

Flanders Fire Department: Charlie Manzella; Frank Belson; and Robert A. Train.

Westhampton Beach Fire Department: Paul Hoyle.

Mastic Beach Fire Department: Gary Fuzie; David Bilodeau; William Biondi; Glen Olsen; Christopher Nunemaker; Ed Maute; and Edward Johnston.

□ 1900

THE COMING TRAIN WRECK

The SPEAKER pro tempore (Mr. CHAMBLISS). Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, I will use no more than half of the 60 minutes allotted.

I realize that we are in a transition period and moving from a district work period to a capital work period is a bit of a strain, and we want to take it slow. So I will not go on at great length today.

But I do think we should note the fact that serious business lies ahead of us. There has been a great deal of talk about a train wreck coming where the mean and extreme balanced budget philosophy of the Republican majority will clash with the more moderate reform approach of the President, and we are going to have some very difficult days.

I think it is quite clear that appropriations bills of the kind that we passed before we left here cannot be left standing. We cannot have a \$9 billion cut in education, job training and social services. We cannot have tremendous cuts in housing. There are a number of things that just cannot be left standing. We cannot tolerate more than \$280 billion in cuts over the next 7 years to Medicare. We cannot tolerate more than \$180 billion in cuts for Medicaid.

There has to be a train wreck.

Unfortunately, in the Congress, in the Senate and the House, the Republican majority has the votes, and they have passed this mean and extreme program. All we have left is a Democratic President who says that he will veto these programs, and then we have a situation where the government may be brought to a halt if the appropriations bills are not signed and the Republican majority of the Congress is not willing to pass a continuing resolution to keep the government going.

It is going to be exciting times. But we should all realize that the basic direction for the Nation is being shaped not only in the next few months but it is already in the process; the direction that this Nation will take is already being shaped faster than we think, and what happens this year we will have to live with, this year and next year, for a long time to come.

It is very important that everybody understands that radical changes are under way. They are being proposed,

ever more mean and radical changes. But radical changes are under way right now.

The great majority of Americans feel that something is very different, that there is something happening. The great majority feels some aspect of this change. But they do not understand it.

So the majority of the people are angry, and they do not know why they are angry. I am here to tell you you have good reason to be angry. The problem in America is that we have to learn who to be angry with and how to focus our anger. Where is the problem?

I hope that everyone will take time to read an article that appeared in the New York Times on last Sunday, September 3. It is an article that appeared on the op ed page. It was entitled "Companies Merge, Families Break Up." "Companies Merge, Families Break Up."

The article is by Lester Thurow. Lester Thurow is an outstanding economist, recognized all over the world. He is a professor of economics at the Massachusetts Institute of Technology. On the Hill here in this capital we have seen and heard Lester Thurow many times over the last two decades.

□ 1930

It is our business to rein in the resources of the country, wherever they may appear, and apply them to the problems that we face.

To get back to Mr. Thurow:

American companies are moving production overseas, using technology to replace workers, engaging in mega mergers, such as this week's Chase-Chemical deal, and otherwise downsizing. Each year more than half a million good jobs are eliminated by the Nation's most prestigious companies. More new jobs are being generated in the service sector, but they come with lower wages and fewer fringe benefits.

With the death of communism and later market socialism and economic alternatives, capitalists have been able to employ more ruthless approaches to getting more for less, to getting maximum profits but with less effort. They do not have to worry about political pressure. Survival of the fittest capitalism is on the march.

What other kind of capitalism can we have except survival of the fittest capitalism. And that is appropriate for capitalism to be a survival of the fittest operation. It is up to government to deal with what the implications of that is.

Falling real wages have put the traditional American family into play. As the one-earner middle class family becomes extinct, with children needing ever more costly educations for ever longer periods of time, the cost of supporting a family is rising sharply just as earnings plunge.

Children exist, but no one takes care of them. Parents are spending 40 percent less time with their children than they did 30 years ago. More than 2 million children under the age of 13 have no adult supervision either before or after school. Paying for day care would use up all or most of a mother's wages.

The traditional family is being destroyed. This is an economist named Lester Thurow, who has written 10 or 20 books, professor of economics at the Massachusetts Institute of Technology. He is talking about the economy and the impact of the economy on the family. We hear a lot of talk about family but we do not acknowledge the fact that the economy and what happens in the economy, what happens with wages, what happens with jobs has a very serious impact, the most serious impact on families. In fact, Mr. Thurow is about to say that.

Returning to the article:

The traditional family is being destroyed not by misguided social welfare programs coming from Washington, although there are some government initiatives that have undermined family structure, but by a modern economic system that is not congruent with family values.

The traditional family is being destroyed not by misguided social welfare programs coming from Washington, but by a modern economic system that is not congruent with family values. When we look at falling wages as a factor:

Beside falling wages, America's other economic problems pale into insignificance. The remedies lie in major public and private investments, in research and development, and in creating skilled workers to ensure that tomorrow's high-wage brainpower industries generate much of their employment in the United States. Yet if one looks at the weak policy proposals of both Democrats and Republicans, it is a tale told by an idiot, full of sound and fury, signifying nothing.

That is in quotes. As we all know, it is from Shakespeare that Mr. Thurow is quoting. It is that the Democratic and Republican policies at this present point, which focus on this problem, that constitute a tale told by an idiot, full of sound and fury, signifying nothing.

We just passed legislation which refused to continue the Office of Technology Assessment. The Office of Technology Assessment is a basic tool very much needed by the Members of Congress, Members of the House and Members of the Senate. We just threw it out. The one thing that was most significant got axed. We will be passing an appropriations bill for defense in the next few days and we are going to have a B-2 bomber vote again. If past history is any guide, we know that the B-2 bomber, which the Pentagon does not want, and the President does not want, and the Air Force does not want, it will probably pass again. The most unneeded piece of technology around will pass with votes from the House.

That is the kind of thing we are in. When they say what we do and what we say is a tale told by idiots, full of sound and fury, signifying nothing, that is what they mean.

The American people should be angry about all this. Revenue policies are needed to deal with the present problem. We need taxing policies to take the resources from where they are, the revenues in Wall Street, the revenues

that are in the high prices of corporations, we need to take some of those revenues and put them into research and development and into training workers.

Mr. Speaker, we have a transition period here, a period which will go on for some time still to come where these great downsizings will make more people unemployed. Something needs to be done during this transitional period. Nobody knows where capitalism will go. It is not planned. No one wants to stop progress, but you need to take some steps to deal with it, and one of the steps that should be taken is to balance the tax burden by taking more revenue from corporations.

Corporations now pay only 11 percent of the total tax burden. Individuals are paying 44 percent. That is ridiculous. We need to bring down taxes for individuals and raise taxes on corporations to get enough revenue to sustain the programs that need to be sustained for education and for job training.

Mr. Speaker, I am rushing, because I do not want to take too much time today. We will expand on this in the future. We need a creative revenue commission, a commission similar to the base closings commission, which will look at the revenue situation, look at the fact that over the years corporations have gone down from paying almost 40 percent of the tax burden to paying now only 11 percent of the tax burden. At one point, under Ronald Reagan, it went down to 8 percent of the total tax burden.

The Committee on Ways and Means has swindled the country. The Committee on Ways and Means, part of this body, and other taxing authorities, have allowed a situation to be created where the burden is very lopsided. One of the things that a tax commission could do is find ways to raise the taxes on corporations, pull out more revenue from corporations while you are lowering families and individuals, and use the money that you get to pour it into education, research and development, and job training.

I am going to end at this point, Mr. Speaker. There are a lot of proposals on the board: Flat tax proposals, consumption tax proposals, various proposals that are on the drawing board for such a commission to examine. I would want to add to that an anti-monopoly tax, where any industry which gets more than 25 percent of the market would have to pay a surcharge because it has an advantage that does not need as great an expenditure.

I would also add that something should be done about the banking and financial industry, to recapture the almost \$300 billion that the American taxpayers have put out through the Federal deposit insurance to bail out the savings and loan associations. All of the industries in the banking field and related financial institutions ought to have a surcharge put on them to collect back some of that money. There are a number of creative propo-

sitions by which we could get more revenue instead of focusing only on cuts.

Yes, we should downsize government; yes, there is waste, but there is a great problem. We need to balance the tax burden at the same time that we are trying to balance the budget. In doing that, we will produce a situation where the workers of America, the children of America, the families of America would have more to look forward to in terms of facing these tremendous radical changes that are presently taking place in our economy and our society.

The material previously referred to is as follows:

[From the New York Times, Sept. 3, 1995]

COMPANIES MERGE, FAMILIES BREAK UP

(By Lester C. Thurow)

No country without a revolution or a military defeat and subsequent occupation has ever experienced such a sharp shift in the distribution of earnings as America has in the last generation. At no other time have median wages of American men fallen for more than two decades. Never before have a majority of American workers suffered real wage reductions while the per capita domestic product was advancing.

So on Labor Day this year, as with a lot of Labor Days, most laborers don't have a lot to celebrate. The median real wage for full-time male workers has fallen from \$34,048 in 1973 to \$30,407 in 1993.

Wages of white men are falling slightly faster than those of black men, and the young have been clobbered; wages are down 25 percent for men 25 to 34 years of age. Median wages for women didn't start to fall until 1989, but are now falling for every group except college-educated women. The pace of decline seems to have doubled in 1994 and early 1995.

The tide rose (the real per capita gross domestic product went up 29 percent between 1973 and 1993), but 80 percent of the boats sank. Among men, the top 20 percent of the labor force has been winning all of the country's wage increases for more than two decades.

Adding to the frustrations, the old remedy for lower wages—more education—no longer works. True, wages of males with only a high school education are falling faster than the pay of those with college degrees. But investing in a college education doesn't get one off the down escalator and onto an up escalator—it merely slows one's descent.

No one knows exactly how much of the decline can be traced to any particular cause, but we do know the set of causes that has been responsible.

New production and distribution technologies require a much better educated work force. If decisions are to be pushed down the corporate hierarchy, those at lower levels have to have skills and competency beyond what was required in the past.

With our global economy, where anything can be made anywhere and sold everywhere, the supply of cheap, often well-educated labor in the third world is having a big effect on first-world wages. One month's wages for a Seattle software engineer get the same company an equally good engineer in Banagalore, India, for a year. Ten million immigrants entered the United States during the last decade, competing for jobs and lowering wages.

American companies are moving production overseas, using new technology to replace workers, engaging in mega-mergers such as this week's Chase-Chemical deal, and otherwise downsizing. Each year more than a half-million good jobs are eliminated by the

nation's most prestigious companies. More new jobs are being generated in the service sector, but they come with lower wages and fewer fringe benefits.

With the death of Communism and, later, market socialism as economic alternatives, capitalists have been able to employ more ruthless approaches to getting maximum profits without worrying about political pressure. "Survival of the fittest" capitalism is on the march.

What economists call "efficiency wages" (a company paying higher salaries than the minimum it needs to pay, so that it gets a skilled, cooperative, loyal work force) are disappearing to be replaced by a different form of motivation—the fear of losing one's job.

Falling real wages have put the traditional American family into play, as the one-earner middle-class family becomes extinct. With children needing ever-more-costly educations for ever-longer periods of time, the cost of supporting a family is rising sharply just as earnings plunge.

Thirty-two percent of all men between 25 and 34 years of age earn less than the amount necessary to keep a family of four above the poverty line. Mothers have to work longer hours if the family is to have its old standard of living.

Children exist but no one takes care of them. Parents are spending 40 percent less time with their children than they did 30 years ago. More than two million children under the age of 13 have no adult supervision either before or after school. Paying for day care would use up all or most of a mother's wages.

In the agricultural era, children had real economic value at a very early age. Students who use college loans owe their parents less. Living thousands of miles apart, families lose track of one another. The family is no longer the social welfare system when one is disabled, old or sick, and it will not resume these duties even if the state were to withdraw.

The traditional family is being destroyed not by misguided social welfare programs coming from Washington (although there are some Government initiatives that have undermined family structure) but by a modern economic system that is not congruent with "family values."

Beside falling real wages, America's other economic problems pale into insignificance. The remedies lie in major public and private investments in research and development and in creating skilled workers to insure that tomorrow's high-wage, brain-power industries generate much of their employment in the United States.

Yet if one looks at the weak policy proposals of both Democrats and Republicans, "it is a tale, told by an idiot, full of sound and fury, signifying nothing."

CUTS IN MEDICARE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized for 60 minutes as the minority leader's designee.

Mr. PALLONE. Mr. Speaker, again, I would emphasize that I do not intend to use the majority of that time, but I would like to take the time that I plan to use to talk about medicare and what reaction I received during the last 4 weeks when we were having our August district work period.

I found through visiting my constituents and having forums and trying to