

Encouraging Job Flight & Benefit Reductions

With millions out of work and US wages stagnating, the Bush Administration has pushed economic policies that are making the situation worse. From touting offshore outsourcing to encouraging companies to move jobs to China, the White House has systematically put the interests of working families behind the interests of its largest corporate benefactors.

Encouraging Companies to Terminate U.S. Jobs and Leave America

- **WHITE HOUSE REPORT CELEBRATES LOSS OF U.S. JOBS TO OUTSOURCING:** Under the headline "Bush Supports Shift of U.S. Jobs Overseas" the *LA Times* reported that the Bush Administration "embraced foreign outsourcing, an accelerating trend that has contributed to U.S. job losses in recent years." The Administration made the announcement even as analysts predict "as many as 2 million U.S. white-collar jobs" will be exported at a time when millions are already out of work. When asked whether the White House's top economic advisor who touted outsourcing should resign, the Administration said the mere suggestion was "laughable." [Source: *LA Times*, 2/10/04; Reuters, 12/30/03; Hastert release, 2/11/04; CNN Lou Dobbs Tonight, 2/11/04]
- **ADMINISTRATION SUPPORTS NEW TAX BREAKS FOR COMPANIES MOVING OFFSHORE:** After the WTO prohibited a U.S. provision "shielding companies' overseas sales from taxes," the Administration's allies wrote a bill to "make up for the lost tax break by creating others." One of the new tax breaks would have "allowed \$70 million in tax breaks for offshore construction contracts" – a specific incentive to move jobs offshore. [Source: *SF Chronicle*, 10/31/03; *New York Sun*, 10/29/03]
- **ADMINISTRATION ALLOWS COMPANIES TO MOVE OFFSHORE TO AVOID TAXES:** While "President Bush says the Bermuda loophole" that allows companies to move their offices offshore to avoid U.S. taxes "should be closed, he has yet to support any of the bills that would do so." Meanwhile, when Congress passed a bill barring federal contracts from going to such companies, the White House did not support it and the bill died. Because of the loopholes, in 1998, "\$155 billion in corporate income literally disappeared." The top Fortune 500 corporations (which include Halliburton) who benefit from the loophole have given Bush and his allies more than \$5.2 million since 2000. [Sources: *ABC*, 7/12/02; *AP*, 7/31/02; *Chrs. Sci Monitor*, 5/22/02; *Citizen Works*; *Center for Responsive Politics*]
- **ADMINISTRATION SPONSORS CONFERENCES TO HELP COMPANIES MOVE JOBS TO CHINA:** The Bush Commerce Department actively "sponsors" and "participates in conferences and workshops that encourage American companies to put operations and jobs in China." For one event at the luxurious Waldorf Astoria in New York, the "Commerce Department was described by the Chinese as a co-sponsor." [Source: *NY Times*, 12/11/03]

Rewarding Companies That Reduce Worker Protections/Benefits

- **WHITE HOUSE PROPOSES TO WEAKEN PENSION PROTECTION FOR WORKERS:** Despite a federal court ruling that controversial "cash balance" pension plans which reduce benefits were illegal, the Bush administration unveiled a proposal to "make it easier for companies that operate traditional pension plans to convert them to 'cash balance' plans." In 2003, the Administration similarly "proposed regulations that would help companies avoid the age-discrimination lawsuits" they face when they have forced workers into "cash balance" plans. [Source: *AP*, 12/11/02, *Washington Post*, 2/3/04]
- **ADMINISTRATION ALLOWS COMPANIES TO CUT OFF EIGHT MILLION WORKERS FROM OVERTIME:** The Bush Administration passed new rules that allow companies to shed 8 million workers from overtime protections. When Sen. Arlen Specter (R-PA) attempted to block the rule changes, he was steamrolled by the White House. When asked why the Administration would cut off so many workers, Secretary of Labor Elaine Chao said employers are spending \$2 billion a year on "needless litigation" by workers trying to receive the pay they were promised. [Sources: *CNN*, 6/27/03; *UPI*, 1/21/04]
- **WHITE HOUSE GIVES TUTORIALS ON HOW COMPANIES CAN AVOID PAYING WORKERS OVERTIME:** In the face of stagnating wages, the Bush Labor Department began "suggesting ways employers can avoid paying overtime to some of the 1.3 million low-income workers who would become eligible this year" for overtime pay. The Administration gave "options for employers include cutting workers' hourly wages and adding the overtime to equal the original salary and making a 'payroll adjustment' that results 'in virtually no, or only a minimal increase in labor costs.'" [Source: *AP*, 1/5/04]
- **WHITE HOUSE REPEALS WORKPLACE SAFETY PROTECTIONS:** "President Bush signed his first bill carrying national impact yesterday, repealing workplace safety regulations." Speaking to female business leaders in the East Room, "Bush praised Congress for beginning 'a culture of accomplishment in Washington'" and claimed that "the safety and health of our nation's workforce is a priority for my administration." [Source: *Washington Post*, 3/21/01]
- **ADMINISTRATION GIVES TAX BREAKS ENCOURAGING COMPANIES TO CUT WORKER HEALTH CARE:** The Administration added "a little-noticed provision" to the new Medicare bill that allows companies to severely reduce - or almost completely terminate - their retirees' drug coverage "without losing out on a new [tax] subsidy." The major backers of the provision - Lucent Technologies, General Motors, Dow Chemical and SBC Communications – gave almost \$140,000 in hard money and \$2.5 million in soft money to Bush and his allies since 2000. [Source: *WSJ*, 1/8/04; *Center for Responsive Politics*]