

things made. My State is the third largest manufacturing State in the country, exceeded in production only by California, three times our population, and Texas, twice our population. I talk to manufacturers, and some of them are not investing now for a variety of reasons. Mostly they do not see the demand for products because the demand is still anemic in our society, in our economy, for companies to grow.

But they also talk about the uncertainty. They talk about the uncertainty in the economic environment. This is the worst kind of uncertainty we are going to inject into our economy if we are going to say let's do this in 6 months. Do they think anybody in North Carolina or Ohio or around the State, around the country, any businesses are thinking: This is a great time to invest, right when Moody's and Standard & Poor's might downgrade us, right when we do not know what is going to happen in the next week with a potential default.

Do they think anybody is going to make a major investment decision right now? Of course, they are not. So let's do it again in 6 months? When I heard Speaker BOEHNER—I like JOHN BOEHNER personally. He is from my State. Our offices obviously work together in places such as Butler County, Preble County, and the Dayton-Cincinnati areas. But I would have thought people would have laughed when he said: Yes, let's do this again in 6 months because we do not have a jobs problem to worry about. Clearly, we should get this done with and focus—that means cutting the budget. I understand that. We have to work toward a balanced budget.

We knew how to do it in the 1990s. In the early 1990s, President Clinton—I came to the House the year he was elected President. We faced a terrible budget situation and an unemployment situation. But you know what. We cut spending. We increased taxes appreciably for only a relatively few number of people, the wealthiest people in our society. We continued to make investments in education, health care and infrastructure and our economy.

We had almost 8 years—not quite, maybe 7 years some months—of regular economic growth, and 21 million new jobs were created. So we know how to do this. But this crowd wants to hold the government hostage saying, if you do not do it exactly our way, we are going to let the government go to default, and once we solve that, let's do it again in 6 months.

I just think it does not make sense. What we should be doing instead is focusing—I know what an important manufacturing State the Presiding Officer represents in North Carolina, as in Ohio—on manufacturing. We are still a country that makes things. My State is particularly a State that makes things.

The year after what is called the American Recovery Act passed, my

State got more new jobs in clean energy than any State in the United States of America. My State is a leader in aerospace. It is a leader in auto and steel and chemicals and cement and paper and aluminum and glass. Yet we are also in the kind of traditional industries, and we are also, as I said, a leader in solar, in Toledo, OH, and other places.

We are a leader in wind turbine component manufacturing, especially in the northeast but all over Ohio. We are a leader in aerospace, as I mentioned. We are a leader in biomedical and biotech, in large part because we have great universities and great teaching hospitals in, I was going to say, prominently in northeast Ohio but also Columbus, also Cincinnati, also Toledo—all over our State. Clearly, we know how to do these things. But what we have seen in the past three decades is a shift in our Nation. Thirty years ago, manufacturing was 25, 26, 27 percent of our gross domestic product. Basically, one-fourth of the dollars in our economy were all about manufacturing.

That created great wealth, because the way to create wealth is to make something, to grow something or to mine something, preeminently. So 30 years ago, manufacturing was some 23, 24, 25, 26 percent of our GDP. Financial services was only 11 percent in those days. Today, it is almost the reverse. Financial services makes up about 20 or 22 percent and manufacturing makes up only about 11 percent of our GDP and even a slightly smaller percent of our workforce.

Why does this matter? It matters because we know when we make things it creates wealth. Manufacturing jobs pay 20 percent more, on average, than service jobs. We know the difference between retail versus making steel or the difference between fast food restaurant work versus making cars or chemicals or glass or biotech.

We know manufacturing jobs have a strong multiplier effect. So if we have an auto company—let me give an example. The Chevrolet Cruze is a car my daughter just brought—by and large, an Ohio car. It would not have happened if we had not done the auto rescue that so many of my colleagues opposed for ideological reasons, not substantive, practical, let's-make-it-work reasons. Nonetheless, we know the auto industry is coming back and we know manufacturing jobs have increased—far too anemically, but they have increased over the last year.

But the Chevy Cruze, the engine is made in Defiance, OH, and the bumper is made in Northwood, OH, and the transmission is made in Toledo, OH, and the steel comes out of Cleveland, OH, for much of the car. The aluminum wheels come out of Cleveland, OH. The stamping is done in Parma, OH. Some of the other stamping is down in Lordstown, OH. The assembly is done in Lordstown, OH. There are 5,000 people working just on the assembly alone. So that is the multiplier effect.

When we assemble in Toledo, we assemble the Jeep. Chrysler assembles the Jeep in Toledo.

Some 3 years ago, only 50 percent of the components for the Jeep were American made. Today, over 70 percent are American made. So we know manufacturing creates all kinds of jobs, making 20 percent more, on average, than service jobs.

Since the beginning of the recession, though, we still see profits at large financial institutions and other service firms increase, but our Nation's unemployment rate is still hovering around 9 percent. So when profits go up for those financial services firms—and I appreciate JPMorgan Chase in Columbus, OH. I met with their top person in Ohio just this week—just moving from Cleveland to Columbus. I know the important work they do in my State. I know they provide thousands and thousands and thousands of jobs. That is all a good thing.

But I also know in an economy which is not paying attention to manufacturing, we do not get the multiplier effect, we do not get the higher wages, we do not get the employment growth that we might get otherwise.

That is why, yesterday, Senator ROCKEFELLER and I convened a meeting, where Senator WHITEHOUSE, Senator JACK REED, Senators SCHUMER and KLOBUCHAR and FEINSTEIN and others attended. We talked about a real national manufacturing strategy. That means closing the skills gap. We have a lot of jobs in places such as Iowa and North Carolina, Ohio, where they go unfilled because we do not have well enough connected worker training with those jobs, with the needs. We need to pursue better tax and trade policies. We need to pay special attention to manufacturing.

Yesterday, the Senate sent to the House legislation we passed unanimously that said: When the government buys American flags, rather than 50 percent—a requirement that 50 percent of them be made in the United States—the requirement now is that 100 percent be made in the United States.

Why do we not put more focus on “Made in the USA”? It will matter for us. It matters for our national pride on flags, to be sure, but it matters for our communities, it matters our companies, and it matters for our workers.

I yield the floor and 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. HARKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

FAA REAUTHORIZATION

Mr. HARKIN. Madam President, I meant to be here earlier when Senator

ROCKEFELLER was on the floor speaking about the situation with the Federal Aviation Administration. However, I was unavoidably detained while chairing a hearing on the HELP Committee that just adjourned a few minutes ago. I wanted to be here to discuss with Senator ROCKEFELLER the sad situation we are facing right now with the shutdown of the Federal Aviation Administration.

We are now in the sixth day of the defunding of the Federal Aviation Administration. What that means is that right now we have some 4,000 FAA workers who are furloughed, and tens of thousands of people out of work in airport construction jobs—infrastructure. These are people who are not working for the government; they are working for private contractors who have a contract with FAA for runway construction, putting in lights, safety measures, things like that. So tens of thousands of people are out of work in the private sector because of the cutoff of FAA reimbursements to these businesses around the country.

It is costing the Federal Government about \$25 million in tax revenue a day—\$25 million a day in lost revenue. That money would be plowed back into the economy to pay for aviation operations and for the people who are working out there on construction jobs building runways, lighting systems, and things like that.

At a time when we have so many people who are unemployed in our country—and the underemployment rate is really somewhere between 16 and 18 percent—with over 23 million people in America out of work, what do the Republicans do? They hold up funding for the Federal Aviation Administration, which puts 4,000 more FAA people on furlough and tens of thousands of people working on construction jobs around the country out of work. Why would the Republican Members of this Congress do such a thing? Because they want to overturn a National Mediation Board decision that was handed down a little over a year ago to align the election procedures under the National Railway Labor Act with the provisions that have always been in place under the National Labor Relations Act.

Let me explain that. Under the National Labor Relations Act, which has been in existence since the late 1930s, if you have an election to see whether workers want to organize a union, you count the yeas and you count the nays of those who vote. If the yeas are more than the nays, the workers form a union. If the nays are more than the yeas, they don't form a union. Under the Railway Labor Act, an odd thing took place. Under that, it said that if you have an election for a union, you count the yeas, you count the nays, and then all those people who didn't vote, you put them in the "nay" column. Interesting. If you don't vote, you are an automatic no.

What the National Mediation Board did a year ago was realign this using

rulemaking procedures. They said that from now on you would only count the yeas and the nays. You would not assign to one side or the other those who didn't vote. To most of us, that just seems to make plain old common sense. After all, any election for your local school board—and we know the turnout is pretty low; school board elections usually turn out maybe 20 percent of the electorate, maybe less than that. Yet I submit there is probably no more important election in America today than school board elections. I will not get into that right now. What if we said: In all these school board elections, take the yeas, and then all the people who didn't vote, they are a no.

What if we did that in Senate races? That strikes home to people around here. Say a Senator is running for reelection, and if you are lucky, you get a 60-percent turnout of voters. That means the people who don't vote are considered a "no" vote on the incumbent. Is that what we want to see? If you don't vote, that is a "no" vote on your reelection. Most people would think that is inherently unfair. It is inherently unfair.

The same is true in elections on whether workers want to form a union. There are a lot of reasons people don't vote in an election. Maybe they are sick and they can't go vote. Maybe they can't make up their mind one way or the other. Maybe they said: Well, I see this side, and I see that side, and I cannot make up my mind, so I am just not going to vote. Some people just say: I don't care which side wins; I am disinterested in this election. Thankfully, in America, we don't have somebody forcing somebody to vote. So it makes common sense that if you don't vote, you should not be counted on one side or the other.

The National Mediation Board put this rule in place. They went through all the hearings, the comment period, and all the stuff necessary to pass the rule. Then it was brought up in the Senate within the last year under a procedure called the Congressional Review Act, wherein there is an expedited procedure for the Senate to take up and vote on a regulation as to whether we want to overturn it. It is an expedited procedure, an up-or-down vote. That was brought up here, and, as the chairman of the committee that has jurisdiction over labor, I debated it with my colleagues on the other side of the aisle. It was a fairly good debate, I thought, and we voted. The Senate voted not to overturn that regulation. Well, you would think that would be the end of it. No, you would be wrong.

What does that have to do with the FAA? Because the Republicans in the House and some in the Senate are saying they are not going to let this FAA reauthorization bill get through unless and until we overturn the decision—this rule of the National Mediation Board which basically says that if you don't vote in the election, you are not

counted on one side or the other. They are holding the FAA hostage—4,000 workers furloughed, tens of thousands in airport construction out of work, \$25 million a day being lost in revenue that would be taken in so we could put these people back to work. It is all because they want to make it harder for workers to form a union.

Think about it this way. We are going to have a Presidential election next year. Let's say all the people who don't vote would be tallied as a "no" vote for the incumbent President, assuming he runs for reelection. Some of my Republican friends would probably like that, and I understand that. Do you think the American people would think that is fair, that if you don't vote, you are counted as a "no" vote?

A Federal district court—they took this to court—also rejected a legal challenge to these new rules, finding that the National Mediation Board was acting well within its legal authority in modernizing the election.

We see this time and time again. It is happening now in this Congress. Whenever we try to make things more fair or to use a legitimate procedure to address something that I think most people would think would be unfair; that is, counting somebody who didn't vote as a "no" vote—when we do that, Republicans always try to find an end run to try to undo that.

We are down to about 10 percent of our labor force that is now unionized. My friends on the other side will not be happy until there are no more unions in America. They will not be happy until unionization is less than 1 percent, and then only a company-sponsored union, not an independent union.

Right now, Republicans are voting to change the law in the middle of a trial as a special favor to the Boeing company. Boeing was accused of retaliating against its workers for going on strike.

As I have pointed out in numerous talks on the Senate floor, there is a judicial process that has been used by both labor and management for more than 70 years to settle disputes. That process has been to go to the NLRB—and management has done it, as well as labor—to find out if a certain thing was wrong or if a union has overstepped its bounds or if management has overstepped its bounds. The NLRB tries to mediate and get the two sides to agree, but if they can't, a process is set in motion whereby the General Counsel—who, by the way, was a career person, not a political appointee, as some have said—then begins an investigation to see whether the facts as presented warrant the next step, which is bringing the case to an administrative law judge.

That is what happened in this Boeing case. I have heard all this nonsense about how they are trying to take jobs out of South Carolina, trying to destroy right-to-work States. That is nonsense. Right now, the case is before an administrative law judge to see whether Boeing actually retaliated

against its employees for their exercising a legal right to organize and bargain collectively as a union.

Did Boeing retaliate against them for doing that? I don't know. My Republican friends seem to think they know. But it should go through the process before the administrative law judge, and that finding can be appealed by either side—management or labor—and it goes to the NLRB, and then they make a decision, which could be appealed to the Federal appeals court or circuit court. That decision can be appealed to the Supreme Court. Yet the Republicans want to interfere in that process and make it a political decision as to whether this case should go forward. Just as they are wrong to try to change the rules in the middle of a case going forward to benefit Boeing, what is happening now with the FAA is also wrong. They are trying to interfere in the reauthorization of the Federal Aviation Administration to change a rule from the National Mediation Board.

The other day, one of my colleagues was talking about when are we going to stop doing favors for the union bosses or big unions or something like that. I never thought the National Mediation Board rule was a favor to a union. I always looked upon it as a fair decision, regulation, to make it in line with the National Labor Relations Act. Why should we have two separate kinds of election procedures for forming a union in this country? Take it to the American people. It is common sense. I think that most people would say that someone who doesn't vote shouldn't be counted as a "no" vote? As I said, we don't do that in the National Labor Relations Act. We have had this sort of anomaly for years. We finally tried to get it straightened out, and that is what is costing us these jobs and \$25 million a day.

There is another issue they have brought up, and that is the essential air service at a number of small airports. We can debate that. We can talk about essential air service to small airports. The bill would eliminate it. That is about \$16 million a year—\$16 million a year—that it would save. Clearly, that is not what the Republicans care about. Every week—every week—they hold up the FAA reauthorization, it is costing the Federal Government some \$150 million in uncollected taxes to support our airports. So in order to save \$16 million a year, they are willing to cost the government \$150 million a week. Boy, that is some kind of economics on the part of my Republican friends. So strictly from a budget perspective, the House's obstructionism is not just absurd, it is grossly counterproductive.

Again, this is uncalled for, what they are doing, to hold up the FAA reauthorization. As I said, we are now going into the sixth day, and it is going to have an effect on air travel. It is going to have a profound effect on air travel the longer this plays out. So I ask the

House Republican leadership to get off of this obstructionism—get off of this—and let us deal forthrightly on the bill before us—which is the FAA reauthorization—and quit trying to overturn this rule of the National Mediation Board.

On essential air service, I think there are probably some compromises that can be made. There are some adjustments and modifications that can be made. I think that is probably so. We ought to work in good will in doing that on the longer term bill. But it is not right to hold up the FAA reauthorization right now on either the essential air service objections or their trying to overturn the decision of the National Mediation Board.

Again, I want to thank Senator ROCKEFELLER for his leadership on this issue and for his vigorous opposition to the House Republicans' effort both to eliminate totally essential air service and to try to do a backdoor, end run around the National Mediation Board's rule on providing for fair elections for those who seek to belong and to form a union in the airline or railway industry.

With that, Madam President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mrs. SHAHEEN. Madam President, let me begin by applauding Senator HARKIN, my colleague from Iowa, for his comments relative to the FAA and the need to put the people who are out of work back to work and to get the FAA reauthorization done. It has been way too long.

We have a number of people who staff the tower that deals with air traffic coming into the United States north of Boston. That tower is in New Hampshire. We have people out of work. We need to get them back to work and we need to see this legislation done and moving forward.

DEBT DEFAULT

Mrs. SHAHEEN. Madam President, I came to the floor this afternoon because the United States Government is now less than 1 week away from defaulting on its obligations for the first time in our history. As we have heard from economists and business leaders across the country, a default could result in hundreds of thousands of lost jobs and in higher interest rates for every American, yet we are still debating whether we should avoid default. It is a very dangerous game, and we are risking permanent harm to the American economy.

I want to examine one consequence of default for a minute. All three credit rating agencies—S&P, Moody's, and Fitch—have said a default would automatically result in a lower credit rating for the U.S. Government. I think we all understand the principle of credit rating. It is like the credit scores on record for most of us in our personal lives. The better we have been about

paying our debts in the past, the better our credit score. When we go to buy a house or a car, when we ask for a loan, the bank looks at that credit score and decides how much interest to charge us. The worse we have been at paying our debts in the past, the lower our score and the more money we pay in interest.

The credit rating agencies are keeping a credit score on the U.S. Government. So far, it has been perfect. The United States has never failed to pay its debts. That is why we have the lowest interest rates in the world, and loaning money to the U.S. Government is considered the world's safest investment. With a default, that would all change. And here is the key: It would change in just minutes, and that change would last for generations. If we default, the credit rating agencies will lower our credit rating immediately.

I recently had a conversation with Martin Regalia, the chief economist of the U.S. Chamber of Commerce. In that conversation he said the market reaction to default would take "nanoseconds." Once we have defaulted, we can never unring that bell. Our special status as the world's safest investment may never return. We will have increased our interest rates for decades to come and maybe even longer. JPMorgan Chase said this week that a lower credit rating could cost our government \$100 billion a year in interest.

This is the worst kind of wasteful spending because that money wouldn't be going to investments in our economy or to secure a better future for our children. It would go to nothing. It would do nothing. It would be money down the drain.

We have a path forward. It is the plan that has recently been proposed by Senator REID. There are a lot of things about this plan I don't like. I am concerned because I don't think it takes a balanced approach toward deficit reduction that I have long called for, and I am disappointed that it lacks the \$4 trillion in deficit reduction we need. But I am ready to support it. And because all the cuts in this bill are cuts that Republicans have already supported, they should be prepared to support this plan too.

The Reid plan would cut at least \$2.2 trillion of our debt while allowing us to avoid default through the end of next year. These two elements are crucial to avoiding the lower credit rating we have been hearing raised as a concern. We need to provide the markets with some long-term certainty that will avoid default, and some proof we can deal seriously with our long-term deficits and debt.

A short-term, 6-month increase, as proposed in the House, would kick the can down the road. It won't prevent a lower credit rating. We need to end this constant threat of default which is paralyzing our government and our economy. The Reid plan achieves this through a combination of cuts to our