businesses that you can imagine—restaurants. This will create many jobs immediately. So I was happy when I heard that from her. I knew that was going to be the case, but I wanted to hear it from her.

When that funding gets to where it is going, as many as one-half million people who are looking for work today will soon be on their way to a new job. We fought so hard for this bill against such stubborn minority opposition because we know we have to do everything we can to get people back to work. That means we have to work just as hard to create new jobs as we have to protect existing ones. It means that when a corporation tries to take away someone's job in Nevada and send it halfway around the world, we have to stop them. We cannot let the greedy CEOs do that anymore, and that is exactly what we are going to do this week. We are going to take away the incentives that our corporations have to send our jobs overseas and give them powerful new incentives to keep the jobs right here in America.

Right now, our Tax Code actually rewards corporations for offshoring jobs. It is hard to comprehend that, but it is true. It helps them pay the costs of closing their plants and offers them tax breaks if they move production to other countries. The current system even encourages companies to ask their employees to train their foreign replacements. Think about how an American feels about that. That is a slap in the face to hard-working Americans. It is no way to get our economy back on its feet and certainly no way to get Americans back to work.

Our bill rights this wrong, and it is going to help revive our Nation's manufacturing industry. We are giving companies the right kind of tax cut, a payroll tax holiday as a reward for bringing jobs back home. So far, we have seen little to indicate that our friends on the other side of the aisle have any interest in protecting American jobs. Instead, we have seen them fight with great enthusiasm to keep corporate tax loopholes as wide open as possible.

Let's use this week to remember whom we work for: middle-class families and the hard-working people who built this country and will rebuild it toward recovery; middle-class families and not corporations that take advantage of tax loopholes at their expense; American workers and not foreign companies that want to take away their jobs. That is the most important thing we can do.

Nothing is more important to me, as a Senator, than the work to create jobs in our States.

Will the Chair now announce morning business.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period of morning business until 3 p.m., with Senators permitted to speak therein for up to 10 minutes each.

The Senator from Delaware is recognized.

FISCAL AND ECONOMIC CHALLENGES

Mr. KAUFMAN. Mr. President, although we have come a very long way since January 2009, our Nation faces profound short-term and long-term fiscal and economic challenges. In the short term, we need to do more so our economy will grow significantly again. This should include the small business jobs bill, the extension of middle-class tax cuts, and additional spending on infrastructure, as the President has proposed. In the longer term, we need to shore up our fiscal balance sheet and develop policies, including investment in innovation, research and development, clean energy and science, technology, engineering and math—STEM education—that promote sustainable growth and job creation.

Unfortunately, instead of distinguishing between our distinct short-term and long-term problems, we have conflated them, focusing most of our attention on our immediate fiscal deficits.

Sometimes overlooked is that these deficits are, in a large part, legacies of unpaid-for policies of the previous administration, whether they be the wars in Iraq and Afghanistan, not paid for, tax cuts for the wealthy, which were passed and not paid for, or Medicare Part D, which was passed and not paid for. In addition, the economic fallout from the financial crisis, a primary driver of our current fiscal deficits, was itself a product, as you well know, Mr. President, of governmentwide deregulation.

While we all support cutting wasteful government spending, it is not, by itself, a solution to our fiscal woes. Indeed, if we were to eliminate all nondefense discretionary spending in the next fiscal year—Department of Justice, Department of Education, Department of Energy—we would still have a deficit of more than $700 billion; that is, if we eliminate all of them. We hear people coming to the floor and talking about cutting that, that is going to save us. If we eliminate the whole thing, go down Constitution Avenue and close down every building, we would still have a deficit of more than $700 billion.

This focus on Federal Government spending is shortsighted and even counterproductive, since it distracts us from the real problem of addressing our weak economic fundamentals.

All too many Americans are painfully aware of the current economic conditions in which we find ourselves. It is clear these conditions would even be worse if not for the Recovery Act. It saved us from another full-blown depression and allowed us to rebuild our economy and add jobs. The nonpartisan Congressional Budget Office concluded that the American Recovery and Reinvestment Act resulted in anywhere between 1.8 million and 4.1 million more jobs.

The CBO also estimated that our gross domestic product was 1.7 percent to 4.2 percent higher in the first quarter of 2010. Other economic indicators show similarly strong results, following the passage of the Recovery Act. After the passage of the Recovery Act, the markets hit bottom, with the Dow 6,547, on March 9, 2009, just about the time we passed the Recovery Act. Since we passed the Recovery Act, the Dow has risen dramatically, climbing above 11,000 early this year, even remaining above 10,000 amidst recent market turmoil, and most recently spurting higher by more than 7 percent in the month of September alone. All that happened after we passed the Recovery Act.

The Purchasing Managers Index, a leading indicator of business confidence, has also been generally trending upward since the passage of the Recovery Act. That we are not where we want to be is testament to the magnitude of the problems inherited by the President and this Congress. Indeed, millions of Americans are without jobs and overburdened with debt. Although large corporate balance sheets are generally strong, many small businesses have limited access to credit, a condition which will be helped with the small business jobs bill, which the President signs today.

What is more, many businesses will simply not invest without consumer confidence. In such an environment, where consumer and business confidence is low, there are obviously limits to the effectiveness of monetary policy, irrespective of the creativity of the economists and policymakers at the Federal Reserve.

Fiscal policy, whether through direct government spending or through tax or other incentives, is the one lever we have to spur growth. As Olivier Blanchard recently stated: ''If fiscal stimulus helps reduce unemployment and thus avoid an increase in structural unemployment, it may actually largely pay for itself and lead to only a small increase in debt relative to the alternative of doing nothing.''

Conversely, policies aimed at an immediate spending cut and a tightening of the proverbial fiscal belt could actually harm our economy. Therefore, it is critical we extend middle-class tax cuts and expand, not contract, stimulus measures.

In addition, the President's $50 billion of infrastructure investment is a good way to put more Americans back to work, to make a downpayment on rebuilding our infrastructure.

Of course, our need to promote economic growth in the short term does not make the need to address long-term fiscal problems any less urgent.

Former OMB Director Peter Orszag said in late July:

> It would be foolish to dramatically reduce the deficit immediately, because that would choke off the nascent economic recovery. But it would be equally foolish not to reduce the deficit significantly by, say, 2015, because that would imperil continued economic growth at that point.

Accordingly, while we should not be raising taxes on middle-class families in the midst of a recession, we should also not make permanent the Bush tax cuts on the top 2 percent of Americans. Doing so would cost close to $700 billion over the next 10 years. That is not a policy of fiscal discipline.

The path to fiscal sustainability will require tough choices and tradeoffs. We, therefore, need to be supportive of efforts and decisions of the new bipartisan debt commission. But as important as it is to put our fiscal house in order, our Nation's future prosperity will not be determined by accountants in green eyeshades. If we hope to promote sustainable economic growth and job creation, it is critical that we seize the initiative on clean energy and that we support science, technology, engineering, and mathematics fields.

If we want to get the most bang for our buck now and long into the future, we should invest in clean energy. Studies show that a $1 million investment in clean energy will create more than three times the number of jobs than if those dollars were invested in fossil fuel-based energy projects.

The truth is that clean energy is the future of the global economy, and we should be investing in it today. Since 2005, global investment in clean energy has exploded, growing by 230 percent. But the United States is not keeping up with the global clean energy revolution. Last year, 10 G20 countries invested a higher percentage of gross domestic product in clean energy technology than the United States did. These investments created many jobs—over 1 million jobs in China alone. This growth is a direct result of policy decisions that commit to a clean energy future. The United States has failed to make a significant commitment to clean energy. Over the recess, Ernst & Young announced that for the first time, China had overtaken the United States as the most attractive country for renewable energy projects.

We need to provide certainty in the energy market for investors, businesses, and industries. They tell us that none of this will happen without a price on carbon. Pricing carbon will reflect the true cost of our energy sources and enable market forces to drive American ingenuity to develop clean energy technologies that will create jobs, enhance U.S. competitiveness, and establish the long-term economic security we need. Pricing carbon is the most effective policy tool available to transition the Nation away from dirty fossil fuels. It will create incentives for businesses and industries to find the lowest cost solutions to reducing carbon pollution. Again, this is a market-driven solution. Leave it to the private sector. Give them the incentives to do the right thing and develop clean energy.

In addition to investing in clean energy, we need to promote STEM—science, technology, engineering, and math—education. STEM jobs will be the jobs of the future. Whether it is energy independence, global health, homeland security, or infrastructure challenges, STEM professionals will be at the forefront of the most important issues of our time. In fact, according to a new study released by Georgetown University's Center on Education and the Workforce, by 2018 STEM occupations are projected to provide 2.8 million new hires. This includes over 500,000 engineering-related jobs.

We must also continue to support research and development—a challenge that requires significant Federal as well as private investment. In our current economy, it is often hard to imagine investing more in anything, but more research and development funding is fundamental to high-tech job creation. A recent report from the Science Coalition features 100 companies that can be directly traced to influential research conducted at a university and sponsored by a Federal agency. Examples include Google, Cisco Systems, and SAS.

It is imperative that we get our economy growing again so that we are in a strong position to tackle the very real challenges of the future. In the long term, our task will not be simply to get our government's finances under control. As important as that is, it will also involve making the needed investment in areas such as clean energy and STEM that will ensure long-term growth and job creation. We face complex challenges in the 21st century. They include harnessing eco-friendly sources of energy and providing efficient and effective health care for an aging population. By making these investments in our future, I am confident we can foster the innovation necessary to successfully address these problems and reestablish our leadership in an increasingly competitive global economy.

Finally, Americans always had the ingredients for success, and I am confident that in the coming months and years, the American ethic of innovation and hard work will once again return our economy to the path toward prosperity.

I yield the floor.

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

Mr. KYL. Mr. President, I ask unanimous consent to speak for 15 minutes.

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

ENDING OFFSHORING ACT

Mr. KYL. I wish to talk about the so-called Ending Offshoring Act, a bill that the Wall Street Journal suggested this morning should be called ''The Send Jobs Overseas Act.''

I ask unanimous consent to have that article printed at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. KYL. Mr. President, this bill provides a temporary payroll tax holiday for multinational U.S. employers who hire a new U.S. worker. But not just any worker. To be eligible, the business must prove that the employee is replacing an employee who had been performing a similar job abroad. The bill, which is not fully offset, proposes to partially pay for this tax holiday for multinational corporations with new tax hikes on multinational corporations—tax hikes that could undermine job creation in America.

How would the tax increases be applied? The bill would disallow tax deductions associated with expanding operations overseas and would limit tax deferral of income U.S. multinational companies earn abroad by selling products in the United States.

Currently, when a foreign subsidiary of a U.S. parent company earns such income, it is not taxed by the United States until it is sent back to the U.S. parent company. Even though most foreign countries only tax income earned within their borders, the U.S. taxes income earned anywhere in the world by U.S. citizens and companies. The deferral policy aims to keep U.S. companies competitive with their foreign counterparts, since we also have the second highest corporate tax rate in the world. So deferral is not a ''tax benefit,'' as some of the bill's proponents claim.

This bill wrongly assumes that all foreign expansion stems from ''greed'' and that foreign expansion only hurts American workers. I will explain why that's simply not the case and why this bill could, in fact, hinder job creation in America and actually send American jobs overseas permanently.

The first point I want to illustrate is how limiting tax deferral could hurt American jobs. Limiting deferral would subject U.S. multinational companies to higher taxes, cutting into their profits and giving foreign competitors a huge advantage in the global marketplace. We have to keep in mind: American companies with overseas operations support and create U.S. jobs.

A new paper from the McKinsey Global Institute shows that America's multinational companies make huge contributions to our economy: They account for 19 percent of all private-sector jobs in the United States, 25 percent of all private wages, 48 percent of total export goods, and 74 percent of nonpublic research and development spending.