

OfficeTiger that employ financial analysts in India. By mining databases over the Web, offshore staff can scrutinize an individual's credit history, access corporate public financial disclosures, and troll oceans of economic statistics. "Everybody these days is drawing on the same electronic reservoir of data," says Ravi Aron, who teaches management at the Wharton School at the University of Pennsylvania.

Architectural work is going global, too. Fluor Corp. (FLR) of Aliso Viejo, Calif., employs 1,200 engineers and draftsmen in the Philippines, Poland, and India to turn layouts of giant industrial facilities into detailed specs and blueprints. For a multibillion-dollar petrochemical plant Fluor is designing in Saudi Arabia, a job requiring 50,000 separate construction plans, 200 young Filipino engineers earning less than \$3,000 a year collaborate in real time with elite U.S. and British engineers making up to \$90,000 via Web portals. The principal Filipino engineer on plumbing design, 35-year-old Art Aycardo, pulls down \$1,100 a month—enough to buy a Mitsubishi Lancer, send his three children to private school, and take his wife on a recent U.S. trip. Fluor CEO Alan Boeckmann makes no apologies. At a recent meeting in Houston, employees asked point-blank why he is sending high-paying jobs to Manila. His response: The Manila operation knocks up to 15 percent off Fluor's project prices. "We have developed this into a core competitive advantage," Boeckmann says.

It's not just a game for big players: San Francisco architect David N. Marlatt farms out work on Southern California homes selling for \$300,000 to \$1 million. He fires off two-dimensional layouts to architect Zimay's PC in Budapest. Two days later, Marlatt gets back blueprints and 3-D computer models that he delivers to the contractor. Zimay charges \$18 an hour, vs. the up to \$65 Marlatt would pay in America. "In the U.S., it is hard to find people to do this modeling," Zimay says. "But in Hungary, there are too many architects."

So far, white-collar globalization probably hasn't made a measurable dent in U.S. salaries. Still, it would be a mistake to dismiss the trend. Consider America's 10 million-strong IT workforce. In 2000, senior software engineers were offered up to \$130,000 a year, says Matt Milano, New York sales manager for placement firm Atlantic Partners. The same job now pays up to \$100,000. Entry-level computer help-desk staffers would fetch about \$55,000 then. Now they get as little as \$35,000. "Several times a day, clients tell me they are sending this work off shore," says Milano. Companies that used to pay such IT service providers as IBM, Accenture (ACN), and Electronic Data Service (EDS) \$200 a hour now pay as little as \$70, says Vinnie Mirchandani, CEO of IT outsourcing consultant Jetstream Group. One reason, besides the tech crash itself, is that Indian providers like Wipro, Inforsys, and Tata charge as little as \$20. That's why Accenture and EDS, which had few staff in India three years ago, will have a few thousand each by next year.

Outsourcing experts say the big job migration has just begun. "This trend is just starting to crystallize now because every chief information officer's top agenda item is to cut budget," says Gartners Karamouzis. Globalization trailblazers, such as GE, AmEx, and Citibank (C), has spent a decade going through the learning curve and now are ramping up fast. More cautious companies—insurers, utilities, and the like—are entering the fray. Karamouzis expects 40 percent of America's top 1,000 companies will at least have no overseas pilot project under way within two years. The really big offshore push won't be until 2010 or so, she predicts, when global white-collar sourcing practices are standardized.

If big layoffs result at home, corporations and Washington may have to brace for a backlash. Already, New Jersey legislators are pushing a bill that would block the state from outsourcing public jobs overseas. At Boeing Co. (BA), an anxious union is trying to ward off more job shifts to the aircraft maker's new 350-person R&D center in Moscow (page 42).

The truth is, the rise of the global knowledge industry is so recent that most economists haven't begun to fathom the implications. For developing nations, the big beneficiaries will be those offering the speediest and cheapest telecom links, investor-friendly policies, and ample college grads. In the West, it's far less clear who will be the big winners and losers. But we'll soon find out.

Mr. HOLLINGS. "Is your job next?" I have been at this 36 going on 37 years now. We said we were going to create so many jobs when we had NAFTA. We have lost exactly 57,100 jobs in textiles alone in the State of South Carolina since NAFTA—57,100.

We have lost 2 million jobs since President Bush took office. He said: My economic plan last year is encapsulated in one word—jobs. So he got fast track. Everybody, as this article shows, headed to China. Not just the smokestack jobs, but the service jobs. Not just the service jobs, but the high-tech jobs.

What we need to do, like President Nixon, is take those States where we have a deficit in the balance of trade and put in a 10-percent import surcharge. I was here when we did it. We went around with Senator Mansfield to explain it to all the heads of state—nine countries in Europe—that is what we ought to do: We ought to hold up on this Eximbank financing the building of your plants. Because if you did get the economy going, it is not going in America, instead it is creating jobs in downtown Shanghai.

Right to the point, we ought to enforce 301. We ought to do away with that Bermuda thing. I am talking fast because my time has reached the endpoint here. But right to the point here, we have to start rebuilding a competitive trade policy, on the one hand, and get ahold of ourselves like the Governors and the mayors, and start paying the bill and cut out this nonsense about tax cuts stimulating.

I yield the floor.

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

The PRESIDING OFFICER (Mr. SMITH). Without objection, it is so ordered.

NATIONAL SECURITY AND OUR ECONOMY

Mr. MCCONNELL. Mr. President, the President of the United States stated that America faces decisive days for our economic and national security needs. He has called for strong steps

and unity to make America stronger and prosperous.

From this call, will America get the leadership from its elected officials or will it, instead, get just partisan rancor? We all hope for the former but begin to suspect the latter.

No one can imagine the awesome responsibility and burden of protecting the lives of millions of Americans and defending the free world. With such a daunting challenge as protecting American lives, I have deferred to the judgment of the President, whether a Democrat or a Republican.

On September 11, 2001, that challenge became immeasurably greater. An unimaginable act of evil changed the world of today, tomorrow, and for decades ahead. Yet only the President seems to have taken to heart that the matrix of terror has multiplied.

The options and choices and avenues for a terrorist to strike at America are almost beyond human comprehension. The President must not only comprehend these new terrorist risks to America, but he also must defend against them. Of all terrorist threats to America and the world, is any greater than the terrorists of al-Qaida employing the modern, destructive weapons of Saddam Hussein?

If outlaw regimes and suicide terrorists conspire, entire cities—entire cities—not just buildings are at risk and millions, rather than thousands, of lives could be lost.

The time when America could sleep and let outlaw regimes fester is over. But before the President can prevent this murderous alliance, many in this Chamber say they need proof. They do not demand proof that a ruthless terrorist-supporting despot has disarmed, as required by the U.N. over a decade ago. Instead, they demand proof from our President that Iraq is still armed.

The proof is in, and the President has provided more. U.N. and U.S. intelligence report that for a dozen years Iraq has had materials to produce 26,000 liters of anthrax, 38,000 liters of botulism, 500 tons of sarin, mustard and VX nerve gas, and 30,000 munitions capable of delivering chemical agents.

He has used these weapons of mass destruction against his own people. And the U.N. says there is no proof that Iraq has rid itself of these chemical and biological weapons. Yet we are told the President must show proof.

Iraqi defectors tell of mobile biological labs, but we need more proof, they say. U-2 surveillance planes over Iraq are blocked, but the critics say more proof is needed.

Iraqi security officers intimidate and threaten the lives and families of cooperative scientists, but the critics say more proof is needed.

In the past, such demands for more proof, in the face of overwhelming evidence, have been fully answered with such notable events as the invasion of Poland in 1939 and the attack on Pearl Harbor in 1941. The price of that proof was measured in millions of lives.

What price of proof will America pay before we act? The President says the price will be a day of horror like none we have ever known.

As the President does everything to prevent that day, too many see the U.N. inspections as a game of hide and seek rather than life and death, which is the issue that it is. So that is really what is before us with regard to Iraq.

With regard to economic growth, economic security for working Americans and hope for those unemployed will not come from growing the Government but only from growing the economy. To get the economy growing—to create a job for every man and woman seeking employment—the President has proposed broad tax relief for 92 million taxpayers at an average of \$1,100 each.

The President's plan will increase the reward Americans receive for working, producing, saving, and investing—everything that is part of a growing economy. Small businesses, married couples, families with children, and retirees will all be the individual beneficiaries. But the biggest winner will be the U.S. economy. For 40 years, every tax relief proposal saw its opponents try to divide and conquer taxpayers with claims of “tax breaks for the rich.” And again this year is no different.

What specific part of the President's plan do they object to? Do they want to penalize marriage for a few more years? Do they think parents with kids should wait longer for the \$1,000-per-child tax credit? Should the tax rate reductions be delayed along with the incentives to grow the economy? Some of our colleagues across the aisle supported these changes last year, but it seems there is always some reason now is the wrong time for tax relief. In fact, I cannot remember when there was a right time for tax relief, listening to our colleagues on the other side of the aisle. So it is always the wrong time. It is always no, maybe later, or it is, yes, but not now for you, or you, or you.

We hear a lot of talk about the stock market. But it sounds as if we are talking about the weather. Everybody talks about it and complains but no one wants to do anything about it. The President does something about it by ending double taxation of dividends. His plan will get the stock market growing again, but we have no Democratic plan for the stock market, other than to complain. If the President's opponents would show the same determination to grow the economy as they do in growing the Government—as we saw here on the floor of the Senate just over the last couple of weeks with amendments offered and, thankfully, defeated, that would have added in excess of \$300 billion to the deficit—America would be in fine shape. Over the last 2 weeks, as I just indicated, our friends on the other side of the aisle forced votes on new spending that would have paid for almost half of the President's tax cut. Other spending add-ons that were offered, but not

voted on, probably doubled that amount. The President's opponents have called for a \$300 tax rebate for individuals and up to two children. So much for no child left behind.

Now, if we had a budget surplus and the economy was humming along, fine, I would support a broad rebate. But today we need to get the economy going again; we need to prime the pump, not splash limited resources around in a manner that does nothing to grow the economy.

When it comes to our national and economic security, the world changed on 9/11 and, more than anyone else, the President has realized this. His determination to stamp out the outlaw regime of Saddam Hussein is the President's realization that the threat to national security today is far greater than it was prior to 9/11. For national security, we need to do more than we have done before. His determination to enact an economic growth package is based on the President's understanding that the impact to our economy from the 9/11 attack was far greater than anyone imagined.

For economic security, we need to do more than we have done before. He knows we need to do more, and the American people know it, too. The only question is when will this Congress figure out that the world has changed and catch up?

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.

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

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

STATE OF THE UNION ADDRESS

Mr. WARNER. Mr. President, I was privileged to be present last night at the President's State of the Union Address. Earlier today, I said the State of the Union Address was delivered magnificently, in a way that I think touched the hearts and souls of millions of Americans. Certainly this heart and soul was deeply touched. I was very proud for the manner in which the President delivered that message—with sincerity, calmness, and confidence. It happened to be my 25th State of the Union Message. For a quarter of a century I have been privileged to represent the great State of Virginia and be a part of this institution. I have never been more proud of any President at any time than I was of George Bush last night.

I want to address those very clear remarks with regard to the state of the world and, most specifically, the leadership that our Nation has given in the worldwide fight against terrorism. We are committed, and committed until the end, and the end is nowhere in sight. We made great progress. The

President detailed that progress. We have much more progress to make. I am very pleased over the creation of the Department of Homeland Security. I have been a strong supporter of that from the beginning. I remember, before the White House staff decided we should move in that direction, I was among those, with many others in the Chamber, who advocated that we move in the direction to create a separate Department. We have done that. We have selected a fine Secretary and two of his first deputies to take up the heavy responsibilities. It is my hope that we will give it strong support in this Chamber, that we will give it strong financial support in terms of appropriations.

We must guard against a competitive battle between the Department of Homeland Security and the Department of Defense, because homeland security begins on the far-flung battlefields of the world. Today, it is Afghanistan and Indonesia; it is all across the world. And to the extent that we can defeat the efforts of any one, two, three, or four groups of individuals who, through the mechanism of terrorism wish to bring harm against the United States, let us hope we can do that in the far-flung lands of the world. That is homeland defense. That is the principal responsibility of the Department of Defense, with our troops in forward projection. They are to deter, first and foremost, to stop, discourage before it starts, any attack against the United States; but should that attack occur, then engage.

We have seen the heroism of the men and women of our Armed Forces, together with the Armed Forces of other nations in Afghanistan. While that operation is by no means complete—and certainly in the last few days we witnessed another outbreak of hostilities—we are making steady progress.

As we approach our budgetary responsibilities of the Department of Defense, and now the new Department of Homeland Security, we don't want to see a competition and a push-pull. Each is deserving of our full and strongest measure of attention and, eventually, authorizations and appropriations. I hope to take a strong lead in that effort.

Returning to the remarks of our great President last night, he outlined the steps we have taken thus far with regard to the enormity of the threats posed by Iraq, most particularly under the leadership of Saddam Hussein, and recited what we have done. The President did not have to come to the Congress of the United States, but he did come to the Congress, and he received an overwhelming vote of approval—77 colleagues, I among them as one of the coauthors of the resolution—77 strong votes.

He has now indicated further steps he is taking, working with the community of nations in the world—the United Nations and other nations such as Great