

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, the continuing scenes of the suffering and devastation in New Orleans and across the Gulf Coast weigh heavily on our hearts and minds. It is clear that as a nation we have a monumental challenge ahead of us to rebuild and restore one of America's most unique and important regions. There is the challenge of repairing and replacing the physical infrastructure of a number of cities, including the great city of New Orleans. There is also the challenge of restoring jobs and income and opportunity and hope to hundreds of thousands of desperate and displaced people.

Hurricane Katrina did more than rip the roofs off buildings along the Gulf Coast. It also ripped off the mask that has covered up the plight of millions of working Americans who live in poverty, as well as nearly one out of every five American children who are now growing up in poverty. Too often the poor are out of sight and out of mind. Katrina changed that. Hurricane Katrina opened the eyes of people all across this country. The poor are now in sight and on our minds. Americans are shocked. Frankly, we are ashamed that such desperation and deprivation could exist on such a large scale in the wealthiest nation on Earth. Americans expect more, and we deserve more.

Those of us who are working in the cool air-conditioned buildings of Washington have to take a long, hard look at the priorities and choices that have contributed to a situation where Americans, moms and dads, husbands and wives, people of all walks of life, work hard but still are unable to make ends meet and still live in poverty. One might think that we would be so embarrassed about these misplaced priorities that have contributed to this situation that we would change course, that we would do all we can to support those who work hard to make ends meet.

One would think that reordering priorities would be especially important in our efforts to rebuild the Gulf Coast, to restore jobs and create new opportunity, get income into people's pockets so they can rebuild their lives and jump start the local economy.

Unfortunately, as if we had learned nothing at all, one of the very first actions taken by President Bush in the wake of this storm was to issue an executive order suspending the Davis-Bacon Act, the Federal law that requires employers on Federal projects to pay employees the prevailing wage of that area. This is a law that has been supported by every President since Franklin Roosevelt, Republican and Democrat.

Even more disturbing, if press reports are to be believed, the President is apparently planning to compound the damage by also rescinding what is known as the McNamara-O'Hara Service Contract Act which contains similar wage protections for employees working on Federal service contracts. It is a law that goes back over 50 years.

Until now, I have muted my voice. I have not criticized the President nor anyone else on what has happened in New Orleans and what happened in the wake of Katrina. I have said that the time for that would come later. For now, it is time to get food and shelter and clothing and health care to the people so devastated. That is why I am so disappointed

with this action by the President which will negatively impact workers' wages. So, while we need to set up a separate commission to look at what happened in the aftermath of the hurricane, why the planning was not done, why so much suffering and death before poor people were moved to places of safety, the fact is things are now moving ahead.

With the stroke of a pen, the President is going to remove the requirement for the prevailing wage to be paid for workers in this region. If press reports are to be believed, he is now going to compound it by rescinding the McNamara-O'Hara Service Contract Act that would apply that prevailing wage to Federal service contracts.

This is exactly the wrong way to put the Gulf Coast region back on its feet. Louisiana, Mississippi, and Alabama already have low wage levels compared to the rest of the Nation. For example, the current prevailing wage in the New Orleans area for a truck driver working on rebuilding the levees is \$9.04 an hour. In the New Orleans area, the prevailing wage for an electrician is \$14.30 an hour. Think about it. That comes to an annual income of barely \$18,000 a year for a truck driver and about \$28,000 a year for an electrician working full time. It is hard enough for a family to rebuild their lives in that devastated area at that income. Why in the world would the President want to slash that income, especially at this time?

Let's look at some more of the workers who would be negatively impacted by this action. We are talking about sheet and metal workers in Pearl River County, MS, who currently make less than \$19,000 a year. That is their prevailing wage. We are talking about carpenters in Mobile County, AL, who currently make less than \$20,000 a year. We are talking about laborers in Livingston Parish, LA, who make less than \$20,000 a year. At this time, why would we want to cut their already meager income? These are the very workers we will be counting on to rebuild the highways and bridges, reconstruct houses and schools and hospitals, get our electricity up and running again in all those areas. These are the workers who will do the hazardous waste cleanup. Their wages are already barely at the poverty line. The President's actions will drive those wages down even lower.

Given the conditions these people will be working in--areas rife with bacteria and mold, chemical contaminants--we ought to be giving them a wage premium to work in these areas. Instead, the President's action will give them a wage cut. This policy fails the basic test of fairness and equity. Is the President calling for a cap on executive

salaries? I haven't heard him call for that. Is there any effort to see if the companies involved in the cleanup and rebuilding would be willing to accept less than the normal profit? I see that one of the first no-bid contracts let was to Halliburton.

We know who the former president of Halliburton is: Vice President *Dick Cheney*. We know that one of the chief clients of the former head of FEMA, Mr. Albaugh, who now has a consulting firm, is Halliburton. We know that Mr. Albaugh's hand-picked successor, Mr. Brown, was the head of FEMA when they gave the no-bid contract to Halliburton. It sounds like a sweetheart deal to me. Is the President calling for a cap on

profits earned by those companies? Of course not. So why in the world is the President singling out low-income workers in that area and saying: We are not just going to put a cap

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on what you make. We are going to lower prevailing wage. We are going to take it away. Why is he cutting their pay at a time when we should be trying to boost income and give a helping hand to people in this area?

For the life of me, the more I think about this, the more I read about it, I don't get what the President is trying to do. They have a prevailing wage. He is saying, you are not going to get that. What happens when you don't have a prevailing wage in a desperate situation? There is always somebody worse off than you that will take a job at less pay. There is always somebody a little bit more desperate. So if the prevailing wage for a truckdriver was \$9 an hour, if there is no prevailing wage, the company could come in and say: Anybody want a job for \$8 an hour? Someone says: Yes, I will take it for \$7. Someone else will say I will take it for \$6 because I am so desperate. I need work. I need income.

You end up with a race to the bottom on the wages these jobs pay if you don't have that prevailing wage. That is precisely what is going to happen in New Orleans and the Gulf Coast region. It is a blow to the workers who have already lost their homes. Many have lost jobs, families disrupted, coming back to clean up the mess in their neighborhoods. Now they are being told their wages are going to fall. Think about this. Before Katrina, a truckdriver would be making \$9.04 an hour. Post-Katrina, they will get less money. Can someone please explain to me what sense this makes? Pre-Katrina we pay you more for the work you do; post-Katrina, we are going to pay you less.

I say to the President of the United States: You are going to be on television tomorrow night to talk about the cleanup effort. Please explain to the American people why it is you took away the prevailing wage for workers. Explain why it is necessary for them to make less now than they made before. Explain why it is necessary to cap their wages, but we don't cap the profits of the companies doing the work. We don't cap the executive salaries of the executives of those companies.

This is devastating. I have held my criticism of the President, but this is unconscionable. This is not right. It is not right for individuals, and it is foolish economic policy for a region that we are trying to get back on its feet. FEMA is already signing scores of contracts for vast sums of money. The question is: Will a fair share of this money work its way down to the ordinary laborers who do the dirty, hazardous jobs of cleanup and rebuilding? Or will it mostly go for executive salaries and corporate profits? Certainly, we do not want a replay of Iraq, where billions of dollars in contracts have been awarded, enriching people at the top, but with precious little trickling down to ordinary Iraqis to put income in their pockets and encourage a grassroots economic recovery.

Surely we can learn from the mistakes we made in Iraq where we just threw billions of dollars to these companies, and not much of it got down to the people in Iraq. Surely we can learn from that and not repeat those mistakes in the Gulf Coast.

The good news is that it is not too late for the President to correct this misdirection. We are still at the beginning of our response to the devastation of Hurricane Katrina. As we saw when the FEMA Director was reassigned earlier this week and has since left, of course, the President and his team have shown a capacity for shifting gears and making midcourse corrections. That is fine.

Tomorrow night, the President needs to take a second midcourse correction in the strongest possible terms. I urge the President to use his prime-time address to the Nation to reverse course and reinstate the Davis-Bacon protections for the Gulf Coast region.

I also urge the President to put in place a network of auditors and overseers to ensure that the billions of dollars going to Katrina relief is spent effectively, that the lion's share is used to restore and create jobs, to boost incomes, to spark a bottom-up economic recovery and revival all across the devastated region.

There have been numerous articles written in the days since Katrina hit the Gulf Coast underscoring how shocked Americans are to see with our own eyes the poverty and the deprivation that unfortunately still exists on a large scale in the wealthiest Nation on Earth. We need to address the issue of poverty in this country. We knew before Katrina struck. We saw the data. The U.S. Census Bureau issued updated poverty data showing that 37 million live in poverty--13 percent of our population. Since 2001, 4 million more Americans have fallen into poverty. Nearly 5 million more Americans are without health insurance. And worst of all, poverty is increasing sharply among the working poor, people who have full-time jobs. The Census Bureau's numbers show that over the last year alone, the number of Americans who work but live in poverty increased by 563,000 people--over half a million. Meanwhile, the latest Census numbers show that over the last year, real median earnings fell by nearly \$1,000 for male workers, more than \$300 for female workers.

It should offend our basic sense of fairness to know there are any Americans working full time, playing by the rules, and still living in poverty. Once again, it is not too late to act. Katrina can serve as a wake-up call to all of us to reorder our priorities, as I said earlier.

Before Katrina, people in the Congress, the leadership, the Republicans in Congress were poised to slash food stamps and Medicaid for the poor at the same time that we were supposed to get a bill to eliminate the estate tax and extend other tax cuts for the wealthiest Americans. Prior to Katrina, their agenda consisted of coming back here and cutting food stamps, cutting Medicaid for the poor, cutting estate taxes, giving more tax breaks to the wealthiest Americans. Let's hope Katrina has been a wake-up call that these are misordered, wrong priorities. They would have been misordered before Katrina, and they are glaringly misguided in a post-Katrina America. We should be focusing on

initiatives that lift people out of poverty, not slashing programs that provide health care and food support to working families.

We must increase the minimum wage, which today is not even a living wage but a poverty wage. We need to increase education and job training opportunities. We need to be making college loans and grants more widely available and cheaper. We need to be strengthening the ladder of opportunity that allows people to achieve their own American dream. We cannot do that if we keep doing what we have been doing--if we keep cutting taxes for the wealthiest of Americans, then turning around and compensating for the deficit created by those huge tax loopholes by slashing food stamps and Medicaid and taking away the prevailing wage for workers in the Gulf Coast region.

I close my statement by, again, calling upon President Bush to do a midcourse correction. I don't know who advised you, Mr. President, to use your pen to cut the prevailing wages for our workers in the Gulf Coast region. Whoever advised you, they were wrong. Now is your time to do a midcourse correction. Tomorrow night, when you address the Nation, Mr. President, tell the American people that you are going to reinstate the prevailing wage for our workers in the Gulf Coast. In fact, give them a premium for all the dirty, hard work they'll have to do. And then don't suspend the act that also provides a prevailing wage for our service workers because they are going to be doing a lot of the hard work also in cleaning up the mess in New Orleans and around the Gulf Coast region.

It would be a terrible thing if we take hard-earned taxpayers' dollars that we are committing to rebuilding the Gulf Coast region, to rebuilding the economy and helping people rebuild their lives--it would be a slap in the face to the American taxpayer if we allow that money to go disparately into the pockets of the executives of the companies that get all the contracts, and in turn cut the wages of the workers who will be physically doing the hard work and the heavy lifting. That is not the America that we want post-Katrina.

Mr. President, tomorrow night, do the right thing: change your course.

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