

to lose jobs during its 4-year term. It is particularly alarming that this country has lost more than one in seven of its manufacturing jobs since this administration took office. More than one in seven.

One reason is outsourcing. We have been seeing good, high-wage manufacturing jobs transferred overseas for a number of years. But outsourcing now has accelerated. It has spread to "knowledge-based jobs"—programming, auditing, accounting, engineering, design, telemarketing, animation, editing, transcription, legal assistance, call centers and even core research.

Some economists have argued over the years that free trade helps the United States to concentrate on creating high-wage, high-value-added jobs here in America. But now those jobs are being exported, too. The old rules of comparative advantage have been exploded.

As we all know by now, the President's annual economic report, signed by Mr. Bush, explained why we should be celebrating the outsourcing and off-shoring of American jobs. Gregory Mankiw, chairman of the President's Council of Economic Advisors, summed up the report. He said that "outsourcing is a growing phenomenon, but it's something that we should realize is . . . a plus for the economy."

Yes, you heard that right: Outsourcing is "a plus for the economy."

Outsourcing of U.S. jobs, however, is just one side of the coin. The other side of the coin is U.S. jobs that are lost because this administration refuses to enforce our existing trade laws—for example, existing laws that protect against sudden surges of imports from abroad which harm particular businesses or sectors here in our country. This refusal threatens U.S. manufacturers and destroys American jobs.

Let me offer one vivid example:

Clow Valve Company has operated in the town of Oskaloosa, Iowa, since 1878. It manufactures iron pipes, water hydrants and other foundry products. If there's a fire hydrant on your block—and there should be one under most city codes—chances are excellent that it was made by Clow Valve Company.

The company was acquired by McWane, Inc., of Birmingham, Alabama in 1985. McWane owns similar facilities in several other states, including Alabama, New York, Texas, Pennsylvania, Missouri and Tennessee, employing some 7,000 workers.

Last year, McWane, Inc., faced a near tripling of Chinese imports of waterwork pipes compared to the previous year, with Chinese product being sold at prices that severely undercut American producers. Obviously, continued expansion of sales by Chinese companies at this rate could cause serious market disruption. It could threaten all 7,000 jobs in these plants, including the 358 in the Clow facilities in Oskaloosa, IA.

Nonetheless, President Bush has steadfastly refused to use his authority

under Section 421 of the Trade Act of 1974 to restrain this surge of imports, even though such a step was unanimously recommended by the International Trade Commission (ITC) last December. I wrote to the administration on two occasions, once to the ITC and once to the President himself, urging that our trade officials utilize existing laws that were enacted for the very purpose of temporarily protecting American jobs from sudden surges of imported products.

The President's refusal to enforce our trade laws has profound consequences. In Oskaloosa, it could mean the loss of some or all of the 358 good-quality, high-paying jobs at the Clow Valve Company. In turn, that would have a devastating impact all across Mahaska County. Bear in mind that Clow Valve is now the single largest employer located in the county. It is an employer with deep roots in the community. I imagine there might be some bewilderment among people there about the refusal of the Bush Administration to stand up and defend those jobs.

Let me summarize the basic facts:

We have a clear case of harmful trade practices on the part of the Chinese—flooding the U.S. market with cut-rate waterwork pipes.

In December, the United States International Trade Commission ruled that a surge in imports of Chinese waterwork pipes had caused market disruption and material injury to domestic manufacturers such as Clow Valve Company.

The Commission was unanimous in its conclusion that imports from China should be restrained pursuant to section 421 of the Trade Act of 1974.

The Commission was unanimous in its prediction that, without implementation of an effective relief program, the U.S. waterwork pipes industry may have to close plants and lay off workers.

And yet, the White House refused to act. Which leads me to ask: Whose side are they on?

Mr. President, it is clear to me that the jobless recovery here in the U.S. is not an accident. It is the result of a productivity surge that has benefited corporate profits, not workers' paychecks. It is the result of corporate America's enthusiastic embrace of outsourcing and off-shoring jobs, with the blessing and encouragement of the Bush administration. And it is the result of the refusal of this administration to enforce our trade laws—its refusal to stand up for American workers, including in the face of seriously harmful trading practices from abroad.

We cannot build a sustainable recovery by exporting jobs, driving down U.S. wages to match foreign wages, and allowing nations like China to flood our market with cheap imports.

No, a true recovery must include all Americans. It can only be built on a foundation of good jobs and good wages—here in America, not overseas. And it can only be sustained if the ad-

ministration, at long last, is willing to enforce our trade laws and stand up for American workers.

#### TRADE ADJUSTMENT ASSISTANCE

Mr. BAUCUS. Mr. President, next week the Senate will consider a trade adjustment assistance amendment introduced by my colleagues Senators WYDEN and COLEMAN. I am a co-sponsor of this amendment, which is offered on the JOBS bill, to which we will be returning next week.

I also want to acknowledge Senators ROCKEFELLER and BINGAMAN, who have worked hard to produce a strong amendment.

This amendment is the right thing to do. And now is the right time to do it.

The JOBS bill is about creating jobs and about keeping existing jobs in America. But we all know that—no matter how strong we make this JOBS bill—some workers may still see their jobs move overseas.

Since 1962, trade adjustment assistance—what we call "TAA"—has provided retraining, income support, and other benefits so that workers who lose their jobs due to trade can make a new start.

The rationale for TAA is simple. When our government pursues trade liberalization, we create benefits for the economy as a whole. But there is always some dislocation from trade.

As President Kennedy said, "those injured by . . . trade competition should not be required to bear the full brunt of the impact." "There is an obligation," he said, for the federal government "to render assistance to those who suffer as a result of national trade policy." We meet that obligation through TAA.

The TAA program has not been static over time. Several times, Congress has revised the program to meet new economic realities.

Most recently, in the Trade Act of 2002, Congress completed an important overhaul and expansion of the TAA program. I am very proud to have played a leading role in passing this landmark legislation.

But I am also the first to admit that our work is not done. Economic realities continue to change, and TAA must continue to change with them.

I am co-sponsoring the Wyden/Coleman amendment, because it makes common sense changes that help TAA keep up with the times.

Most importantly, the amendment extends TAA to service workers. Right now, we only give TAA benefits to workers who make things. That means American workers in the service sector cannot access this program.

But today, more than 80 percent of non-farm U.S. jobs are in the service sector. And the market for many services is becoming just as global as the market for manufactured goods.

Trade in services is a net plus for the U.S. economy. In fact, the service sector generated a trade surplus of nearly \$74 billion in 2001.

Just as we have seen with trade in manufactured goods, however, trade in services will inevitably cost some workers their jobs.

Indeed, there have been some well-publicized examples in the papers. Examples abound of service-sector jobs—even high tech service jobs—relocating overseas. Software design. Technical support. Accounting and tax preparation services. Radiology.

Over the past 3 years, somewhere between a quarter and a half million service jobs have moved to other mainly low-wage countries.

This trend has hit home in my State of Montana. Recently, a large technical support call center closed in Kalispell. At least 550 Montanans lost their jobs while jobs were created in Canada and India.

Another Montana employer laid off workers doing medical billing and data management. Those workers applied for TAA and were turned down—not because the layoff wasn't trade related, but simply because they are service workers.

That's not right. Extending TAA to cover service workers is a simple matter of equity. When a factory relocates to another country, those workers can apply for TAA. When a call center moves to another country, those workers are not eligible for TAA. But they should be.

This amendment also makes some modest changes to eligibility rules to make it more user-friendly for workers. It removes some of the steps that workers have to take to meet the tests for shifts in production, alternative TAA, and to qualify for the health insurance tax credit. And it makes the health insurance options available to TAA recipients more affordable.

The amendment provides for better data collection and reporting. That way Congress and the public will have a better idea who is using TAA benefits and how participants are faring in the job market.

The amendment also helps trade-impacted communities to better plan their economic redevelopment and job creation strategies. That way workers who complete TAA retraining have a better chance of finding jobs in their communities.

Hard-working American workers deserve this safety net. Despite what some opponents of TAA suggest, no worker would choose to lose his job so he can qualify for TAA. These benefits will always be second best to a job. But they can really make a difference in helping workers make a new start.

It is also critical to note that TAA can make an important difference in public attitudes. Surveys show that most Americans feel a lot more comfortable with globalization, offshoring, and trade when they know they will get help if their jobs are threatened.

That's why 66 percent of Americans responding to a recent poll agreed with the following statement: "I favor free trade, and I believe that it is necessary for the government to have programs to help workers who lose their jobs."

The world is changing and TAA must keep up with the times. This amendment will help our government to keep its promise to the American people to make trade work for everyone.

I commend my colleagues Senator WYDEN and Senator COLEMAN for offering this amendment. I look forward to voting on it next week.

#### MEDICARE DRUG DISCOUNT CARD

Mr. TALENT. Mr. President, I rise today to speak about a much anticipated health care benefit that will help millions of our Nation's seniors—the new Medicare prescription drug discount card.

There are approximately \$900,000 Medicare beneficiaries in Missouri; of these about one-fourth doesn't have prescription drug coverage. The new Medicare drug law provides these people with access to a prescription drug benefit for the first time in the history of the Medicare program. Medicare recipients—people 65 and older and some disabled people—are eligible, unless they receive drug coverage through Medicaid. A person with a discount card can get the price breaks by simply going to the participating pharmacies and presenting the card.

Seniors know that these cards are a good deal—about 7.3 million Medicare recipients are expected to sign up for them. Applications for the cards will be available May 3, and the discounts begin June 1. The cards have an annual enrollment fee of up to \$30, and offer an average savings of about 17 percent and for some drugs up to 25 percent off. The average savings on generic drugs is even higher—35 percent to 40 percent. These discounts are for at least one drug in each of 209 categories of medicines commonly used by seniors.

Beneficiaries with annual incomes less than \$12,569 per year for individuals or \$16,862 for couples are eligible for a \$600 annual subsidy for their prescription drug costs. Also, these folks won't have to pay any enrollment fees for the next 2 calendar years. That's a total of \$191 million in additional help for the 159,000 beneficiaries in Missouri who are currently eligible to participate in this program. These lower income seniors will also get price discounts of up to 25 percent on brand-name drugs and up to 40 percent of generic drugs.

The Centers for Medicare & Medicaid Services expect 65 percent of the low-income beneficiaries nationally to participate in this program. This means that a total of 103,000 Missourians are expected to enroll in the Medicare drug discount card and to save a total of \$124 million over the next two calendar years. You can see why this is a good deal for America's seniors to help them

lead longer, healthier lives through medication therapy.

I have traveled all over my home State of Missouri and have visited with dozens of seniors who've told me about the high price of medicine, and how they are making tough choices between paying for their needed drugs and paying for other essentials of life.

I want to take a minute to tell you about Audrey Vallely, a senior from Pacific, MO, who testified at an Aging Committee hearing that I held in St. Louis last August. Audrey has osteoarthritis, a degenerative bone disease and another sinus disease that causes her to become dizzy. Her medicine costs over \$100 a month for 15 or so pills to treat these conditions. But because she is living on a limited income, she cannot afford to pay for these medicines.

Audrey told me how sometimes she must choose between buying prescription drugs or paying rent, buying food or just living with air conditioning in the summer. These are choices that no one should have to make. I made a promise to Missouri seniors like Audrey that I would help them get access to quality, affordable health care, and today I am pleased to deliver on that promise.

I want to share with you some of the questions that seniors have asked me about the drug card as I visited with them during my Medicare town hall meetings in Missouri.

First, folks wanted to know whether they had to enroll in the drug discount card. The answer is no, these discount cards are completely voluntary. That means enrolling is their choice. Importantly, seniors and not the Government will have the power to choose which card is best for them depending on their health care needs.

Seniors also wanted to know who can get one of these discount cards. I told them that almost anyone with Medicare can get a discount card. The only people who aren't eligible are those who have outpatient prescription drug coverage through Medicaid when they apply.

Thinking that these drug discount cards could be a very good thing, seniors wanted to know how soon they could get these cards and how long the discounts would last. I told them that they could begin enrolling in the drug discount cards this month, and the cards will be good until at least December 31, 2005, when Medicare's new prescription drug benefit starts.

Seniors also asked me whether there was only one Medicare-approved drug discount card that they could get. Last March, HHS approved 28 providers that will offer about 49 different discount cards to Medicare beneficiaries. This means that seniors will have a choice of more than one discount card and this is a good thing since seniors with a certain type of disease like diabetes or heart disease may choose a card with deeper discounts on medicines that treat that disease.