taxpayers. So we close this loophole too.

These tax loopholes that reward shipping jobs overseas have served as powerful incentives for companies to do so, and the numbers bear this out. According to our Bureau of Economic Analysis, 1999 to 2008, the number of U.S. employees of multinational companies declined by nearly 2 million—1.9 million jobs—out of America from multinational corporations. During the same period, these same companies increased their foreign employment by 2.4 million—2 million jobs out of this country and into foreign countries by American multinationals.

Some people think that is a wonderful idea. These are our friends at the U.S. Chamber of Commerce. This is a letter they sent on September 23 to the Members of the Senate from the Chamber of Commerce of the United States of America:

> Replacing a job that is based in another country with a domestic job does not stimulate economic growth or enhance the competitiveness of American worldwide companies.

This is our U.S. Chamber of Commerce, the same entity that is out running ads trashing candidates on behalf of Republicans, the same entity that represents all the big multinationals—Exxon, BP, the big insurance companies, the big banks, the folks charging you a 30 percent interest rate on your credit card. That is whom these people represent. Again, they bring this idea to the table:

> Replacing a job that is based in another country with a domestic job does not stimulate economic growth or enhance the competitiveness of American worldwide companies.

I will tell you what it does. It will enhance the heck out of the economic growth of the family who gets that domestic job. It will enhance the heck out of the economic competitiveness of a neighborhood that doesn't have a factory shipped overseas so that the company can move the jobs offshore. I don't know whom these people are interested in—the U.S. Chamber of Commerce—but it is definitely not the American family, the American neighborhoods or the American worker. ''Replacing a job that is based in another country with a domestic job. . . .'' That is really astounding.

So we need to get to this bill, and we need to begin to reverse the decades-long decline in U.S. manufacturing. This cannot do everything, but it would be a first step.

When we were growing up, the vast majority of the clothes we wore, the cars on our roads, and the food on our tables was all produced in the United States. That time has passed, that time is gone, that time is no more. Today, you would be hard-pressed to find items in a department store that were made domestically. Just go to Walmart—it is China-mart.

It is not just consumer goods either. Earlier this year, I had a meeting with an organization in Rhode Island that runs one of our major ports. Together with Senator REED, we were able to argue successfully for one of the TIGER grants in the economic recovery bill to help support this port so that they can grow jobs and add to the business that comes to Rhode Island. Part of what they need to do is purchase and install a big cargo crane, a port crane to offload the goods that come in and stack them so they can go onto trains and trucks and off into commerce. Guess what we discovered. We discovered that the Rhode Island organization didn't plan to buy the multimillion-dollar crane from an American company. Do you know why that is? That is because no American company any longer makes a port crane. No matter how much you want to buy a crane for an American port from an American company, you can't do it. We don't make them any longer. Something has gone badly wrong when you go to the biggest retail outlet in America and you can't buy American-made products—it is 90-plus percent from China—and when you go to a port and the crane that is unloading the Chinese goods cannot even be made in America any longer.

So we need to get to work. We need to support our American manufacturing base, and we need to take the wrinkles out of the Tax Code that make it advantageous for a company to move those jobs overseas, with taxpayer subsidies and competitive advantage against a company that is struggling at home trying to do the right thing and keep jobs here.

All we are asking of our colleagues is that they allow us to go to the bill and have this debate. When they come to the floor and object to this procedural motion, and they have nothing to say about this bill but only general bromides—I have had so many bromides that I am ready for some Bromo-Seltzer. They won't talk about this bill. The reason is that it is a good bill, and it would help American jobs, and they don't want anything to pass now. I urge them to change their minds. It is too important to let this opportunity pass.

I yield the floor.

I see my colleague from Alaska.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. BEGICH. Mr. President, I have to say to the Senator from Rhode Island, we will get some of that water that fizzes because we will need it as the night goes on.

The point is simple. To the American people, to the Alaskans who are watching, this process we go through here, which is really about getting us to a bill—that is what we are trying to do so we can have a debate across the aisle, have a discussion about what is the right policy when it comes to jobs and how to make sure we do the right thing regarding our economy. Instead of having to debate, they would rather stop the motion to proceed and end the story.

I rise this evening for the same reason many other folks are talking tonight—in support of the Creating American Jobs and Ending Offshoring Act. I believe we should reward companies that keep Americans working here in our country.

As a former mayor, and really longer than any time I have served in public office, as a small business owner—that is what I spent my life around. I understand the impact of legislation and what it means for a business owner. As I have said in the Budget Committee and on the floor, I am probably one of the few who have filled out—in one of the debates we had a couple weeks ago—1099 forms. I understand what it means for a small businessperson to spend the time to try to build their business and what it means.

Tonight, in my view, it is unacceptable that we currently reward companies that ship American jobs overseas while businesses that are doing their best to provide decent wages and benefits are struggling just to make payroll. We should reward businesses that don't just keep but create jobs here at home. It makes no sense to me, when you think about it—you have business A and business B both doing the same product. But the one that decides to invest in America, to invest in Alaska, who competes against the person across the street who decides to close up and go overseas, who gets tax breaks and special benefits and subsidies and other things, the person here who is working hard every day to keep Americans working is at a disadvantage. It is clearly time that we stop shipping our jobs overseas and make it right here in America.

American manufacturing jobs have been some of the hardest hit by the economic downturn. States that have significant manufacturing bases are those with the highest unemployment rates.

This legislation is a commonsense response to our job crisis. Under the bill, payroll tax relief will be rewarded to companies that hire employees domestically during a 3-year period, beginning now. The tax cut would come in the form of relieving the companies of paying Social Security payroll taxes on each job that was brought back home to this country for the next 2 years.

This legislation also eliminates tax breaks for companies that move jobs overseas. I will repeat that because people who might be watching are saying: What do you mean, we give companies tax breaks for moving jobs to another country and not reward people who work here? That is the case. We actually give breaks, which include deducting expenses for companies that close their factories in the United States and move them overseas. I don't know about all other taxpayers, but I am taxpayer and a businessperson, and that seems ridiculous that we would give a tax break to companies that ship jobs overseas. Taxpayers subsidize these companies. As I mentioned, our tax laws currently reward these companies in many different ways for moving jobs overseas.

Here is a startling reality—the data. We hear a lot from the other side, and they are kind of good sound bites and they get on the news and get coverage, but here is the data. This is how people should measure the success or failure of the policy we have had regarding this issue. That is why we need to pass this new legislation. Between February 2001 and February of 2009, almost 4.7 million manufacturing jobs were lost to overseas operations—4.7 million American jobs that were shipped overseas, like a parcel package. They are gone. Between 1999 and 2008, employment of foreign affiliates of American parent corporations grew from 7.8 million jobs to 10.1 million. That is an increase of 2.4 million jobs or 30 percent. Again, there are jobs that have been shipped off, and then these American companies then produce jobs overseas that could have been produced here in this country. But they have not done it.

To my friends across the aisle, many of you seem to have the impression that extending tax cuts for the wealthiest Americans will mean more jobs.

I just got back from a weekend in Alaska, for 2½ days moving through cities, talking with folks. I have to be honest. Only the people across the aisle are thinking that because that is not what I hear back home. They see through it. The 97 percent who will receive a tax break, a tax cut, middle-class Americans see that benefit. But the small 3 percent, 2.5 percent, they are not going to create jobs with that money, no question about it. As we all remember back in the Bush administration, President Bush decided to extend these tax cuts to the wealthiest Americans in the middle of the Iraq war. The thought was this would spur our economy and create new jobs.

Not surprisingly, the exact opposite happened. The national debt doubled. When President Obama was sworn into office, just before he was sworn in, over half a million jobs were lost just in that month alone before he was sworn in. We have to stop shipping jobs overseas and make it right in America.

I implore my colleagues on the other side to allow the debate, to allow us to proceed. It is not complicated.

I will end on this comment and say, when I was a mayor, anybody could bring any idea to the table. You could debate it. Sometimes we debated until midnight, sometimes we started the next day and debated some more, but ideas were debated.

We are recovering from an economic crisis. We are, at the moment, to look at some new options, new opportunities to have our businesses thrive and move forward. I ask our colleagues on the other side: Allow the debate to occur. As a small businessperson, as a Member of the Senate, I ask them to step to the table and let us move forward.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. CASEY. Mr. President, I commend the remarks by the Senator from Alaska and before him the Senator from Rhode Island and others tonight. One of the reasons we are here tonight is because we have been trying, over the last 18 months, to get some of our colleagues on the other side to join us in job creation strategies. We had almost no Senators—at the time just three on the other side—join our side to pass the American Recovery and Reinvestment Act. That legislation, which we passed in the early part of 2009, has created—one rather conservative estimate—about 3 million jobs. But in an economy where we lost 8 million, we have to keep going and put in place other strategies.

We passed the HIRE Act not too long ago. When we pass a lot of legislation, it goes right by people. That HIRE Act provided a payroll tax credit for the hiring of an individual who has been unemployed for 60 or more days. That has created a number of jobs.

We just passed a bill, and the President signed into law today, the Small

Business Jobs and Credit Act, a direct infusion to small businesses across the United States of America—$12 billion in tax breaks directly to small businesses.

In addition to that, there is a loan fund for our smaller banks, our community banks, to provide most of the capital to most of the businesses in America because we know small businesses create most of the jobs.

We have been taking step after step. None of it is perfect. Not one bill will lead to a full recovery. But we have been trying to push this economy—the image of coming out of the ditch we have all used is a good analogy. One bill is one push. One bill is not enough to get this economy fully recovered, but we have been making progress.

Today we come together, once again, to try something we have advocated again: to try to take some steps to stop the offshoring of jobs, the shipping of jobs overseas because we have the wrong tax policies in place.

What does this bill do? What does the Creating American Jobs and Ending Offshoring Act do? Basically, three things. It is not tremendously complicated for those who are running businesses but critically important to our jobs, our families, and our future.

No. 1, it would create a payroll tax holiday for companies that return jobs to the United States from overseas. What happens there is we would be providing relief from the employer's share of the Social Security payroll tax on wages paid to new U.S. employees performing services in the United States. It is as simple as that. We should have done it a long time ago. We could have taken these steps before, but our friends on the other side, just like they have blocked almost every job creation bill I can think of in the last 18 months, they blocked this over and over again.

No. 2, this bill would end subsidies for plant closing costs. As some of my colleagues have noted, the bill would prohibit a firm from taking any deduction loss or credit for amounts paid in connection with reducing or ending the operation of a trade or business in the United States, starting or expanding a similar trade or business overseas. We have made it easier. We have created incentives to ship jobs overseas instead of creating disincentives for companies to send jobs overseas. It would end that basic policy that ships jobs overseas.

No. 3, we would end tax breaks for runaway plants—plants that go overseas and have no penalty applied to moving jobs overseas, instead of keeping jobs in America.

I mentioned before the HIRE Act, legislation that provides a payroll tax credit for the hiring of an individual who has been unemployed for 60 or more days. We are building on that policy. I commend our majority leader, Senator REID, Senator DURBIN, our Presiding Officer, Senator SCHUMER, and others for building upon what we did in the HIRE Act earlier this year and introducing this bill to provide employer relief from the employer share of the Social Security payroll tax on wages paid to a new U.S. employee performing services here.

In other words, we are trying to bring jobs back to the United States. We are not saying this bill is a magic wand that solves all our economic problems. One bill is not a recovery, but it is another forward step in furtherance of that objective to lift this economy completely out of the ditch it has been in for far too long.

We know this did not happen overnight. We know our economy did not fall into a ditch overnight. We also know the loss of manufacturing jobs did not just occur over the last several years. It occurred over many years. But if you just look at the last 9 or 10 years, I know, for example, in Pennsylvania we lost over 200,000 jobs. The best estimate is 207,000 jobs just in Pennsylvania that are categorized as manufacturing jobs. In some States it is a lot higher than that. My colleague from Michigan, Senator STABENOW, was remarking earlier that Michigan had lost over 1 million jobs in that time period, just manufacturing jobs.

We know the unemployment rate across the country is intolerably too high. In our State, fortunately, it is below 10. A lot of States cannot say that. But 9.3 or 9.5 roughly in Pennsylvania over many months equates to almost 600,000 people. It got as high as 592,000 people out of work. Now we are down a little but down to only 585,000 people out of work.

I went across Pennsylvania during the latter part of the summer. In 4 weeks, I was in some 31 counties, most of them small and rural counties, most of them counties that have a lot of small towns in them and a lot of geography, a lot of space. Whether you go to a county such as Potter County, which has less than 20,000 people in it and almost 100 percent rural, their unemployment rate is 11.5 percent.

Philadelphia, the biggest city and biggest county as well, has an unemployment rate of 12 percent now. More than 75,000 people are out of work in the city of Philadelphia.

Whether you go to a small town or rural community or whether you go to the biggest city in our State, the unemployment rate is far too high.

It is my obligation to not just say the Recovery Act created 3 million jobs. It may not have been perfect or popular, but it created a lot of jobs. But that is not enough. That is why we supported the HIRE Act. That is why we supported the Small Business Jobs and Credit Act. The community bankers, by the way—this is not a number from a Democratic office—tell us it will create 500,000 jobs.

What if they are off by a big number? What if it is only 400,000? My goodness, if we can pass any bill that will create 400,000 jobs, that will be remarkable. If they are right, it will be more than that. It will be 500,000 jobs.

We are pushing and pushing to move this economy fully out of the ditch, to have a full and robust recovery because we know what happens when the economy recovers. We saw it in the late 1990s, during President Clinton's two terms in office. We not only had recovery but tremendous growth. We were investing in priorities such as health care and education and the skills of our workers for the future for a stronger economy. We had not only eliminated the deficit—the Congress and the President at the time—but the surplus was $236 billion when President Clinton left office. He handed that to President Bush.

When President Bush handed over the keys to the White House, so to speak, to President Obama, the $236 billion in surplus was now $1.3 trillion in deficit. That is where we are today. We are still recovering, despite a lot of steps, to have a full recovery. But we cannot fully recover if we are going to continue to subsidize the movement of jobs overseas.

It is hard to comprehend the strange and almost perverse policy that has led to taxpayers being called upon because of the policy that has been in place for far too long, the policy where taxpayers are subsidizing the costs associated with the closing of a plant in the United States of America. We should not just lament that, we should end the policy and instead have taxpayer support strategies to keep jobs here or support strategies that actually pull jobs back from overseas.

You cannot lament the movement of jobs overseas and then just keep voting the way some are voting against tax policies to keep jobs in America. You cannot lament job loss and vote against, whether it is a Recovery Act, the HIRE Act or the Small Business Jobs and Credit Act. You cannot say you are in favor of helping small business and then turn around the next day and vote against $12 billion in tax cuts for small business.

You cannot say you support small communities and the small banks in America and then vote against a loan fund that will help those very same small banks across America help their small businesses to invest and grow and hire more people and help us recover.

What tomorrow's vote is about is not the bill itself. Tomorrow's vote, of course, as everyone knows, is just to get over that procedural hurdle to allow us to debate. Having a debate about ending the offshoring or doing everything we can to end the offshoring of jobs is worthy of at least 1 day or a couple hours of debate.

Someone over there might say: I am not going to vote for this bill for this or that reason. They have that right. It is hard to say I do not like the fact we have been shipping jobs overseas and have tax policies that incentivize that and we have other policies we can put in place to change that and to turn that around and move in the direction of helping taxpayers keep jobs here and pulling jobs back from overseas, you cannot say all that, make a big speech on it and then vote the next day and say: I am not only going to vote against the bill but vote against any debate on the bill. That is a pretty hard argument to make. I am not sure there are many people who can make it with a straight face and with any degree of integrity.

We will see what they do. We will see if they are going to vote against debating obviously one of the most important issues for people, stopping jobs from going overseas. I hope the other side does not do what it did with the small business bill and say it supports small businesses and then vote against tax cuts and vote against community banks to help our small businesses.

Maybe tomorrow there will be a flash of light in the darkness of this political debate and folks on the other side will let us debate this for a couple hours and then maybe vote the right way: to stop jobs from going overseas. But we will see. We will see what the morning light brings.

Mrs. FEINSTEIN. Mr. President, I rise today to support the Creating American Jobs and Ending Offshoring Act. The bill before us utilizes both carrots and sticks. It ends certain egregious tax breaks that promote the movement of American jobs overseas, and provides a payroll tax holiday to companies that relocate jobs back to the United States.

I thank Senators DURBIN, REID, SCHUMER and DORGAN for their initiative in crafting legislation designed to create more jobs on American soil at a time when it is critical. This bill is a positive first step.

Robust industry has always been the hallmark of American competitiveness.

It once was that you could see the ''Made in America'' logo on the back of a t-shirt, on a shoe, a dress, a coat, and knew that you had a product that was both high quality and safe.

But from 2000–2005, U.S. companies slashed 2.1 million jobs in the United States while hiring 784,000 jobs internationally. This is from the Bureau of Economic Analysis.

Examples are the iconic little red wagon company, ''Radio Flyer'' eliminated half its workforce in Chicago and moved its manufacturing operations to China in 2004; Levi Strauss cut its workforce by roughly 20 percent, closing factories across the country and outsourcing its manufacturing work to Latin America in 2002; Motorola has laid off over 40,000 workers and invested more than $3 billion in China in 2001; and; recently, the Whirlpool Corporation announced it will close a refrigerator plant in Evanston, Indiana, resulting in the loss of hundreds of jobs. Whirlpool has plans to open a new plant in Mexico.

And Hewlett Packard is opening a global call center in Chongquing, China. The reason for all these relocations is plain and simple—less cost.

Today, the ''Made in America'' logo is not often seen, and with its demise has been the loss of good American jobs.

It is time for the United States to refocus on a modernized industrial policy that promotes global competitiveness and creates jobs for the American people.

And this legislation is a beginning.

Simply put, we can no longer hang our hats on American inventiveness and ingenuity while ignoring the steady stream of jobs lost to our international competitors.

Americans have always had good ideas, but those good ideas used to lead to good jobs here in the United States. Now, our intellectual property contributes to abundant employment opportunities, but many are often in other countries.

American industry has changed the world. From the automobile to the airplane, from landing a man on the moon to developing the Internet, the combination of revolutionary ideas and productive labor has been the backbone of American strength for generations.

But we should not be willing to cede that essential part of our American identity. We must find a way to ensure that American ingenuity creates American jobs.

Statistics indicate that we are losing our identity as a manufacturing power—and that is bad news for this country.

Thirty years ago, the founder of Sony and the head of the august Keidanren in Japan said to me: ''When America ceases to be a manufacturing power, she will become a second-rate power.''

I have thought a lot about those words over the decades as I have seen American jobs go overseas.

The slow bleed of manufacturing jobs has been a stark reality for years. From 1997 to 2007, the U.S. manufacturing sector lost 3.5 million jobs—an estimated 20 percent of the workforce.

But offshoring isn't just a problem for factory workers, it is having a growing impact on the service sector as well. Today, even highly skilled workers can no longer rely on their education or training to obtain a job or have any measure of job security. It is estimated that 1.2 million white-collar jobs were sent offshore between 2003–2008; the Bureau of Labor Statistics estimates that 31 percent of service-sector jobs are currently at risk of being sent overseas; at the current rate, 25 percent of all U.S. jobs may be in danger of being shipped overseas in the next 10 years, from the CRS.

Several studies indicate that up to 250,000 American jobs may go overseas by 2015; and this includes highly skilled fields like computer science and mathematics, which are becoming increasingly vulnerable to being sent overseas.

The Creating American Jobs and Ending Offshoring Act is a first step toward addressing these trends. The bill provides a payroll tax break to companies that move jobs back to America—employer share—roughly 8 percent of salary—2 year holiday; eliminates the tax breaks that have provided incentives to companies to move production and jobs overseas—eliminates tax deduction, loss, or credit for costs associated with moving operation overseas; and; ends tax deferral for companies that move production overseas, only to sell those products back in the U.S.

The time has come for Congress and the business community to come up with an industrial policy that will promote American competitiveness and create jobs.

While we have promoted trade and globalization, we have overlooked the negative effect it has on job creation here in the U.S. Many of our businesses have thrived in the modern global marketplace, but our policies here at home lag behind.

Free trade may reduce the price of goods, but this doesn't do much good if unemployed Americans can't afford to buy them.

We need to look at the structure of taxation, of education, and of health care. We need to decide what must change in order to achieve our goals.

In August I spoke to a gathering of the top business minds in Silicon Valley. With California's unemployment rate lingering at 12.4 percent, much of the discussion turned to maintaining American dominance in a way that would engender job creation in my home State.

I asked them to work with me to find common ground on these issues.

Today, I ask all of us in the Senate to do the same.

The provisions included in the Creating American Jobs and Ending Offshoring Act are a positive first step.

However, to profoundly impact the future of American industrial competitiveness, we cannot rely solely on carrots and sticks.

We as a government must lay a stable foundation upon which American business ingenuity can foster top down growth. And the business community must focus not only on the bottom line. It must rededicate itself to the pursuit of a thriving American economy and labor force.

Bottom line: These are the things we must do if we are to maintain America's position as the driving force of the global economy. This legislation is a good first step down this road.

Mr. CARDIN. Mr. President, the Senate will have a cloture vote shortly on the motion to proceed to S. 3816. I hope that we will overcome a procedural roadblock to the Senate considering this legislation and proceed to the bill and pass it. While the National Bureau of Economic Research, NBER, has determined that the recession is over, it is clear that we have much more work to do getting Americans back to work. According to NBER, the recession lasted 18 months, which makes it the longest of any recession since World War II.

It is important to note that NBER did not conclude the economy has returned to operating at normal capacity. Rather, NBER determined only that the recession ended in June 2009 and a recovery began in that month. According to NBER:

(E)conomic activity is typically below normal in the early stages of an expansion, and it sometimes remains so well into the expansion.

Aggregate employment frequently reaches its trough after the NBER trough for overall ''economic activity'' and the 2007–2009 recession is no exception. That is why this jobs bill is critically important. The economy is still fragile; everyone knows that. So let's do something about it.

S. 3816 has incentives to create jobs here in America and disincentives to moving American jobs overseas.

Earlier this month, the U.S. Department of Labor certified a Trade Adjustment Assistance, TAA, petition brought on behalf of human resources personnel at Hewlett-Packard in 10 different States, including Maryland—Ellicott City—that have seen their jobs shipped to Panama. Now, if H-P employees have questions about their pay or their leave or their benefits, they have to call Panama. It is exactly that type of shipping jobs offshore that we need to prevent.

S. 3816 removes tax incentives that allow companies such as H-P to eliminate jobs here, outsourcing that work with the products or services consumed in the U.S. market.

Just since the beginning of 2007, the Department of Labor has certified 50 TAA petitions involving laid-off workers who live in Maryland.

In many cases, the firms involved in these certifications had U.S. tax incentives to ship jobs overseas. S. 3816 helps to eliminate those incentives.

To encourage businesses to create jobs here in the United States, the bill allows businesses to skip the employer share of the Social Security payroll tax for up to 2 years on wages paid to new U.S. employees performing services in the United States. To be eligible, businesses have to certify that the U.S. employee is replacing an employee who had been performing similar duties overseas.

This payroll tax holiday is available for workers hired during the 3-year period beginning September 22, 2010. The Social Security trust fund will be made whole from general revenues, a provision that costs $1.09 billion over 10 years.

The bill eliminates subsidies that U.S. taxpayers provide to firms that move facilities offshore. It prohibits a firm from taking any deduction, loss, or credit for amounts paid in connection with reducing or ending the operation of a trade or business in the U.S. and starting or expanding a similar trade or business overseas.

This provision raises $277 million over 10 years.

The bill would not apply to any severance payments or costs associated with outplacement services or employee retraining provided to any employees who lose their jobs as a result of the offshoring.

S. 3816 also ends the Federal tax subsidy that rewards U.S. firms for moving their production overseas. Under current law, U.S. companies can defer paying U.S. tax on income earned by their foreign subsidiaries until that income is brought back to the United States. This is known as ''deferral.''

Deferral has the effect of putting these firms at a competitive advantage over U.S. firms that hire U.S. workers to make products here in America.

The bill repeals deferral for companies that reduce or close a business in the U.S. and start or expand a similar business overseas for the purpose of importing their products or services for sale in the United States. U.S. companies that locate facilities abroad in order to sell their products overseas are unaffected by this proposal.

Ending deferral raises $92 million over 10 years.

I think there is a huge need and a great deal of merit in considering a bill to encourage American firms to keep their plants and factories here in America and to hire American workers.

Too many Americans are looking for work and can't find jobs. The recession hasn't ended for them. I hope the Senate will move forward on legislation that will keep jobs in America and put Americans back to work and begin to put this terrible recession behind us. It is time to ship American goods and services—not American jobs—overseas.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BEGICH. 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. BEGICH. Mr. President, the score is 10 to 0.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. BEGICH). Without objection, it is so ordered.

MORNING BUSINESS

Mr. CASEY. Mr. President, I ask unanimous consent that the Senate proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

INTELLIGENCE AUTHORIZATION ACT

Mrs. FEINSTEIN. Mr. President, the Congress is now close to passing and enacting an intelligence authorization bill for the first time since December 2004. Pending at the Senate desk is House bill H.R. 2701, the Intelligence Authorization Act for Fiscal Year 2010, which the House passed on February 26, 2010.

On behalf of Senator BOND and myself, I have filed an amendment to this House bill, and have asked the majority leader to request unanimous consent that the amendment, in the nature of a substitute, be approved and that the bill be sent back to the House for its final passage.

For the benefit of my colleagues, I would like to describe the amendment and discuss why the passage of this legislation is of great importance to the Intelligence community and for oversight of intelligence.

In all but three respects, this amendment is identical to Senate bill S. 3611, which the Senate passed in August by unanimous consent. That bill had been negotiated with the House Permanent Select Committee on Intelligence and had the support of the administration. However, the House did not act on that bill. Instead, last week, the House sent its legislation to the Senate for consideration.

Per agreement with the House and the executive branch, I am therefore introducing this amendment, which replaces the text of the House bill with the previous Senate bill, with the three changes as follows:

The first change is necessary given that fiscal year 2010, the year for which this legislation was first written, ends later this week. The legislation I have offered today therefore does not include a classified annex that describes authorized funding levels for the intelligence community. The amendment text omits references to the classified annex, as well as other provisions that were specific to fiscal year 2010, that were present in S. 3611. This is reflected through the deletion of six provisions in S. 3611: sections 101, 102, 103, 104, 201, and 348. The amendment includes a new section 101, which is being included at the request of the Office of the Director of National Intelligence. This section makes clear that all funds appropriated, reprogrammed, or transferred for intelligence or intelligence-related activities in fiscal year 2010 may be obligated or expended. This provision is necessary to meet the terms of section 504(a) of the National Security Act of 1947, 50 U.S.C. § 414.

This legislation also amends section 331 from the version of the bill previously passed by the Senate concerning notification procedures. The amendment adds text to ensure that in the case of a limited notification of a covert action to the House and Senate leaders and chairmen and ranking members of the two intelligence committees—the so-called ''Gang of