

not going to accomplish all of the cuts that need to be made in this session of Congress, but we have made a giant step in the right direction.

The gentleman from the First District of course is on the Committee on Appropriations, and he may want to address some specific items we have dealt with over the last couple of years.

Mr. KINGSTON. What we have done is we have eliminated, where we can, we have consolidated, we have reduced, and, in spending we have increased in others, tried to hold the line on. But, for example, there are 163 different Federal jobs training programs, 240 Federal education programs; there are 30 different nutrition programs. Clearly some of these can be eliminated or consolidated so that we can get more money to the needy, where that is required, and balance the budget more than anything.

Out of the 13 appropriations bills we have passed, 12 of them in the House, they all move us toward a balanced budget by the year 2002. I wish, and I know you do, I wish we could do it sooner. But we are working on the process. For the first time ever, when we pass that last appropriations bill, the DC appropriations bill, we have passed a budget that moves towards a balanced budget with a clear ending in sight.

Unfortunately, as you have pointed out, the folks on the other side of the Capitol, the other body, have not passed a lot of the legislation because not only are we trying to balance the budget, but we are trying to reduce the bureaucracy, reduce the micro-management out of Washington, the regulatory burden, and so forth, and increase personal responsibility. They have not done a thing over there, not one thing.

On October 1 the fiscal year ends, and the Federal budget, it is time for a showdown. It has been called up here the great train wreck will be coming, but I think it is going to be the rude awakening or the reality check. Do you want the status quo to continue? The President is going to make that decision. Should the Government continue or is he going to want to shut it down?

□ 1930

Mr. CHAMBLISS. Spending has been out of control in Congress for too many years now. We have not had a balanced budget in 25 years. We run the largest business in the world right here in this Chamber. And if any member of the business community across the United States ran their business like Congress has been running the business of this country, they would not last 60 days. It is time we put responsibility back in government. That is one thing that November 8 was all about.

Mr. KINGSTON. Just to underscore what you are saying, when Price Waterhouse came in to do the audit, it was Price Waterhouse that came in, they could not audit the House books.

There were too many old-ball ways of doing business. So too many—

Mr. CHAMBLISS. Too many pockets full of money out there and too many strange-looking expenditures of tax money.

But we have done things like today, I was extremely proud that we passed a defense appropriation bill today. I am a member of the Committee on national Security. We have worked extremely hard over the last 7 months, 8 months to put together a defense bill that ensures that we will always be the world's strongest military power. We are the world's greatest country because we are the world's strongest military power. I was very pleased today that that defense appropriations bill passed by a large bipartisan margin. I think we are going to get the military in this country back on the right track because we have cut the defense budget every year for the last 7 years. We have now restored the money. More importantly, we are spending the money from a defense standpoint where the money needs to be spent.

Mr. KINGSTON. Well, it is interesting to note that part of the debate today was interrupted for a Joint Chiefs of Staff briefing to Members of Congress on Bosnia.

It is still a very dangerous world. I believe the military budget is still down 30 or 40 percent of what it was 10 years ago. We are at \$244 billion, I believe it was up to about \$250 billion. I am not 100 percent sure on those numbers offhand. I have them in my office, but I know that the military budget has fallen tremendously from where it was in the mid-1980's.

Mr. CHAMBLISS. And there were some reasons why that should happen. As the cold war with Russia has come to an end, it is time to downsize the military, to get it down to a more manageable figure and something that we can afford. That has been true over the last several years. That is one reason the Defense Department budget has been reduced.

PLANNING FOR AMERICA'S ECONOMY

The SPEAKER pro tempore (Mr. HOEKSTRA). 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, yesterday I concluded some remarks related to the state of the economy and what it means to working people and members of labor unions. I hastily discussed a solution to the problem at that time. Today I would like to go back and do a more thorough discussion of the solution to the problem.

I laid out the problem yesterday. I think it is only fitting that we spend as much time discussing a proposed solution to it.

I do want to recapitulate a statement that started the whole process yester-

day. That was a statement, I had read a series of statements that I had read from an article that was produced by Lester Thurow. It was an op-ed article in the Sunday, September 3, New York Times.

I was struck by the opening paragraph of that article. The opening paragraph I would like to quote again:

No country without a revolution or 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.

I think that is a very strong statement by Lester Thurow, who is a professor of economics at the Massachusetts Institute of Technology. He is just making a factual statement. But it is a very compact and focused statement that all of us ought to really think seriously about.

Mr. Thurow is not a progressive or liberal or politician. Mr. Thurow is an economist. Mr. Thurow I think has been on record numerous times as supporting free trade. He probably supported NAFTA and GATT. Mr. Thurow is not an ideologue. He is an economist, very much respected. Written about 10 books. He has been on the Hill at various hearings testifying numerous times before the Senate and the House, well respected.

I think it is important to take a look at that opening statement and some other things he says, including a statement at the end of his article where he talks about the family.

The traditional family—I am quoting Mr. Thurow again: 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. Besides falling real wages, America's other economic problems pale in significance. 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 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.

So Mr. Thurow, the economist, professor of economics at the Massachusetts Institute of Technology, has sort of summed up the predicament of where we are, and he only touched on the solution. When he says we need a remedy in the area of public and private investment and research and development and in creating skilled workers to ensure that tomorrow's high-wage brain power industries generate much of their employment in the

United States, I would like to begin at that point really today.

The question is, what are we doing? Mr. Thurow seems to think Democrats are not doing anything significant and also Republicans are not doing anything significant to deal with the remedy. We have a phenomenon which is very real. Everybody factually agrees that this is an unprecedented phenomenon. 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 reduction while the per capita domestic product was advancing. Our gross national product is advancing. The profits of our corporations are escalating. They have increased over the last 10 years. They are at record levels this year and last year.

We have a very productive economy. We have a very productive private sector, but all boats are not being lifted. In fact, at another point in his article, Mr. Thurow, Dr. Thurow says that the tide rose but 80 percent of the boats sank.

So we have a situation, the tide is rising, continues to rise, but the boats are sinking. The productivity is going up. The profits are going up. But jobs are being lost.

We hear numbers every month about the number of jobs created, how so many more jobs are being created. But it is a simple fact that almost everybody knows that the jobs that are being created are in the service sector at far lower wages than the jobs that are being lost. And every day there are new announcements of mergers and various new arrangements among the private sector, conglomerates, that result in a decrease in the number of jobs available, a downsizing and streamlining of jobs so people in large numbers are losing out as the economy overall advances. What do you do when America's gross national product is increasing, the profits are increasing, what happens, what has to happen?

Twenty percent, according to Mr. Thurow, among the men, the top 20 percent of the labor force has been winning all of the country's wage increases for more than two decades. So 20 percent are doing fairly well right now.

There is a danger though, because at another point Mr. Thurow points out that with our global economy where anything can be made anywhere and sold anywhere, the supply of cheap, often well-educated labor in the Third World is having a big effect on First World wages. So the men in that 20 percent are also threatened.

He points out with an example. Quoting Mr. Thurow: One month's wages for a Seattle software engineer gets the entire—gets the same company an equally good engineer in Ban-

galore, India, for a whole year. In other words, the Bangalore, India, software engineer will work for one-twelfth of the wages of the Seattle engineer, software engineer.

Educated, educated, high skilled, that is a new threat.

So to dwell on looking at the solution, we have unprecedented prosperity on one hand. The prosperity is defined as the gross national product increase, profits increase, private sector is booming. CEO's are making far more than they ever made. How do we deal with a situation where there is a great transition taking place? Yes, we cannot run back the clock. We cannot deny the global economy.

I do not think we should have moved as fast as we did on NAFTA and GATT, but the reality is that the global marketplace is taking hold. Reality is that capitalism is the economy of the present and capitalism will be the economy of the future. There is no alternative to capitalism. There are variations on it. The Chinese are moving toward a capitalism that is very different from the capitalism in America and the Russians are planning on a capitalism that is very, different.

The French practice a capitalism on an ongoing basis that is very, very different. There are differences, but basically capitalism is the way of the future. The market economy is the way of the future. Nobody wants to turn back the clock. I do not think they have the power to turn back the clock. But how do you operate within the situation that exists? It is the reality, and what is the creative approach to this reality?

One creative approach of course is to move to capture a portion of the resources of the productivity, of the profits and use a portion of those profits to fund, to finance a transition. We hope that, as it has been in the past, of an industrial revolution, we hope this information age revolution will also over time work itself out.

Nobody can predict what capitalism is going to do. Nobody can predict the future with any certainty. It is not planned, capitalism is not planned. So we have to depend on the same kind of phenomena that developed in the industrial revolution and hope that it is going to work itself out over time.

Over time, we are going to have things happen which we cannot even predict now. But we know we are in a transition right now. We know that for the last two decades the wages of American men have fallen. We know that for the last two decades, only 20 percent of the labor force has benefited from the economy and that fewer and fewer of them are included in the big economic boom that is going on now. So how do we handle it?

We have to finance a transition. We have to realize, this is the transitional period, this is the period where large numbers of people are beginning to feel the pinch. Large numbers are suffering. This is a period where the trend is pret-

ty clear. More jobs are going to be lost over the next year or so.

There may probably be an escalation of the number of jobs that are lost in middle management, of the number of jobs that are lost in clerical pursuits, of the number of jobs that are lost in semi-skilled factory work because the gains of computerization and automation eliminate those people first.

The irony of it is that you may have unskilled workers having more opportunities in a few years than the highly educated. The educated people, you may reverse this whole thing. The service people may be able to drive their wages up because the supply of service people especially in services like plumbing and electricians and a number of service people may find that they can command higher and higher wages because there is a greater need for them and they cannot be replaced.

□ 1945

You cannot move their jobs overseas. If you are going to build houses, you cannot take a carpenter's job and take it overseas and build housing, if you are going to install plumbing, et cetera.

There are some jobs that will be able to make some demands, but the largest number of people are employed in manufacturing jobs, in big financial organizations, the clerical jobs, et cetera. They are definitely, the trend is obvious, going to be without jobs.

How do we deal with this transitional period? It may last for 10 years, it may last for another 20 years, but definitely we are in a transitional period.

It is not the job of the private sector to deal with this problem. The private sector is in business to make money. Capitalism, they may have ads on the television that say that they exist to make America great, they exist to improve life for humankind, and you have all heard the ads for General Motors and General Electric and Archer Daniels Midland. They all have an image to project, to make it appear that one of their primary concerns is the fate of humankind or the comfort of the Nation.

Those are all auxiliary concerns. I will not question their motives, but they do not pretend that that is their primary business. Every private sector enterprise is in business to make money, to earn profits, and they are driven by the need for profits.

It does not matter how prosperous they are, they cannot afford to let competitors get ahead of them in terms of their profit margin. It only spells trouble down the road. Even IBM slipped and stumbled. You can never get too big in the private sector, in the capitalist economy, so big that you are secure.

We cannot criticize private industry for making profits. Let us get off the sentimental trip of expecting private industry to take care of the needs of the people. Private industry is not responsible for providing an economy

which is fair and just. Private industry is not responsible for providing job training. It is the Government.

We are elected officials, Congress Members, Members of the Senate, Members of the House, members of the State legislatures, members of the city councils, the mayors. We are elected to look after the general welfare, to provide for the general welfare. It is our duty.

If that means that we upset some of the profitmaking enterprises, that we upset the corporations, that we upset the people who are generating the wealth in some way, then so be it. It is our duty to take care of the general welfare.

Only elected officials have that duty. Corporations do not have that duty. Corporations would not be able to exist if they assumed that duty. Whatever they say, attempt to project to confuse us, they are not concerned with the general welfare except as a peripheral issue.

If we are responsible, if the President of the United States is responsible for the state of the American economy, and the Congress and all the other elected officials who make decisions about the lives of people and who are responsible for keeping our society going, then we must take action to deal with a transitional period where things are happening that never happened before.

We never saw prosperity before which was not shared by all of the people. We never saw prosperity before which did not automatically trickle down. This trickling down stopped some time ago. According to Mr. Thurow, we have been in this predicament for two decades now, 20 years. We are still talking about trickle-down economics.

We are still talking about giving big tax breaks to corporations, letting them invest in activities which create jobs. Well, they invest, but they may make their investment in more machinery, more automation, more computerization, or they may make their investment overseas. Wherever the profits will be highest or whatever actions produce the highest profits is what they will do. That is what they are paid to do, but they must look at the situation and say, what can we do in this situation?

One of the things that we have to do is look at taxation policies, because only through gaining more revenue will we be able to finance a transition period. I am sorry, that is one way. One way to finance a transition period is to streamline expenditures, change our expenditures and our priorities, and use the money that we save in Government from changing the priorities and from eliminating waste to finance a transition period agenda. The other way is to reach into the area of prosperity, the corporate sector, and get more revenues to deal with the crisis that we face.

Of course the knee-jerk reaction of both parties is that this is a tax-and-

spend liberal you have got talking to you, this is a tax-and-spend liberal who wants to go after more taxes. How dare anybody propose more taxes.

Well, this particular liberal says we need less taxation in the area of income tax on families and individuals. In 1943 families and individuals were paying 27 percent of the total tax burden. Corporations in 1943 were responsible for 40 percent, 39.8 percent of the total tax burden.

So corporations over the period since 1943, to the present, have been able to manipulate the tax laws, or they have been able to convince and to do whatever is necessary to get Government decisionmakers, most of them on the Committee on Ways and Means of the House or the Finance Committee of the Senate, and the rest of us who vote for the things that they bring to the floor. When the Committee on Ways and Means comes to the floor, they will not allow any amendments.

It is very difficult to make any adjustments, but as a Member I cannot tell my constituents that I do not have some burden of guilt on me. Everybody who is a decisionmaker that allows this to happen is guilty. We have been guilty of allowing the American people to be swindled since 1943, because the amount of taxes being paid by corporations has gone steadily down to the point now where it is 11.1 percent of the total tax burden, while the amount of taxes paid by individuals and families has gone up from 27 percent to 44.1 percent.

We have created a reason for the American people to be angry at us, only you have to know how to focus your anger. You have a right to be angry about high taxes. The taxes are not fair, not just. Individuals and families are paying too much in taxes. You heard this from a liberal, a progressive. Corporations, on the other hand, have swindled us because they are paying far less than their fair share.

What we need is a balance of the tax burden. While we are trying to balance the budget, we should consider balancing the tax burden. We should not rush into this. There is no need to be revolutionary about it. Let us move it slowly and set as an objective an equalization of the tax burden by the year 2005.

I agree with the President's analysis that we should not rush things and remake Government in 7 years. Let us take 10 years to remake Government. Let us set a goal. Let us say that by the year 2005, we are going to balance the tax burden and have corporations paying an equal amount of the tax burden with individuals and families. If you set that kind of goal and follow it, you can only win the praises of the people because that means taxes come down for families and individuals. It means that nobody can make the charge of tax-and-spend when it comes to families and individuals certainly. It means that fairness will relieve American families of a burden and the peo-

ple who are making the money, the corporations are making the money, there is no relationship between their profits and the number of people who are working. The number of people that are working goes down, people are making as individuals and families less money, corporations are making more money, it is only fair, and even if they were not, it would only be fair that we balance off the tax burden.

Why in 1943 was it the opposite? Why was almost 40 percent of the tax burden being carried by corporations and only 27 percent by individuals? And why now is it so out of balance? It went down even as low as 8 percent under Ronald Reagan in 1982. Eight percent was the portion of the burden being borne by corporations while individuals at that time were still at 44 percent. So you have a situation where part of the solution is we need more revenue directed at job training and education. That is the obvious way. There may be some other things that can be done to solve the present problem. We need more revenue directed at job training and education in order to be able to get out of the present bind where the workers and individuals of this Nation are slipping further and further behind while the corporate sector, 5 percent of the population, is going ahead with higher and higher profits.

A just solution is the duty of the people who are elected, the President, Members of Congress, Members of the Senate, we have a duty to solve this problem. I see no other way to solve it unless you have the resources to solve it with. What would you do with the resources that you gained from raising taxes on corporations? You would use it to make an unprecedented education system in this country, an education system which nobody can sit and predict what the components should be, but we could begin a process of working at it with research and development, with implementation of experimentation, with the application of computerization and automation and all kinds of new things which would help enhance the education system, an education system for tomorrow that is unlike any that exists now in Japan or Germany, that is not the way to go. We need an exciting classroom that captures the attention of young people and holds them. We need a classroom that can put a youngster who is a slow learner off into a corner and by use of some kind of repetitive action, either by a computerized program or a videotape that he responds to interactively, there are a number of things underway now which offer the answer for the future. We need all of those things. We need to have every American school have whatever is available. We know that computerization requires that students be computer literate for tomorrow. We know that already. So there should not be a school in the country that does not have an ample supply of computers.

Oh, they cost a lot of money, we might say. Let us get whatever money we need to do that by cutting waste, setting priorities differently, and by raising new revenues where we need them. Those are the two approaches that we should follow.

It is doable. The American people have to say it must be done. The American people have to say, we are angry and we know what we are angry about. We are angry and we are angry at Government. We are angry at elected officials and we have good reason to be angry at elected officials.

People say, well, why are they not angry at corporations? The corporations took their jobs. That is a waste of energy. Corporations are in business to make money. Therefore, you have to turn to your elected officials and say to the elected officials, you have to hold the corporations in line in terms of their responsibilities, and their responsibility, the major contribution they can make, is to generate more revenue where revenue is needed in order to finance a transition period while we deal with the problem of a declining standard of living of American families and American workers.

Herein lies the solution. I think we need to appoint a tax commission, a commission on creative revenues. I think we ought to have a commission similar to the base closing commission, some kind of objective group of experts who would come back to the Congress and the President, and we would have the final say, Congress has the final word on the base closings commission. For years we could not close bases, for years, they were an inefficient, wasteful operation out there and it has not been totally solved. The base closing commission has problems, it is not perfect, but we are moving at a much more reasonable, scientific, logical way to close down bases than we ever did before. Hard decisions are being made by the base closing commission in connection with elected officials. Let us have a creative revenue commission that does the same kind of thing. Instead of relying on the Committee on Ways and Means, which has sold us out, which has swindled the American people since 1943, since the corporate sector started getting greater and greater breaks, paying less and less taxes and the individuals and families started paying more, you have a situation where our interests were not being served by the Ways and Means Committee or the Senate Finance Committee. The political process has broken down.

□ 2000

And it seems never to be able to get itself together again.

I do not have any faith, there are no proposals on the table to give you any reason to believe that it is going to start self-correcting. In the absence of self-correcting, we need outside forces. We have brilliant people in America

that could be a part of a creative revenue situation.

Let me say to every State and every city that you have a similar problem and many States now have surpluses and are prosperous. Many cities are prosperous, but have little surplus. But there are an equal number or a majority of cities across the country who are struggling to make revenues and expenditures balance, so cities are in great trouble.

There are a number of States in great difficulty in terms of making revenues and expenditures balance, so you have the same problem.

There ought to be a clear message sent out to liberals and to progressives, and the people on my side of the aisle, Democrats, whatever name you want to take or want to be called, we need to preoccupy ourselves. We need to focus far more on revenue. Revenue policies and tax policies have been neglected by the progressives and the liberals. We do not have any new ideas to propose.

We have not seen any new ideas for a long, long time. Somehow we think that that is the dirty part of it. We will just focus on the expenditures and set priorities and talking about people's needs, all of which are necessary.

People need Medicare, and we are going to fight hard to make certain that Medicare benefits are not cut. We are going to fight hard to make certain that Medicare premiums do not go up. We do not want senior citizens eating dog food in order to pay for their medicine and medical care. We are not going to change in that area.

Liberals will be liberals. The Nation cannot exist without us. We are going to fight hard to get the school lunch program back on track so that little kids will not have to sacrifice their lunches to balance the budget.

We are going to continue to do all of those, but some amount of energy must be addressed to the revenue question. In all of this, Ways and Means will be the star. Ways and Means will be on the front stage here in the Congress and across the country.

You have already budgets of cities and States that have made drastic cuts. Large numbers of people, say in the City of New York, in my district, have told me we do not want to make these sacrifices. We think we still need these services. We think that old people should have home care because home care makes more sense than nursing homes. We think that we should still have decent meals for elderly people because that keeps them healthy and it saves money in terms of hospital care.

And we want to continue our senior citizens programs. We want to continue our programs for young children and make certain that those immunizations take place. And if that means we have to have some outreach workers to make certain that certain kinds of people get those shots, then we want to do that. We want to continue.

But we realize the city is broke. We are willing to sacrifice. We know we

have to give up something. If our city is broke, we want to be loyal and good citizens and understand.

My message to you in New York City, New York State, is, yes, we want to be understanding. We should never, never ever waste public money or private money. We should always be vigilant, and in the process of pruning the budget and making city government or State government or national government work efficiently and effectively as an eternal and ongoing process. Vigilance is necessary to make certain that every dollar that is taken in revenue is spent wisely. That is necessary. We should do more in that area.

On the other hand, do not accept the idea, do not accept the propaganda that the city is broke automatically or the State is broke. In New York City, for example, the revenue possibilities are as great as ever.

New York City once had a City University that was completely free. No tuition was charged at all. That was during the Depression. During the Depression we had a free university; the revenue being generated was meager. But this was because the people who were in charge of the government, the decision-makers, the elected officials felt it was important, important to the people and the people in charge of the government, their families were the people who were going to those free universities.

Now it is a bit different. The power is in the hands of a different set of people, and they have imposed tuition, and they are now saying, we cannot keep going; we have to cut back. The result is that large numbers of people who qualify, students who qualify and should be in college will not be able to go to college. We do not have to make that sacrifice.

What the college professors in New York City should do is put their brains to work and talk to their students and link up with elected officials. In New York City you ought to have a discussion of creative revenue policies. What are the creative revenue policies to make us more aggressively take advantage of the fact that New York City is strategically located? It is strategically located and has a harbor, a shipping industry, is strategically located in terms of air lanes coming from Europe. There is a big volume of travel business from overseas that comes into New York City.

The city has been giving that away for decades. There is a Port of New York and New Jersey Authority. That Authority is an independent authority. That Authority pays interest on bonds. That Authority is run by people who have salaries which are twice the salaries of city officials or State officials, as most public authorities do. They do not have the same level of salaries as people who are public officials. They make decisions, often bad decisions, without any accountability to the taxpayers or the voters. And they have

been doing that for years. They have been squandering money for years.

New York City citizens could be more aggressive in taking back the source of revenues generated for the Port Authority of New York and New Jersey. This is just one example that we have been talking about for years, but very few people have done anything about it.

We have a Republican mayor that I disagree with on a number of other things, but he has taken the initiative and he has made it quite clear he is not going to tolerate the continued swindling of New York City by the Port Authority.

New York City has a large tourism business, in fact, probably unequaled in the country. The largest industry in the New York City is tourism. This has not come home to most people. It has been happening for the last 10 years, but they have not gotten the message. It is the second largest business in New York State.

Agriculture is still the largest industry in New York State. But in New York City, tourism is the number one industry. Why? Because New York City is strategically located, as I said before, in terms of traveling, but it has a history that interests people all over the world. It has monuments that interest people.

There are things in New York City that the world will always be interested in. Most people in their lifetimes across the whole Planet Earth would like to see New York City sometime in their lifetime, once in their lifetime. A lot of people say, I do not want to live there, but I would like to see it. And that is one of the greatest advantages. Tourism.

The fact is that New York City has a diversified population, these terrible immigrants that people talk about. We have more than anybody else. We have a greater mixture. There may be some place in the country that has certain immigrant groups that are larger, but we have the greatest mixture in New York City. We could double the tourist industry if the decision-makers in New York City, the city council and the mayor would say, we are going to take this diversity and build on it.

The fact that we have people from China, from Bangladesh, restaurants, Pakistani, Vietnam, to say nothing of all the Caribbean countries, you could have a festival in New York City every week of a different nationality or different ethnic group and promote the kind of thing that brings people into New York City in large numbers to spend their money in various ways. It is a gold mine. The diversity of New York is a gold mine.

Let me give you one example in the heart of my district on Eastern Parkway. In the heart of the 11th Congressional District we have a West Indian Labor Day parade. It has mushroomed in 20 years from a few blocks to something like 50 blocks, and it is the largest tourist event in New York City

now, 2 million people. And police always make conservative estimates; this is the police estimate.

Last Monday on Labor Day, 2 million people turned out for the West Indian parade. They do not call it a parade, it is a carnival. They set up food stands. You cannot walk, there are so many people spread along the parkway. People come from all over the world because you have people of Caribbean descent in Canada and London. They come for the carnival and parade, 2 million people.

Can you imagine how much revenue the industry receives from the impact? Those who come from outside have to have hotels. They have to travel in. All kinds of expenditures that come from the outside. Those who are on the inside spend money in great volumes for the various things that are for sale.

And the city has ways to collect this revenue, but it turns over the economy. If the city collects not a dime, the people who are selling the wares and participating in the activity are earning money in a way which generates money for the overall gross income of New York City.

Here is a tourist event started by amateurs that generates this kind of money. What if the city planned and made planning to have some kind of festive every week of the year with a different ethnic group?

And we have a City University system which has 200,000 students. This is before the budget cutbacks and the raising of tuition, but I suspect it is hovering around 195,000 students. You have 200,000 students in the City University system. This is not the State university, just the City of New York. You have all those professors.

You could have an institute for each one of the ethnic groups in the city. An institute which would help plan these things. You could have a welcoming committee for the visitors from Indonesia, Pakistan. You could have a welcoming committee organized by the city so that the activities are organized and the middle-class families of the world who are traveling, you can come to New York and expect more than just to see the sights. You can expect to be welcomed and have some of your human needs taken care of.

You take China. We have a large Chinese population in New York. The best Chinese food in the world; a politically active population.

China, with 1 billion people and growing, broken out of economic stagnation. China is creating a middle-class. If you have a billion people and 1 quarter of that billion people become middle-class, that is 250 million people. If 1 quarter of the 250 million decide to make a trip to New York once every year, we would be overwhelmed by Chinese tourists. But they are coming. It is going to happen.

You can double the revenue from tourism. You can double the economic activity from tourism in New York City if you plan for it and if you encourage it.

Every Eastern European country, you could have an exchange program. There are a thousand ways that we should take the initiative and say that we liberals and progressives are going to seize the initiative and force new activities which generate revenue.

And on the national level as well, this is a diverse Nation. Instead of bashing immigrants, we should look at what that means in terms of a tourism industry. Our initiatives in tourism are paltry as a Nation. States do a better job of encouraging tourism. But nationally, we are not in the same league with Italy and France. They know how to promote tourism. They do whatever is necessary to make certain that people come from the outside to spend their money in their countries. They have all kinds of tricks and special coupons for gasoline and all kinds of tricks, not tricks, but options, inducements, incentives.

We do not do that. We are arrogant about it all. They are going to come or not come. We will encourage a few things by sending out brochures, but revenue can be generated for the whole country if we just organize better the tourism industry.

Mr. ABERCROMBIE of Hawaii is disgusted by the fact that he cannot get an adequate response to the growth of the tourism industry. I will not dwell on that. That is just one example.

I want to bring it home to New Yorkers. Instead of despairing, you have a mayor that says the city is broke. We cannot do any more. We are going to have a different standard of living and quality of life. City University cannot only not be free, but we are going to raise the tuition so that it is going to be as high as Ivy League schools.

□ 2015

In order to have a different solution in New York City, the liberals, the progressives, have to concern themselves also with taxes and revenue as well as streamlining new priorities, setting new priorities. At the national level, the priorities are all mixed up.

Today we had a vote on the defense appropriations bill, and while this Nation needs to be investing in research and development and needs to be creating skilled workers to insure that tomorrow's highways, brainpower industries generate much of the employment in the United States, going back to Mr. Thurow's article, while we should be doing that, instead of investing in research and development and in education, we made dramatic cuts, drastic cuts in research and development and in education.

Before we went on recess, we had an appropriations bill for education, health and human services and education. Specifically, education suffered about \$3 billion in cuts. The Head Start program, for the first time in history of the program, was cut. The title I program was cut by \$1.1 billion.

It is the biggest cut. It is the biggest program. Title I is the only program

that funnels Federal funds into public schools, into elementary and secondary schools.

At a time when we need to be increasing our brainpower, improving our educational system, even the programs that exist already are drastically cut. Large numbers of job training programs were wiped out. They say they do no good and, therefore, they should be wiped out.

But we have had some weapons systems and some activities in government that have had problems that did no good. We do not wipe them out. The CIA has been in trouble for a long time. The CIA is a great embarrassment to everybody. We do not wipe it out. We insist on restructuring the CIA, get a new director, have some new codes, appoint a commission. Nobody wants to wipe out the CIA.

We do not even cut the CIA. One of the items on the floor of the House today was an amendment to cut the portion of the CIA budget which deals with satellite activities, information-gathering activities only, which is estimated to be about \$16 billion. We have to say estimate because we do not know the details of the CIA budget, of the intelligence budget. You are not allowed to do that unless you want to go to the secret room and, not a secret room, go to the room where the budget is as a Member of Congress, and behold the budget of the CIA and the other intelligence gathering activities. Once you look at it, you cannot talk about it. Nobody wants to go and look at it because they are muzzled. You cannot criticize. You are a traitor if you talk about it after you look at it. Everything is topsecret.

So estimates that are never disputed are that \$28 billion goes into total intelligence operations, a minimum of \$28 billion. In the past we have had a budget amendment on the floor to cut the CIA budget by 10 percent totally across the board, the intelligence budget. That 10 percent of \$28 billion would yield \$2.8 billion a year. We said do it for 5 years so the CIA budget is cut in half.

Today we were proposing less, just a portion of the CIA budget which deals with intelligence-gathering operations, with satellites and military aspects of it, which is estimated at \$16 billion. We were going to cut that by 10 percent. That is \$1.6 billion.

When we first introduced the amendment to cut the CIA, we got 104 votes. The second year we introduced it, we got 107 votes. Today we got less than 95 votes.

In a time when the state of the emergency is beginning to manifest itself clearer and clearer every day, at a time when it is clear that we need to devote some resources to deal with the economic emergency that we have in this country, the Members of Congress, Democrats and Republicans, refuse to cut a wasteful CIA budget.

Aldrich Ames and his capers have shown us something is radically wrong

with the CIA. Not only are we funding a wasteful operation, but the Aldrich Ames affair shows we are funding a dangerous operation where people are in high places, are allowed to get to high places because of a lack of accountability and standards, and an outright bum, an outright bum was allowed to rise to the top where he was directing the agents who were related to Eastern Europe and the Soviet Union, and Aldrich Ames is responsible for the death of at least 10 agents, at least 10. He is not talking yet. He is in prison, but not fully talking. But they have admitted that he has caused the deaths of at least 10 agents.

He has received at least \$2 million from the Soviet Union. Even after the cold war ended, he was still on the payroll, and it was estimated that he was supposed to go, in the end, go to Russia, and there was a big mansion built for him. I suppose they are going to put him in the annals of history because who else has made such a fool of the American intelligence community, this man in high places who broke every rule. He was a drunk, an alcoholic. He used safe houses. We probably have beautiful safe houses that we pay a lot of money for across the world. He used safe houses for his sexual escapades.

He broke all the rules. But he was the son of a former CIA employee. He was a member of the old-boy network. So he was allowed to do this because the agency is not into anything of great significance. If it had been into some significant activity, he would have been exposed a long time ago, with Aldrich Ames's traitorous activities, with the death of 10 agents, at least they admit 10 agents dies, peace and war have not been affected at all. Nobody will say that he had any impact on peace and war in the world. Nobody will say that he had any impact on the security of the United States, because whatever those agents knew and whatever games they were playing, whatever cop-and-robber activities they were engaged in were insignificant.

Most of what Aldrich Ames was doing in getting people killed was insignificant to the welfare of the people of the United States, insignificant to the security of the United States, and yet the Democrats and Republicans both refuse to cut the CIA budget just 10 percent.

That is not the only major vote that was on the floor of the House today. There was a vote for the B-2 bomber, an amendment to strike the B-2 bomber from the appropriations bill. The B-2 bomber the President says he does not want or need. The Joint Chiefs of Staff said, "We do not want or need the B-2 bomber," that whatever functions the B-2 bomber could serve can be served in other ways that are more effective and more efficient. The chief of the Air Force says they do not need the B-2 bomber. The Secretary of Defense says, "We do not want the B-2 bomber." All of the people that we pay to

render expertise on these decisions say. "We do not want the B-2 bomber," and yet the amendment to delete the B-2 bomber on the floor of this House, despite the fact that both Republicans and Democrats supported the amendment, Republicans came over in large numbers, led by the chairman of the Committee on the Budget, the Republican Committee on the Budget, the man who, despite the unpopularity of it, will put his vote where his philosophy is, it still lost by 3 votes. It still lost by 3 votes; by 3 votes, the Members of Congress, Democrats and Republicans, said, "We want to keep a weapon that everybody says is wasteful."

Over the life of the B-2 bomber production, we are talking about \$30-some billion. Right away I think \$30 million is involved in the next year's budget over the life of it, we are talking about \$30-some billion, and yet Republicans and Democrats say "no."

What is the reason for rational people, elected by the people of the United States, to fund a weapon that the experts do not want, that the military people do not want? What is the rationale for that?

I will not answer that question. I will let you call your Congressman and ask them how they voted, and let them answer it. But it is clearly an example of how the priorities that we need to be shaping for this transitional period are not being dealt with.

We do not need any more money from taxes, either for families and individuals or corporations, until we eliminate those kinds of wasteful activities and wasteful weapons systems.

We are not living up to the promise that we made in terms of streamlining the budget. The President made it. The Democrats made it. And the Republicans made it. And yet there are tremendous examples of waste, all of which I will not go into. We will not deal with the farm program. We will not deal with the subsidies that go to the farmers in Kansas, which average between \$30,000 and \$40,000 per family, and it has been doing that for the last 20 years, and they will not cut those subsidies. Farmers are no longer the poor people that Franklin Roosevelt decided to subsidize.

Farmers are corporations now. Only 2 percent of the population lives on farms. But look at the size of the budget, between \$12 billion and \$20 billion, which go into various farm programs. We could move to seriously cut the waste and take that waste and put it into job training, education, research and development, and deal with the problems Mr. Thurow talks about. We could deal with the problems that we are in a global economy, and our greatest asset will be an educated population, a highly skilled population, a population that is fueled by economic activity that becomes more and more complex all the time but stays ahead of our competition in the rest of the world. This is the answer to the problems that Mr. Thurow lays out.

We can talk in empty terms about family values all we want, but unless we increase the wages of American families, families will continue to fall apart. Mr. Thurow says that in the modern economy all over the world, except in Japan, there is a phenomenon which has been documented all over the world, except in Japan, men are leaving their families in order to deal with the economic crisis. That is a terrible indictment of males, but males are faster to leave their families than females. Everybody knows that. Males are leaving their families all over the world in order to deal with the crisis of not having enough wages to take care of their families. They run away. When men leave their families, their individual quality of life improves because all they have to do is take care of themselves while the family's quality of life that they left behind goes down.

He points out if women start doing that, we are in real trouble. If women start to opt out and leave their children, then only the Government decides. Somebody has to take care of them. We will be in the position of having them shot down in the street like they are shot down in the street in Brazil. Orphaned children, with no homes, are often killed wholesale at night in Brazil. Their civilization has come to that.

I conclude by saying Mr. Thurow's article should be read by every Member of Congress, by every voter out there, just to get an analysis that is mainly objective. He is respected. He is not a liberal; I mean he is not an ideologue. Take a look at his facts. Take a look at his compilation of what is going on in the world and in this country and understand the economic implications.

We have to do something about the phenomenon where no country without a revolution or a military defeat and subsequent occupation has ever experienced such a sharp shift in the distributions 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.

We are in a unique period, a transitional period. The only people who can solve this problem are members of government, the President, the Congress, the elected officials all over the country. It is our duty to bite the bullet and come up with some solutions to this drastically changing economy and society.

I hope that in the next few weeks ahead we will bear this in mind.

KEEPING THE PROMISE

The SPEAKER pro tempore (Mr. HOEKSTRA). Under the Speaker's announced policy of May 12, 1995, the gentleman from Ohio [Mr. CHABOT] is recognized for 60 minutes as the designee of the majority leader.

Mr. CHABOT. Mr. Speaker, I really appreciate the opportunity to share this evening with the C-SPAN viewers and some of my fellow colleagues who I am going to introduce in just a moment. We are going to have approximately an hour colloquy here this evening.

The topic basically is we just got back to Washington yesterday. We have spent the last month in districts all over this country talking with the people that we represent.

I, for example, had a town meeting in a community, a township of Delhi, we had a town meeting in Colerain Township. I visited a number of senior citizens' centers around my district, toured factories, really to find out what it is on people's minds back in my district.

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And it was a very, very positive response for the most part. The thing that I heard probably more than anything else is we really like the fact that you and most of the freshmen in particular, and some of the other Members that you have been working with, kept your promise. You did what you said you were going to do in the Contract With America, and they were very, very pleased that we have been doing that.

On the other hand, they have been a bit disappointed with how slow the Senate has been moving on a number of these things, so I did hear that a number of times, but they were very positive about what has been going on in the House, and there were many, many things that we talked about.

Particularly the one issue that kept coming up time and time again was the importance of balancing this budget. The people out there realize that the budget is just too large. This institution, Congress, has spent \$5 trillion more than it has brought in over the past couple of decades, and the deficit is just too, too large. The American public, people in my district, realize that. They want us to do something about that, and the message came through to me loud and clear that they believe that the answer to balancing this budget is not to raise taxes, but rather to cut spending, and I have talked to a lot of my colleagues here, and I think that is what their frame of mind is and what they believe we ought to do.

So at this point I kind of would like to introduce a couple of my colleagues that are here this evening.

First of all, let me introduce Mr. MANZULLO. He is from Illinois. And then we have a good friend of mine, Mr. JONES, who is from the State of North Carolina, and I mentioned this, I think, last time, that my mother is from North Carolina. She was born and raised in Charlotte, NC, so she always likes to hear you speak. And we also have here Mr. LEWIS from just across the Ohio River from me in the State of Kentucky. And then Mr. HAYWORTH is

going to be joining us in just a few minutes here, and is from Arizona.

So at this time, Mr. LEWIS, what do you hear back in Kentucky?

Mr. LEWIS of Kentucky. Well many of the same things that you have been hearing. My constituents are saying, "We are not concerned that you're going too far. We just don't want you to not go far enough."

And they want a balanced budget. They want to see a future for their children and their grandchildren, and I have told them that I believe with all my heart that the 104th Congress is totally committed to balancing the budget. One thing that they said that they would like to see come out of the Senate would be the balanced budget amendment that will insure that future Congresses will be committed just as much as the 104th to a balanced budget, that they would have to be. I think that is an extremely important thing because, if we go to the trouble of balancing the budget and doing those things that we have to do in order to do that, I would hate to see a future Congress come along and start running up a tremendous debt again.

But across-the-board I saw a lot of positive responses to what Congress has done already; as you mentioned, the Contract With America, that we kept our promises now that we are moving forward with doing exactly what we said we would do in balancing the budget.

I talked to my constituents about the problem with Medicare, that it would go broke in 7 years unless we do something about it, and they understood that. They want something done, they want it saved, and they want it to be secure for the future, and I think that now it is a matter of putting something together that is going to be acceptable to them and to everyone concerned.

So, I had a great response across the district, and I think that from talking to my fellow and lady Congress persons that they are receiving the same response that I did. I just think that we need to carry through now with what we have promised to do from this point on and make sure that we do save Medicare, that we do balance the budget, that we do take care of the welfare problem, that we take care of regulatory reform, that we take care of making sure that we have a strong defense.

You know, there are a lot of things that we are waiting, as you mentioned a minute ago, for the Senate to follow up on, but I think, when it is all said and done and the smoke is cleared, we are going to be there with all the promises kept.

Mr. CHABOT. Mr. JONES, what are you hearing in North Carolina?

Mr. JONES of North Carolina. Well, pretty much the same thing RON was talking about.

As you know, I am delighted to be reminded that your wonderful mother is from Charlotte, NC, a great city in our