

5) **Help those harmed by globalization, workers and communities**

6) **Modernize U.S. Labor and Employment Laws**

Senator Kennedy's remarks at Northeastern University are attached, as well as a summary of the bill and fact sheets that illustrate the impact of globalization in both a national and Massachusetts.

THE RIGHT TRACK FOR THE ECONOMY

Senator Edward Kennedy

The strength of the American economy has always been the innovative spirit of the American people. Innovation creates jobs and moves the economy forward. The U.S. has led the way in information technology, high-tech manufacturing and the physical and life sciences. And because of it we've had the best paying jobs and our workers have enjoyed a higher standard of living than any other country. These technologies and economic growth have brought with them greater demands on our basic infrastructure and demand for new types of infrastructure.

Today our global economic leadership is being challenged by fast-growing countries that are pushing themselves to innovate. Countries like China, Japan, Ireland, and South Korea are increasingly recognizing the immense potential for economic growth from basic research. China alone has doubled its investment in R&D as a percentage of its GDP. But the U.S. has only increased it by a third. We are also the only major industrial nation without a national broadband policy and developing countries like India are vastly expanding their networks. Expanding access to high speed broadband could add billions of dollars and millions of jobs to the U.S. economy by helping to facilitate growth in areas like health IT.

To help America embrace the competitive challenge we face, we must invest in promising new technologies and high-growth industries that will lead to the jobs of the future. The Right TRACK Act:

Increases Investment in Research and Development Across Sectors and Disciplines

Ø Makes the R&D Tax Credit permanent and expands it to encourage small businesses, universities and federal laboratories to collaborate on research

Ø Increases R&D funding for the NIH, NSF, NASA, the Department of Energy and the Department of Defense by 10% each year

Ø Creates a Presidential Advisory Committee on Research and Development and an inter-agency workgroup to identify and support collaborative biomedical research.

v Massachusetts receives almost 5% of total Federal R&D spending. Total federal R&D expenditures per capita are higher than any other leading technology state. Massachusetts also has the highest private R&D expenditure. In 2003, Massachusetts Colleges and Universities alone spent \$1.8 billion on R&D

Invests in High Job Growth, High Technology Industries

Ø Creates a tax credit for investing in nanotechnology based businesses and establishes a Business Incubator Program to facilitate collaboration between business and academia to move nanotechnology research out of the lab and into the marketplace

Ø Increases funding for the Manufacturing Extension Partnership and the Advance Technology Program at the Department of Commerce

Ø Encourages energy efficiency and development of alternative energy sources

Ø Creates a tax credit for construction of vaccine manufacturing facilities

Ø Requires healthcare providers to establish a system to allow patients and doctors to communicate over the internet

o *Massachusetts is ranked number one of all US States in its ability to create jobs and attract investment through nanotechnology – Massachusetts nanotech firms attracted more than \$120 million in venture capital. In 2004, the Manufacturing Extension Partnership in Massachusetts created or saved 2,349 jobs and contributed \$196 million to the GSP. In Massachusetts, jobs in health IT grew 21% from 2001-2004.*

Supports the Infrastructure Our Economy Needs

Ø Creates a national broadband policy with specific goals for improving and expanding broadband access by 2010 by the end of 2006.

Ø Authorizes funds for operating grants, capital improvements and long term debt repayment for Amtrak

Ø Expands and increases tax credits for school bonds to leverage a \$25 billion investment in repair, renovation, and construction of elementary and secondary schools equipped with 21st century technology

v *Massachusetts has the highest penetration of broadband in the country - 18 subscribers/100 residents. Amtrak ridership is greatest in the Northeast and Massachusetts is 5th in passenger boardings.*

THE RIGHT TRACK FOR EDUCATION

Senator Edward Kennedy

Spurred into action by launch of Sputnik, Congress passed the National Defense Education Act (NDEA) in 1958. The law declared a national “educational emergency” and led to the doubling of the federal education budget in four years. The programs authorized under the Act helped the United States to improve rapidly in math, science, engineering, technology, and critical foreign languages and led to our dominance in the arms race and global economy.

Today, our nation once again faces an international education challenge in education. The United States ranks ninth in the world in the number of 25-34 year-olds with high school diplomas. Third in the world in 1975, America now ranks 15th in the production of new scientists and engineers. These trends pose a threat to our national and economic security. To help America meet the global challenge, we must invest in every individual by ensuring access to the highest quality educational opportunities. The Right TRACK Act includes a New NDEA that:

Modernizes America’s Education System

Ø Helps states increase academic rigor to meet national and international benchmarks and prepare students to succeed in college, the 21st century workforce, or the Armed Services.

v *Massachusetts students are first or tied for first in the nation in reading and math in both 4th and 8th grades. But there is work to do: Massachusetts ranks 47th in the nation in the percentage of low-income 4th graders scoring proficient in reading.*

Ø Invests in attracting high quality math, science, and critical-need foreign language teachers to high-need schools through scholarships, loan forgiveness, tax incentives, grants for innovative postsecondary programs; and invests in NSF teacher training programs.

v *University of Massachusetts Boston was recently awarded a \$500,000 NSF grant to increase the number of qualified science, technology, engineering, and mathematics graduates who are also qualified to teach.*

Ø Ensures cost is not a barrier to college for any student by creating state-based “Contract for Educational Opportunity” grants to cover students’ unmet need.

v *Massachusetts is first in the nation in the percentage of high school graduates enrolling in and graduating from college, but it is becoming increasingly difficult for families to afford their children’s education. In Massachusetts, 31% of the average family income is required to pay for annual expenses at a*

4 year public university – after accounting for financial aid.

Arms Americans with 21st Century Knowledge and Skills

Ø Makes college and graduate school tuition-free for low- or moderate-income individuals who study science, math, engineering, technology, or a critical-need language, doubles funding for NSF education programs, and invests in math, science, engineering and technology textbooks and laboratories for high-need schools.

v *In 2004, only 19% of Massachusetts students who took the SAT expressed interest in studying science, math, technology or engineering.*

Ø Improves global knowledge and skills through significant investment in programs to increase the study and mastery of critical-need foreign languages and international cultures from the early grades through graduate school.

v *73 schools in Massachusetts have expressed interest in the Chinese Language and Culture AP class.*

Ø Augments existing formula funds for job training with competitive grants to support innovative strategies to meet emerging labor market needs.

v *There are now 72,800 job vacancies in Massachusetts. Last year, for the first time ever, there were more vacant jobs requiring higher education than there were jobs requiring just a high school diploma or job training. Yet Massachusetts ranks 49th in the nation in terms of investment in higher education.*

THE RIGHT TRACK FOR AMERICAN BUSINESSES AND WORKERS

Senator Edward Kennedy

One of the fundamental challenges of the global economy is that American companies are losing business, and American workers are losing jobs, because we're not competing on a level playing field.

American companies are struggling because many foreign governments don't play by the rules. They manipulate their currencies to give their products an unfair advantage. They refuse to enforce basic labor protections like a minimum wage. They use abhorrent practices like child labor and forced labor. As a result, these countries can produce goods much more cheaply and dominate the global marketplace. Our trade deficit is skyrocketing as we produce less at home, and buy more from other countries. In 2005, we imported a record \$726 billion more than we exported, an all-time high.

American workers are also struggling. More and more companies are shipping our jobs overseas. 73 percent of Massachusetts manufacturing companies have shifted production out of the country. Nationwide, we've lost nearly 3 million manufacturing jobs since 2001, and we're losing high-paying white collar jobs as well. Appallingly, our tax system and even our own government encourage the offshoring of public and private sector jobs that would otherwise be performed by American workers. Massachusetts already has state contracts with firms that are using workers in Bangladesh and India to perform our government services. Good, middle-class jobs, with decent wages and benefits are disappearing, replaced by low-paying service jobs. This downward pressure on wages threatens the American middle class. Wages in Massachusetts have fallen by 8%, just since President Bush took office.

The good news is that we've got a firm foundation to retain our economic preeminence in the world. American companies are innovation leaders and American workers are the most productive in the world. They can compete with anybody, if they have a fair chance. The Right TRACK Act makes the global competition for business opportunities and good jobs fair by protecting American companies

from unfair business practices, preserving good jobs in the United States, and raising living standards worldwide. The Act will:

- Ø Protect American workers and businesses by requiring the President to impose a tariff on goods from countries that unfairly under-price their goods through currency manipulation.
- Ø Ensure that the United States does not enter into trade agreements with countries that use forced labor or child labor.
- Ø Create a “seal of approval” program for American companies that meet standards for decent treatment of their foreign workforces, and a Good Multinational Labor Practices Award for companies, like Massachusetts’ own Reebok Corporation, that have developed good workplace standards and monitoring at overseas facilities.
- Ø Eliminate the tax break that gives American companies an incentive to ship jobs overseas.
- Ø Ensure that Americans’ hard-earned tax dollars benefit American workers and communities by barring contractors from using federal funds for work performed overseas.
- Ø Give workers 60-days notice that their jobs are being shipped overseas so they can organize to save them or find new jobs.
- Ø Direct the Department of Labor to collect comprehensive statistics on how many and what types of jobs are being shipped overseas.

THE RIGHT TRACK FOR WORKERS AND COMMUNITIES

Senator Edward Kennedy

The globalization of commerce and industry has brought tremendous opportunities and benefits for our country. Americans now live better because of global trade. But globalization has a darker side. More than ever before, working Americans today are competing against workers around the world. Sadly, this competition could become a race to the bottom, where whoever is willing to work for the lowest wages gets the work. Good, middle class jobs are being shipped overseas, and the workers left behind can’t find their place in the new economy. Massachusetts alone has lost a quarter of its manufacturing jobs in the past five years.

While we all benefit from the lower prices and economic growth that globalization provides, some of our workers are paying all of the price. We owe a particular duty to those American workers who lose their jobs due to the effects of trade or economic downturns to help them adjust and find new opportunities in the global economy.

The darker side of globalization also manifests itself by pressuring the United States to compromise our standards. Wages in Massachusetts are down by 8%, just since the President took office. But we cannot compete by lowering our standards – we must continue to value our workers and live by the principles that created the American Dream.

We can bring the benefits of globalization to all American workers. Communities like Lowell, Lawrence, and Haverhill that have lost high-paying manufacturing jobs can modernize and diversify to emerge even stronger in the future. And workers who lose their jobs can train to find new jobs – good American jobs with high wages and strong protections for workers’ rights. The Right TRACK Act will help workers and communities harmed by globalization adjust to the profound changes of the new economy. It will also modernize our country’s labor and employment laws to reinforce our commitment to basic workers’ rights. The Act will:

- Ø Expand Trade Adjustment Assistance to cover service workers whose jobs are shipped overseas, and to cover workers harmed by production shifts to *any* country with which we have normal trading relations (such as China and India), not just countries with which we have preferential trading agreements.
- Ø Provide transitional assistance to workers over the age of 40 who accept new jobs that pay less

than their previous jobs.

Ø Provide health care assistance to ensure that workers are able to retain health benefits when transitioning to a new job.

Ø Double the funding available for retraining workers who lose their jobs because of trade and for businesses harmed by trade.

Ø Provide resources to assist communities in recovering from job losses due to trade, and in developing a strategic plan to modernize and diversify the community's economy.

Ø Increase the federal minimum wage. A federal minimum wage of \$7.25 would directly benefit seven and a half million workers nationwide, and would automatically increase the Massachusetts minimum wage to \$7.35 per hour.

Ø Allow states to more easily extend unemployment benefits during tough economic times.

Ø Improve unemployment insurance so that all states cover low-wage workers (as Massachusetts already does) and part time workers.

Ø Establish efficient and fair procedures for workers to choose a representative when a majority say they want a union.

Ø Strengthen protections for workers who exercise their rights in the workplace, and use mediation and arbitration to help parties to reach a first contract.

Globalization and the American Dream
Senator Edward M. Kennedy
(As prepared for delivery)

These have not been easy times for vast numbers of Americans. In many ways, the American dream is in peril for millions of our fellow citizens as global forces have caused the economy to shift against them.

Complacency is not the answer. Few things more affect the way we live than our shrinking and rapidly changing world. Unless we begin to address this immense challenge more effectively, the nation will pay a high price for years and years to come.

The people of Massachusetts know the problem. They see it in the lives of families here and across the nation. It's measured in jobs moving overseas, stagnant or even falling wages and benefits, our schools are losing ground compared to other nations, and fewer opportunities to attain the American dream. Indeed, the course we are on today is a course that will make the American Dream the Impossible Dream.

In a speech today, President Bush is addressing the issue of globalization. Hopefully, it will mark a new beginning in our understanding of the challenge, and meaningful policies will emerge. So far, unfortunately, not only has the Administration lost valuable time in meeting the challenge, but its policies have made a significant response more difficult.

America cannot move forward if we cut back on investments in education, invention, and innovation, as the Administration has done. We cannot compete in the world if our companies and our workers are saddled with soaring costs for health care. We cannot advance if we fail to invest in our own employees by paying them a decent wage, by taking steps to enable companies to keep jobs here at home, and by investing wisely in our own economic growth.

The 20th century was widely hailed as the American century, but the 21st century is up for grabs. No

nation is guaranteed a future of lasting prosperity. We have to work for it. We have to sacrifice for it.

We have a choice. We can continue to be buffeted by the harsh winds of the global economy. Or we can think anew, and guide the currents of globalization with a new progressive vision that strengthens America and equips our citizens to move confidently to the future.

Competing better in a race to the bottom is not the answer. Equality of opportunity – a bedrock principle of our democracy – is suffering already. Today, children born of parents in the bottom 20 percent of income have only a one in fifteen chance of reaching the top 20 percent in their lifetimes.

Also disturbing is the fact that those born in the middle are more likely to sink to the bottom than to rise to the top. And those born at the top are likely to stay at the top.

We cannot and should not compete by lowering wages. Instead, we must open new doors and new avenues for all Americans to make the most of their God-given talents and rekindle the fires of innovation in our society. By doing so, we can turn this era of globalization into a new era of opportunity for America.

As Thomas Jefferson said, “Every generation needs a new revolution.” And I believe the revolution for this generation is to master our own destiny in the new global economy.

What’s most required is a new vision for America’s future in the global community. Our goal is to rekindle the American Dream, so that if people work hard and play by the rules, they can succeed in life, be better off than their parents, live in good neighborhoods, raise strong families in safe surroundings, work in decent jobs with decent pay and decent benefits and a decent retirement.

To do all that, we must make a commitment to lifelong education, to prepare every man, woman and child for the new world of intensifying competition and increasingly sophisticated technologies.

We must create high quality jobs for the years ahead by investing in research and development, encouraging innovation, and modernizing all aspects of our infrastructure.

We must level the playing field for American businesses and employees, to ensure fair worldwide competition and preserve good jobs in the United States.

And we must make a fair commitment to assist and care for workers and communities harmed by the forces of globalization.

We can do all that, but only if we make the right choices, and the time to start is now.

I strongly believe that our highest priority must be a world class education for every American. We must seek a future where America competes with other nations, not by reducing our employees’ pay and outsourcing their jobs, but by raising their skills.

At Northeastern, you work to meet this challenge every day. Your cutting-edge engineering and life science programs demonstrate your commitment to meeting the needs of our evolving economy.

You’re rightly proud to be the nation’s number one cooperative education program. Students receive a unique college experience, because as they acquire the knowledge they’ll need, they’re simultaneously learning to apply it. In today’s competitive economy, that strategy is increasingly beneficial. Northeastern is a model for other schools striving to improve their graduates’ chances for success.

As a nation, we must invest in Americans by ensuring access to the highest quality educational

opportunities. We must make the American worker and manager the best educated, best trained, and most capable in the world. We need to nourish the capacities of every person in the nation.

To do that, we must begin in the earliest years. Research proves conclusively that what we do for children's early education and development does more to ensure their later success in school than any other investment we can make. It's far less costly to society to spend millions to put young children on the right track from the start, instead of spending billions to rescue them from the wrong track later. In fact, one study concludes that in the long run we save \$13 for every dollar invested in the early education of our youngest citizens. Prevention works in health care, and it can work in education too.

For generations, we have treated education as a three-legged stool – elementary and middle school, high school, and college. To create a solid foundation for the future, we have to add a fourth leg – early childhood education.

In elementary and secondary education, the No Child Left Behind Act was a pioneering reform that held great promise when it was signed into law by President Bush four years ago. In fact, much of its inspiration came from our reforms here in Massachusetts and their proven success in our schools.

No Child Left Behind was not just an abstract goal. It was a moral commitment to every parent and every child and every school in America, and I was proud to stand with President Bush when he signed it. It soon became clear, however, that to the Administration, it was more a slogan than a promise. Too many parents, too many children, too many schools are still waiting for the help we pledged.

We can't reform education without the resources needed to pay for the reforms. Promises alone won't provide the qualified teachers, high standards in every classroom, good after-school activities, and the range of supplemental services that every good school needs if it's to provide the right help for students who need it.

No Child Left Behind was also a promise that every child counts – black or white or brown, rich or poor. It was a promise that disabled children too will have the qualified teachers and individual support they need to succeed in school and in life.

We must also do more to help students prepare for college, afford college, be admitted to college and complete college. In 1950, when I graduated from school, only 15 percent of jobs required some post-secondary training. Today, the number is over 60 percent and rising rapidly.

However, we are witnessing a growing gulf in college attendance between the rich and poor. The gap is shameful. Each year, 400,000 college-ready students don't attend a four-year college because they can't afford it. Never before has the financial challenge of attending college been greater for young students.

It's time for America to agree that cost must never be a barrier to college education. Every child in America should be offered a contract, when they reach eighth grade, making clear that if they work hard, finish high school, and are accepted for college, we will guarantee them the cost of earning a degree.

Perhaps nowhere is it more obvious that we are falling behind than in math and science. For a nation that prides itself on innovation and discovery, the downward slide is shocking. In recent years, we have dropped to 28th in the industrial world in math education, and we've fallen from 3rd in the world to 15th in producing scientists and engineers. Each year, China graduates three times as many engineers as we do. Other nations are gaining on us because they give higher priority to education. American students perform well in international assessments compared to other nations in elementary

school, but by middle school they're falling behind, and by high school they're near the bottom compared to our competitors.

The last time America was shocked into realizing we were unacceptably behind in math and science was in 1958, when the Soviet Union launched Sputnik. Republican President Eisenhower and a Democratic Congress responded by passing the National Defense Education Act, and almost overnight we doubled the federal investment in education.

In fact, throughout our history, we have re-made American education to conquer the challenges of each time. In the mid-1800s, with the Industrial Revolution in full swing, we created free and mandatory public schools before most other nations did. And to stay ahead, we rapidly established public high schools at the start of the last century to keep pace with a growing economy.

Once again, we did something comparable at the end of World War II. We passed the GI Bill of Rights, and gave every returning veteran the chance for a college education. The nation reaped a seven dollar return for every dollar it invested in their education. The result was the "greatest generation," and it would never have happened without the GI Bill.

What is it about the Bush Administration that keeps them from responding like that today? That's the kind of initiative we need, because the need is just as great. We need a new Education Bill of Rights, a new National Defense Education Act, for our own day and generation in science and math.

Let's make college free for any students training to become math or science teachers.

Let's make college and graduate school free for middle and low-income math and science students.

Let's see that our standards are internationally competitive, so that our graduates can succeed in this new economy. Let's offer incentives and other support for schools to develop and implement rigorous standards and courses in math and science.

From our earliest days as a nation, education has been the engine of the American dream. In fact, many of the great developments in education found their first home in Massachusetts, from the commitment to public education in our state constitution to the earliest vocational education schools to our world class universities. We cannot let these achievements stall now. Slogans aren't strong enough. We have to put first things first, and give children, parents, schools, communities and states the support they need to re-fuel the amazing engine of education and keep our country great in the years ahead.

Beyond education, we must recognize that the foundation of our prosperity in this global world is to remain on the cutting edge of technology and medical and scientific breakthroughs in the years ahead and translate those advances into reliable products and services. A strong and fully developed infrastructure will provide the backbone for that success.

America has always been a world leader in research and development, but we can no longer take our success for granted. Even in highly skilled industries, where our technology and infrastructure have preserved our competitive advantage, we're increasingly at risk today. Rapidly growing economies in Asia, Eastern Europe and South America are now formidable competitors, developing their economies into engines of growth based not just on low wages but on well-educated citizens, advanced infrastructure, and well-run businesses.

In Bangalore, India, a G.E. center employs more than 2,200 Ph.D.s. These workers are not sewing buttons on shirts. They're carrying out advanced research on jet engines and developing mathematical models for investment. An Intel research and development center in the same city employs 3,000

engineers designing the next generation of computer chips.

Massachusetts is positioned well to surge ahead in an innovation-driven economy. We are home to one of the largest biotechnology clusters in the country and per capita the Commonwealth receives more funding from NIH than any other state. Our colleges and universities alone invest almost \$2 billion in research and development. Overall six percent of total federal R&D spending comes into the state.

However, the federal commitment to research outside the defense arena has declined under the Bush Administration. Of particular concern is the drop in funding for basic research. Much of the research conducted by private companies is focused on getting a product quickly to market. That's not the basic research that lays new foundations for new discoveries. Funding for basic research has declined in the past few years at the National Institutes of Health, the National Science Foundation, the Department of Energy, and other key scientific agencies. And overall the federal investment in research which once exceeded one percent of our GDP is now less than half a percent.

We cannot allow this trend to continue. To maintain our position as the leader in innovation both in Massachusetts and across America, we must redouble our efforts to fund and encourage research and development in both the private sector and federal agencies.

We also must invest in innovation and infrastructure – highways, mass transit, new sources of clean energy, health I.T., and more. These investments not only improve the quality of our lives, but they also create the quality jobs that drive our economy forward.

An example is broadband. Two years ago, President Bush declared that every American should have access to affordable broadband technology by the year 2007. But the Administration still has no plan to get us there. In the meantime, we have fallen to 16th in the world in broadband access behind countries such as Japan and the Netherlands that have broadband speeds four and five times faster than ours.

Widespread use of basic broadband would add \$500 billion to our economy and create 1.2 million jobs. Clearly, this is the kind of infrastructure we should invest in to produce good jobs and economic growth in the future.

We also live in an age exploding with medical miracles. A generation ago, few could possibly have imagined the advances in science and biology that have revolutionized the practice of medicine. No one today can predict how new discoveries in the life sciences will improve our lives and change the world, but we can be certain the effects will be profound.

Thanks to the genius and dedication of scientists, doctors and business leaders, the potential of medical research is virtually limitless. Diagnosing a faulty heart valve or blocked artery once meant risky and traumatic exploratory surgery. Today, doctors make the diagnosis with a miniature camera and fiber optic cable, and the patient can walk out of the office moments later.

A few years ago, it seemed inconceivable that anyone could decipher the entire genetic code – the very blueprint of life. But today, doctors across the globe can read that sequence on their computer screens, and use the information to search for new ways to treat cancer, diabetes, Alzheimer's, Parkinson's and other major illnesses.

Continuing at the forefront of the life sciences may well be the most important way for America to retain its leadership in the world economy in the coming years.

Here in Massachusetts, we recently witnessed an example of how our high tech progress can put us

ahead in the global economy. Hainan Airlines of China had a choice of six different American cities in which to launch direct flights to Beijing and Shanghai. The airline wanted to bring Chinese goods and passengers to America. But they chose Logan because they wanted to fly our medical products and high tech goods back to China. And they are even interested in flying fresh Bay State lobsters to Chinese consumers.

Another of the fundamental challenges of the global economy is that our companies are losing business and our people are losing jobs because they're not competing on a level playing field.

Foreign governments manipulate their currencies to give their products an unfair advantage. They refuse to enforce basic labor protections like a minimum wage. They use abhorrent practices like child labor and forced labor. As a result, these countries can produce goods much more cheaply and dominate the global marketplace.

Our own trade deficit is skyrocketing because we're producing less at home, and buying more from other nations. Last year, we imported a record \$726 billion more than we exported – an all-time high.

We can't continue down this reckless path. It's too damaging to our economy. Over \$2.2 trillion of our national debt today is owed to foreign investors and foreign governments. America has always controlled its own destiny. But when foreigners are bankrolling our government, our destiny is no longer in our hands.

It's not just our companies that suffer – our workers are also struggling because the playing field is so uneven. More and more of our companies are shipping U.S. jobs overseas. 54 percent of America's top companies have already done so. Even governments are part of the offshoring bandwagon. The state of Massachusetts has hired a contractor that uses workers in Bangladesh to process Medicaid data. It's hired another contractor using workers in India to answer questions about food stamps.

The nation as a whole has lost nearly three million manufacturing jobs since 2001. The pain is widespread – 48 states have lost manufacturing jobs under President Bush. Massachusetts has lost a quarter of its manufacturing jobs in the past five years. These are not just blue-collar jobs. Millions of high-paying, white-collar jobs are also at risk of being shipped overseas, especially in the fields of medicine and computers.

The disappearance of these good jobs is reducing our standard of living and threatening the very existence of the American middle class. President Bush's so-called economic recovery has the worst job creation record of any recovery since World War II.

Those fortunate enough to have jobs are finding that their wages are stagnant even though other costs are soaring. College tuition is up 46 percent since 2001. Housing costs are up 49 percent. Health insurance is up 58 percent. Gasoline is \$2.33 a gallon – 40 percent higher than it was five years ago.

The foundation of the American Dream is weakening. That's because more of what our economy produces in this recovery now goes to business profits and executive suite salaries, and less to employees, than at any time since such records began in 1929. Wages are down, but profits are up by more than 60 percent.

There's a better way. We need policies that reject the Wal-Mart-ization of the American workforce.

We must level the playing field in the competition for good jobs and demonstrate leadership in promoting fair wages for workers around the world. This is not just an economic issue – it's a moral issue.

Rejecting the race to the bottom also means reaffirming our commitment to workers here at home. We must stop rewarding companies by giving them favorable tax breaks for shipping jobs overseas.

Our commitment to workers at home also demands that we give them their fair share of the economic growth that globalization brings. In this century, just as in the last, we must ensure that workers can organize and have a voice at work.

We owe a particular duty to those Americans who lose their jobs due to the effects of trade or economic downturns. When workers lose their jobs in the global economy, we should help in the difficult and painful transition to new employment with top-notch job training and income assistance for their families until they get another paycheck.

And it's a scandal that the minimum wage has been stuck at five dollars and fifteen cents an hour for the past nine years, below the poverty line for a family of three. It's the lowest the minimum wage has been in real value in more than fifty years. How can so many Republicans in Congress keep voting against any increase? Why can't we all at least agree that no one who works for a living in America should have to live in poverty?

America has to rise to each and every dimension of this challenge. We can do it by creating a new culture of innovation and creativity that keeps our nation in the lead in the global market place – by equipping every American to compete and win in the new global economy. Only then will our economy continue to grow and prosper. Only then will the good jobs of the future be made in the U.S.A.

The same can-do spirit of innovation, invention, and progress that brought us the automobile, the airplane, and the computer can do it again. Those advances brought the American Dream closer for all, and we can't afford to let it slip away now.

The essence of the American Dream is the ability to provide a better life for yourself and your family. At its very heart are a good job, first-class education, good health care, and a secure retirement. Some say the dream is out of reach in today's global economy. But I'm here today to tell you it doesn't have to be that way. We can revitalize the American Dream.

I have full confidence in our ability to meet these challenges and reach new heights of discovery, prosperity, and progress. It will take tough choices and strong leadership. But if we honor the people who make our country great, and respect the values our country stands for, the American Dream shall never die.

Thank you very much.

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