

Using CBO's economic and technical assumptions, the deficit would climb from \$177 billion in 1995 to \$276 billion in 2000. That is a 55-percent increase in that period of time over what the President estimates and has told the American people.

Even under the administration's favored measure, the deficit, as a percentage of the gross domestic product, will rise from 2.5 percent in 1995 to 3.3 percent in the year 2000, a rather significant increase.

The Congressional Budget Office estimates that the President's budget policies will result in higher deficits than the administration projected of nearly \$200 billion over 1995 to the year 2000. It will be \$200 billion higher; on average, \$35 billion a year.

Although the difference in the economic forecasts of the Congressional Budget Office and the administration are not great, the Congressional Budget Office's slower economic growth—the assumptions that they have—reduce the revenue take by about \$65 billion.

On the spending side, the Congressional Budget Office agrees that growth in Medicare and Medicaid has slowed. It is not as optimistic as the OMB because the CBO estimates that \$79 billion higher will be the cost of Medicare and Medicaid over these years.

They also estimate that the President is \$27 billion low in the estimate of housing assistance and \$10 billion low on unemployment compensation. That merely points out the President's budget not only did nothing, which all of you said, took no difficult steps, bit no difficult bullets, but underestimates the deficit by about \$35 billion for each of the years from now until the year 2000, a 55-percent increase in the deficit. That cries out for real action.

I only regret that we will not have the balanced budget amendment to help us when we undertake this ordeal. But I am reminded over the past 4 or 5 days, some on the other side have told us that we do not need the balanced budget amendment to balance the budget. I hope when we present a way of doing it, they will support that without the balanced budget amendment as a hammer from the people of this country.

I yield the floor, and I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### EMERGENCY SUPPLEMENTAL APPROPRIATIONS AND RESCIS-SIONS ACT

The Senate continued with the consideration of the bill.

#### CLOTURE MOTION

Mr. DOLE. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

#### CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on amendment No. 331 to the committee amendment to H.R. 889, the supplemental appropriations bill.

Hank BROWN, NANCY LANDON KASSEBAUM, JOHN ASHCROFT, JON KYL, LAUCH FAIRCLOTH, DON NICKLES, STROM THURMOND, DAN COATS, JUDD GREGG, SLADE GORTON, BOB DOLE, CHUCK GRASSLEY, CRAIG THOMAS, CONRAD BURNS, TRENT LOTT, MIKE DEWINE, PETE DOMENICI.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I understand that the exact time for the vote on the cloture motion will be determined by the majority and minority leaders, but I would expect that the vote will be sometime next Monday. Am I roughly correct?

Mr. DOLE. The Senator is correct. It will not be on Saturday.

Mr. KENNEDY. And I imagine the exact time will be established by the leaders.

Mr. President, I look forward to the opportunity to vote on the amendment at that time. I will urge my colleagues to vote in opposition to the amendment. It seems to me that this is legislation on an appropriations bill. It is an amendment that is unrelated to the underlying measure. It is an important public policy issue and question.

I have tried over the course of the debate to raise the particular fact that the first measure that we are considering in this Chamber affecting working people is basically to diminish their rights, their hopes, their opportunities. A number of us have been struggling to try to find ways to enhance the lives, the opportunities, and the resources of working families because I think that is a core issue for the future of our country and for the millions of Americans, over 100 million Americans, who go to work every day.

Many of these workers face diminished incomes, increasing concern about the quality of life for themselves and their families. They are looking to the future with increasing concern about the schools their children attend, the services of which are being cut back on the Contract With America. There will be cutbacks in the school lunch program, cutbacks in summer jobs, and cutbacks that are being recommended in the Budget Committees for the student loan programs and the work study programs. These are programs that benefit working families.

So the working families of this country watching this debate tonight are not going to have a great deal of satisfaction about the Kassebaum amendment and I hope they understand why we are resisting it.

One of the important measures which we will have an opportunity to consider, hopefully earlier in the session rather than later, will be the proposed increase in the minimum wage. That is something that can make an important difference in the lives of working families in this country, to recognize that work is important, that work ought to be rewarded, that men and women who are prepared to play by the rules and work the 40 hours a week, 52 weeks a year, ought to be able to have a living wage. The proposal that the President has suggested would not restore the minimum wage to the purchasing power that it had at other times, but nonetheless would make a very important and significant difference to those families.

A number of those families will be here tomorrow at 10 a.m., in the Russell caucus room, on March 10, 1995, at 10 a.m.

The Secretary of Labor, Secretary Reich, and the mayor of Baltimore, Kurt Schmoke, will both be there, as will a number of business owners, economists and others at a forum on the minimum wage. We will learn about what is happening to working families in Main Street America.

In the plants and factories, in the small shops, what are the real conditions that are out there? Earlier in the day we discussed the profile of many of the workers who had been permanently replaced by strikebreakers.

But let me just take a few more moments of the Senate's time to talk about some of those who have been replaced, some of the workers who have been replaced. These are the kind of "special interests" that I am standing up for tonight and will stand up for, because their lives, and similar workers' lives, can be affected by whether we continue the President's Executive order or whether that is undermined by legislative action.

I am thinking of Francis Atilano, 58 who was hired by Diamond Walnut in September 1978.

I worked for them until the strike began, I was replaced by a new employee.

The strike has caused many changes in our lives. I have been very depressed about losing my job and not knowing what will happen in the future. I have been under a doctor's care for depression.

I had hoped that maybe I could retire from Diamond Walnut in the future with a pension. Now I don't know what we will do since my husband's low paying job has no pension plan.

We at the present time are having a very hard time trying to make ends meet. We have our youngest son whom we are trying to get through college, so he will not have to struggle with life as we have.

The depression even sets in more whenever I think of our 6 children and 19 grandchildren. While I was employed I was able to buy them a little gift once in awhile, and

also take the grandchildren to a park or somewhere.

Francis Atilano, age 58, has been replaced by a permanent strike replacement.

Or Willa Miller, 54, started working at Diamond Walnut in 1961, as a young mother with 3 children.

I am now a grandmother with 7 grandchildren. I went out as a QC Supervisor, worked there 30 years. I was a sorter, checker and QC Sample Girl.

I had to sell my second car and I had to get a part-time job to make ends meet. The Union has really helped me during this strike and I have made many friends and I am closer to them. I joined a prayer group which has really helped me also, other prayer sisters in this strike. We have been there for each other.

Five-year-old Vanessa Contreras was 3 years old when Diamond Walnut permanently replaced her striking mother, causing Vanessa and her mother to lose their family home.

Vanessa is in kindergarten at the Stockton Commodore Skills Center. Her favorite subjects are writing and drawing, and she likes to play with dolls. Her birthday is March 26. Vanessa's mother reports that she has just been learning about the President in school.

Griselda Contreras had been working at Diamond Walnut since 1979. She started as an entry sorter, and over the years worked her way through a number of positions. By the time of the strike in 1991, she was a supervisor in the canning department.

Ms. Contreras volunteers once a week in her daughter's class. She came to the United States from Guadalajara when she was 15 years old. Before going to Diamond, she worked as a bilingual aide for the school district.

I think of Olga Riuz, 62, who is a single parent who has worked for Diamond Walnut for 10 years.

She has two sons, aged 38 and 36 in addition to a 9-year-old grandson and a 5-year-old granddaughter. Olga says they are "good kids," and that she "talks frequently with them about the strike."

When she goes to Stockton, Olga's granddaughter loves to go see the strikers carrying their signs at Diamond Walnut. She asks lots of questions about the strikers.

In her spare time she loves to crochet and raise vegetables in her garden. Her spare time has been cut into by the strike. Olga is no longer able to read the Bible in church because of her added responsibilities \* \* \*.

The list goes on and on. These are the real people who have been replaced. These are the real people who saw their wages reduced. These are the real people who saw the profits go up at the Diamond Walnut some 30 percent. These are the real people who were striking to get the \$8, \$9, \$10, \$11 an hour, were receiving that, then took the pay cut, and then were trying to recover that when they saw the company's profits rise by millions and millions of dollars. They tried to at least reclaim the

wages that they had forsaken earlier. And these are the individuals, these are the special interests, individuals who have all been dismissed at a time when Diamond Walnut was participating with Government assistance in expanding their markets overseas.

Those are the real Americans whose interests we are attempting to protect with this Executive order. Those are interests that are worthy of protection. I know that there are those who say, "Well, it is the right of employers who control capital to treat workers the way that they want to in a free country." There are those who believe survival of the fittest is not just the law of the jungle, it is the law of the economy as well. I do not think that represents the views of the American people.

There were those in my own State at the turn of the century who believed that, and used to employ child labor in the textile mills up in Lowell and Lawrence—8-, 9-, 10-, and 11-year-old children who worked in those mills. There were people who said the employer had the capital. He was prepared to put up the money and, therefore, we ought to have permitted him to exploit those children; if those children were not prepared to be exploited, there are other children prepared to go through with that. But we rejected that. Just as we have rejected unsafe working conditions.

We as a society did not believe that workers should work in conditions that were a danger to their health and well-being, that they should endure toxic gases and acids and other kinds of dangerous work conditions. The senior Senator from West Virginia described in great detail the conditions in the mines in the earlier part of this century.

We as a country have not said: Devil beware; we will permit anyone to exploit any of the workers in any kind of manner that they want to. There is always someone else to pick up the pieces. That has not been a part of the great social compact of this country and this society. We have rejected that, although there are those voices that today perhaps would like to return to that period. But I do not believe that is the view of our fellow citizens.

Mr. President, I hope that attention will be paid to the forum tomorrow in the Russell caucus room. We should listen to those individuals who will be coming down here to speak about what is really happening out there on the front line for workers.

It will be useful, I think, for Members to perhaps drop by and listen to what is really happening out there in the work force, how people are trying to make it, the problems they are facing, the conditions which have been exploiting them.

Workers in this country, at this time, are facing extraordinary challenges and burdens which were virtually unforeseen for years and years. They have been battling hard. We need

to listen to them and to be reminded once again what this Executive order is really all about; that is, to provide some protection for them so that they can look to the future with a sense of hope for themselves and for their families.

Mr. President, I yield the floor.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, I would like to congratulate my colleague from Massachusetts for his efforts in the course of this day to try to help Americans to focus on the increasing plight of those who labor in this country.

It is very interesting. The labor law is long established after years of extraordinary confrontation and some very difficult times. Senator BYRD was on the floor earlier this afternoon talking about some of the background of the labor movement, some of the price that was paid by people in an effort to win certain rights in the workplace.

As we think back on the history of this country, there really is not one of us as a school kid, I think, who was not moved by the images as well as the stories of some of the working conditions that grandparents, forebears, and many Members of the U.S. Senate went through.

We all remember that there was a time when child labor was exploited. We remember when there was a time when people worked in sweatshops without rights, without breaks, without the ability to even relieve themselves; we remember a time when people would be injured and there would be no compensation, no recourse. They might even lose the job as a consequence of the injury. There would be no payment.

There is such a long category or list of the ways in which human labor has been pressed to the limit, in ways that we came to believe were considered un-American. We felt that those things were not the way people ought to live in the United States of America. Indeed, most Members of the Senate have spent time arguing about Mexican workers, arguing about workers in other countries, China, and places where workers are exploited today. Thank God, that is not the situation in the United States.

But one of the principal reasons all workers in America have made advances, particularly those today who do not have to join a union, is because a sense of responsibility has entered into the broad marketplace, where most employers now even try to preclude the creation of a union by offering a certain set of benefits—health care, compensation, time off, family leave; a whole set of things that people have come to understand are fair for people to have as they labor.

The last and only real tool available to people who are organized in the marketplace to protect their rights is the right to strike. We have a long-established set of laws in the United States

by which people can strike legally, and by which they are restrained from striking illegally. We all remember what happened with PATCO when the air controllers struck in what was deemed to be an illegal strike. They were fired. They were, in the judgment of many in the United States Senate, properly replaced.

Mr. President, there is no rationale that I think can be argued legitimately except a rationale—and it is not legitimate—called union busting, which could justify saying that you would take away from people in a legal strike the right to be able to do it, to strike.

There is enormous power in the hands of employers today; enormous power. For those who are organized, in an effort to try to guarantee that they are adequately paid, that they are given the safety protections and other benefits that we have come to believe people ought to have in America, the only leverage they have in the marketplace is their right to band together and say to that employer, "We don't think we are being treated fairly."

What is the employer's recourse if that happens? The employer is not without recourse. These people cannot shut down his or her plant, or their plant. They have to leave and leave without pay. They have to leave and interrupt their lives, and start to live on the accumulated savings of a union, or those who contribute to their effort to fight for what they think is right. And the employer is permitted, under the law, to replace those people with temporary workers.

So the employer can continue to make profits. The employer can continue to sell goods. There is no disruption, other than the good workers who regularly work and the folks who know each other and the spirit of the plant and all of the good things that come with a good relationship between management and labor; there is none of that. Business is not interrupted, but there can be disruptions, though they do not stop the employer from getting a salary. They do not stop the shareholders from earning money. They do not stop the company from growing or putting out goods.

Meanwhile, people who have labored hard, more often than not under tough conditions, are out in the streets marching up and down, extraordinarily disrupted, having a hard time paying for their needs, for their kids, for their mortgage, for a car, for vacation, for clothing—in an effort to do what? To hurt the United States? To do injury? No; to try to make it, to try to get their little piece of the rock.

I wish I had with me the statistics. I do not have them. But the statistics on corporate pay increases in America relative to the increase of the average working American are shocking.

You know, from the end of World War II, right up until 1979, America grew together, all of us grew.

This chart is a stark reminder of that. This is 1950 to 1978. If you divide

America up into quintiles, the lowest quintile, the bottom 20 percent, saw their personal income increase 138 percent. The next quintile went up 98 percent. The third quintile, 106 percent. The fourth quintile, 11 percent. And the top 20 percent of Americans went up 99 percent. So three quintiles grew faster than the top 20 percent in the United States.

From 1979 until 1993, look at this dramatic inversion. This is the story of the working person in America. The bottom quintile went down 17 percent. The next quintile went down 8 percent. The third quintile went down 3 percent. The fourth quintile went up 5 percent. And, Mr. President, the top 20 percent of Americans gained by 18 percent. That is the growing gap in America from 1979 to 1993.

The American worker, the average worker, the person taking home anywhere from \$20,000 up to \$50,000, has been going down and the person earning over \$100,000 is going up.

But it is even more dramatic, Mr. President, when you look at what happened to middle-class incomes in that period, for middle-class incomes in America have gone down. The bottom 20 percent went down a 10-percent drop. The middle 20 percent went down 4 percent. Mr. President, the top 1 percent in America went up 105 percent.

There is nobody who looks at the demographics of this country who will not tell you that the gap between the working American and those who are making it and who have it is growing, and growing substantially. And here we are talking about whether or not that worker, who is increasingly hard pressed to make ends meet, is going to have the ability, in the labor-management relationship that is already significantly weighted toward management, is going to have the ability to simply hold on to the right of collective bargaining.

If you are not allowed to hold on to the right to strike—which, clearly, if you can have permanent replacement workers—you have lost, then you have wiped out the entire gain of the whole concept of collective bargaining.

Mr. President, I do not know of anything more fundamental than that. I really do not. Every single company in this country has the right to go out and hire a replacement person temporarily. So this issue is really a very fundamental one, and I think the President has appropriately offered leadership at the national level, following in the tradition of other Presidents who have issued Executive orders in order to implement a particular policy.

The record is very clear. Franklin Roosevelt, in 1941, issued an Executive order requiring defense contractors to refrain from racial discrimination.

In 1951, after the enactment of the Procurement Act, President Truman issued an Executive order extending that requirement to all Federal contractors.

In 1964, President Johnson issued an Executive order prohibiting Federal contractors from discriminating on the basis of age and, at the time, Federal law permitted such discrimination. The Civil Rights Act of 1964 merely directed the President to study the issue. But the President, rightfully, issued the Executive order.

In 1969, the Nixon administration expanded the antidiscrimination Executive order to encompass a requirement that all Federal contractors adopt affirmative action programs, something a lot of Americans do not remember, but it was President Nixon who put that program in place.

In 1978, President Carter issued an Executive order requiring all Federal contractors to comply with certain guidelines limiting the amount of wage increases. And that order had the effect of limiting what Federal contractors could agree to in collective bargaining, notwithstanding the longstanding Federal policy of encouraging free collective bargaining.

In 1992, President Bush issued an Executive order requiring unionized Federal contractors to notify their unionized employees of their right to refuse to pay union dues. The National Labor Relations Act did not require any of that. In the 101st Congress, legislation had been proposed to impose that right, but the legislation had not been passed. But the President's Executive order, President Bush's Executive order, was not subject to judicial challenge.

So I believe President Clinton's Executive order is an appropriate one under the law, under the historical precedent, and it is obviously a necessary one, Mr. President.

We have learned through the history of strikes that, in fact, a strike that involves permanent replacements actually lasts seven times longer than strikes that do not involve permanent replacements. And they tend to be much more contentious, often changing a limited dispute into a much broader and more contentious kind of struggle. So if one is really interested in good management-labor relations, and in letting the free market work, I might add, Mr. President, it is appropriate to stand by the law as it now stands, which protects the right of workers to collectively bargain.

In 1937, John L. Lewis said that, "The voice of labor insisting upon its rights should not be annoying to the ears of justice nor offensive to the conscience of the American people." And that is really what this is about—the ears of justice and the conscience of the American people, Mr. President.

I think when you look at the trends of what is happening, it is very clear that, if we continue down this road, probably more Americans will come together and question whether or not it is time to begin—somehow—to bargain for themselves. And I believe that the struggle for every working American family's right to a decent

and safe workplace and the most fundamental right, which is to seek a redress of those grievances within the workplace, is a very hard-fought victory that deserves to be preserved in order to preserve the fabric of this country.

I do not think it is too much to ask, Mr. President, at a time when the changing economic landscape is throwing American jobs into greater and greater competition in the marketplace, that American management simply grant their fellow Americans—the people who live in their towns and make up their communities—the right to bargain for working conditions without the fear of losing their job. For anyone for whom that is the choice, it is no choice. That is very clear.

And all of us who are here for a brief period of time, and we earn so much more, significantly more, than the average American does, we should stop and think about what is it like to make that decision to walk out of a workplace in order to get those better conditions.

That is not, for anyone here who has ever talked to somebody on a picket line, an easy choice. It is not a choice without extraordinary hardship in and of itself. To be faced with the prospect of potentially never walking back into a plant, as a consequence of simply standing up to be able to bargain for the better conditions, is not to live up to the American dream. It is certainly not to respect the history of what we have all been through as a country.

I think we have a code of conduct between labor and management and a set of rules that create a fair playing field. But that fairness would be stripped away by an effort to suggest that any employer who can simply replace people who try to bargain collectively and exercise their right to strike.

I hope, Mr. President, we will remember what this is really all about. It is not as if the corporate entity of this country in the last years has not gained enormously from the measures of the U.S. Congress. I would hope that as we go forward in these next days we will remember those who are increasingly being separated from their potential to touch the American dream, let alone to provide basics for their kids.

I yield the floor.

Mr. HARKIN. Mr. President, would the Senator yield for a dialog here?

Mr. KERRY. Mr. President, I would be delighted.

Mr. HARKIN. I listened carefully earlier when the Senator was going through his charts about the decline in middle income, and the disparity in who is getting the money in our country.

I was intrigued by the charts and how up until the 1960's, I believe, or the 1970's, the Senator was showing how most people increased and advanced together. But it has only been in the last few years where the discrepancies—and where the income was going—has really shown up.

Would the Senator show that last chart, where the disparities came in? Now, this was the chart that shows from 1950 to 1978 we were all kind of growing together, if I am not mistaken.

Mr. KERRY. That is correct.

Mr. HARKIN. And it shows that we basically all increased at the same rate, no matter what income level.

Mr. KERRY. In fact, the lowest 20 percent increased the most.

Mr. HARKIN. The most.

Now, what has happened now since 1978?

Mr. KERRY. Since 1978, right up until the present, there has been a dramatic turnaround where the lower three-fifths of America are going downhill; the fourth quintile has risen marginally, about 5 percent; and the top 20 percent are the people who are really taking home the gravy.

Mr. HARKIN. So that has happened just recently.

Mr. KERRY. Since 1979; since the dramatic increase—I might add, it is a very interesting coincidence.

The year 1979 marks the period where we had a \$1 trillion debt in this country. From 1980 to 1993, which represents the greatest period of diminution of earnings, we also have the greatest single period of increase of debt in America.

As I know the Senator from Iowa knows, if we separate it out—the interest payments on that debt period from the current budget—not only are we in balance, but we run a surplus.

So it is the Reagan-Bush years and Congress, too. I will not dump that one. I am tired of hearing that it is exclusively one or the other. Both were complicitous in a process of unwillingness to be fiscally responsible.

But that irresponsibility has become one of the things that is stripping away the capacity of these folks at the bottom to gain the skills necessary in the new marketplace, where information is power, and skills, or the capacity to earn income that has significantly stripped away those folks' access to those skills or to that opportunity.

Mr. HARKIN. Mr. President, I thank the Senator for going over that again, because as the Senator was going through these charts it reminded me of an article I read, from May 23, 1994, "Why America Needs Unions."

The slide in unions has been linked to a lower level of blue-collar wages, a wider disparity in incomes, and a loss of benefits for workers.

Let me read part of this article. It is titled "Scary gap"—the gap in income.

New research from respected economists of such schools as Harvard and Princeton shows that blue-collar wages trailed inflation in the 1980's, partly because unions represented fewer workers. The resulting drag on pay for millions of people accounts for at least 20 percent of the widening gap between rich and poor which has reached Depression-era dimensions.

A person might think this came out of some labor-management periodical. This is Business Week, May 23, 1994. I

think that even responsible capitalists and responsible free enterprise publications like Business Week are beginning to understand that when we start doing away with unions and start doing away with the bargaining power of unions, we will be in for real trouble.

In fact, the article went on to say that:

Free market economies need healthy unions. They offer a system of checks and balances, as former Labor Secretary George Shultz [a Republican] has put it, by making managers focus on employees as well as on profits and shareholders.

I think this Business Week article really buttresses what the Senator was saying in terms of the disparity in income and where it is going. I also believe that it shows that it is because of the lack of union bargaining power, because of the threat that is always held over their heads that, "Well, you got to take what management wants, or leave it; and if you leave it and go on strike, which is legal, you will be permanently replaced, and therefore you have no bargaining power anymore."

The Senator from Massachusetts has hit it right on the head. We just cannot permit this widening gap to continue.

Mr. KERRY. Mr. President, if I may point out to my colleague even further, this is another chart which shows that more working families—working families in America, we are not talking about the poor that are so quickly bashed here in Washington today who are on welfare; the poor who are not even on welfare and do not qualify and are not working; these are working Americans—Americans who are out there paying their taxes, struggling to make it. And what is happening?

In 1975, only about 8.2 or 8.3 percent of Americans who were working families qualified as poor in America. Dramatically, beginning in 1979, that went up to about 11.4 percent. We can see the incredible increase when we went through that very dramatic period of raising the defense spending, cutting the taxes, and increasing the deficit. It started down marginally for 3 years, between 1982 to 1985. Now it is going back up, and it is higher than it was in 1980. It is now at the highest level it has been in years, that is—the number of working Americans who are poor.

What is also interesting is back in 1960, 1970, 1980, the minimum wage could lift those folks out of poverty. The minimum wage, 100 percent value of the minimum wage between 1960 and 1980, if a person were earning just the minimum wage they could be lifted out of poverty. But that is no longer the case. The trend line has been straight down since 1980, so that now, in 1995, the minimum wage will only bring a person up to a 70 percent level of the poverty line.

What we are witnessing is an increase in the difficulty of those who are working. And the folks who are working in those conditions, by and large, are not the people who do not

have the need to join a union, who are working in a high-technology company or would have a benefits package that is basically geared to be fair and keep the union from growing. They are the folks who most need the union, and now they are also the folks who are finding that there is an effort to deprive them of the capacity to raise those wages to a level where they can make ends meet.

I have been, I will say to my friend from Iowa, I am not someone who has come to the floor and always pleased labor. I voted for GATT, I voted for NAFTA, and I have taken a lot of heat from friends in labor for doing it. I certainly have come to understand that there are in some practices in the marketplace, things that I object to on both sides of the fence.

But I cannot understand what it is that is so compelling in America, other than the effort to try to break the movement altogether, that suggests that it is appropriate to deprive people of the right to say that they can bargain collectively for a better effort, for a better wage, particularly given the fact that unlike the past, today's law does not shut the company down. They can bring in workers. They can keep on selling. They can keep on growing. They keep their salaries. They are not giving up anything.

So why should not that worker who has bargained—and we saw an example of this in a hospital the other day in New York where nurses went out, trying to get a contract, and some of the nurses refused to go out, and they stayed in the hospital and kept working. The patients were served. They brought in extra people. They made it work. And then they finally settled with those who had gone out and, indeed, the whole spirit of the place changes. People who are part of the fabric of that plant or endeavor come back together, they work together.

The best companies I have seen in America are companies where management brings labor into the process, where they are working closely together, where they never have a need for strikes because they are not adversarial.

Clearly, it seems to me, this effort to reduce the capacity of people to bargain simply runs counter to all of the experience of the marketplace since the robber baron days and on through the early 1900's up until the present. I do not think we can say labor law today is so stacked against management or, in fact, so balanced toward labor that there is some huge rationale that suggests that it is an appropriate moment for the U.S. Senate to join in gutting the entire history of the movement altogether.

I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, first of all, I want to thank my friend and colleague from Massachusetts for his very

eloquent and, I think, on-the-mark statement regarding what is happening in this country today, as we stand here and watch unions be taken apart piece by piece around the United States.

Mr. President, I want to recap what this is all about, why we are here, and what this amendment is for those Senators who are in their offices or for viewers who may be watching on C-SPAN.

Yesterday, President Clinton issued an Executive order giving the authority to the Secretary of Labor to make a decision, to make a finding whether or not a company was permanently replacing workers who had exercised their legal right to strike. If such a finding was made, then the President would issue orders to relevant agencies of the Federal Government, to say they could no longer contract with that company in the future for any goods as long as that company persisted in hiring permanent replacements.

The amendment we have on the floor by Senator KASSEBAUM from Kansas would make that null and void by stating that through the power of the purse string in the Congress, that moneys could not be spent to enforce that Executive order. Now a cloture motion has been filed to cut off debate and bring it to a vote by Monday.

What precipitated all this? What precipitated the President of the United States in issuing such an Executive order?

It is a culmination of things, but I do not think there can be a clearer example of what brought this about than the example from my own State of Iowa, in the actions by Bridgestone/Firestone. So I am going to take the time of the Senate to walk through one of the—I was going to say saddest—one of the sickest episodes in the history of U.S. labor/management relations. I am sorry that it had to take place in my State of Iowa. I am sorry because our workers in Iowa have been good workers, loyal, productive, hardworking, and now they have been told by Bridgestone/Firestone that they can just go out on the trash heap.

We all have heard of Firestone Tire & Rubber, a well-known name in American industry. I am sure we all, at one time or another, had a Firestone tire on our car. Firestone in the 1980's was up for sale. There were a couple bidders for Firestone. One was Pirelli, an Italian-based company, which bought Armstrong Tire. The other was Bridgestone, which is a Japanese-based company.

They began bidding up the price. It is not that Firestone was bankrupt. We heard those comments earlier today. It was not bankrupt. In fact, Firestone was doing pretty well prior to that. In 1981, Firestone recorded a \$121 million profit for the first 9 months. Bridgestone paid some \$2.6 billion for Firestone.

In the early 1980's, Firestone began a series of actions, ratcheting down on the workers. First, they started laying

off workers. Then in February 1985, they asked the workers to take a wage cut. The workers accepted a cut of \$3.43 an hour. Later in 1985, Firestone asked that their property taxes be reduced from \$1 million to \$800,000, which was approved. So the property owners in Polk County, the county in which Firestone is located, had to make up the \$200,000 through other increased property taxes.

Then in 1987, they asked union members to take another wage cut, and they did—\$4 an hour. So now in the space of a little over 2 years, the workers at Firestone have taken wage and benefit cuts of \$7.43 an hour.

Then in May 1987, Firestone requested some assistance from the government: \$1 million from the State; \$300,000 from Polk County; \$100,000 from the City of Des Moines; \$100,000 from Iowa Power; \$50,000 from Midwest Gas. And the next month, Firestone gets all the grants from the taxpayers of the State of Iowa.

Bridgestone purchased the company for \$2.6 billion, as I mentioned before, in 1988.

By 1993, the Des Moines Bridgestone/Firestone plant was profitable. They are \$5 million ahead of budget.

By March of last year, the Bridgestone/Firestone plant in Des Moines set a new high record of productivity, 80.5 pounds per man-hour, and set an all-time record for pounds warehoused.

And then what happened? Last summer, when the contract came up for renewal, Bridgestone/Firestone, the employers, the management, refused to bargain with the employees.

So, left with no other recourse, the employees went out on strike. They have now been out for 8 months.

So this is not about workers who refuse to work. These workers worked hard.

Let me read a letter that I referred to earlier today from Sherrie Wallace. She wrote me this letter on January 8. She said:

When Bridgestone came to each of us asking for help because we were not doing as well as the company needed to do, we all did our best. They asked me for one more tire every day and to stay out on the floor and to forgo my clean-up time. Not only did I respond, so did each and every member of the URW.

Not only did I give them the one more tire per day, I gave them three times what they asked for. Our production levels soared. We threw ourselves into our company believing that we all must succeed together in order to create a better way of life for all. The membership joined committees and we became involved, we gave them our hearts. We began to believe this company was different. We gave them our input to create a better working environment. To increase productivity, we began to meet our production levels. We were proud of our company and our union. Together we did make a difference.

And then what did they get for it? When their contract came up for renewal, Bridgestone said, "Sorry, suckers. Too bad. Too bad you gave your all. Too bad you worked hard. Too bad

you increased your productivity three times. Too bad you took \$7 an hour in wage and benefit cuts in the 1970's. Too bad that your tax money gave us money so that we could become more profitable. You are a bunch of suckers. Out the door."

That is in effect what Bridgestone did. They never sat down and negotiated. Not once, not once in 8 months have the employers sat down to negotiate.

There is a report in the Des Moines Register of today: "Bridgestone/Firestone officials have not met with local union negotiators since the beginning of the record 8-month dispute."

So it is not the workers. They are willing to sit down and negotiate under the law. We are a nation of laws, are we not? We have an existing legal structure under which these workers operate. They just want to abide by the law and negotiate.

The company said, "Here are our demands. Take them or leave them."

That is not negotiation. That is not good-faith bargaining. In fact, there is a case now pending before the National Labor Relations Board that the employer, Bridgestone/Firestone, is in violation of section 8, refusal to bargain in good faith. I do not see how anybody could find otherwise because section 8 does say that both sides are required to meet at reasonable times and under reasonable circumstances to negotiate on issues of wages, hours, and conditions of employment.

So I am hopeful that very soon the NLRB, which has had this case since last October, will render a decision. I can only hope that that decision will be that Bridgestone/Firestone is in violation of the law.

Earlier today, I talked about some of the demands that they were making on the workers of Bridgestone/Firestone, about the fact that they want lower wages and longer hours for our workers here than for their workers in Japan. Bridgestone/Firestone is trying to make up for the exorbitant prices they paid for Firestone by taking it out of the workers.

It is not that Bridgestone/Firestone is not profitable. No one has stated that. They are very, very profitable as a matter of fact. In fact, this is from the Wall Street Journal talking about the strike. They said:

The eight-month strike, the longest running in the tire industry, fails to hurt the company, Bridgestone/Firestone, which reports an 11 percent jump in sales and tripled profits for 1994.

"Tripled profits for 1994." And yet they will not even sit down and negotiate with workers.

The company operates tire plants with 3,000 permanent replacements and 1,300 workers who cross picket lines and says it doesn't need any more help.

No, it does not need any more help now. It got all the help in the beginning. They got all the help in workers taking wage cuts, concession cuts. They got help from the State of Iowa

and the City of Des Moines giving them money, giving them grants.

There was another strike at Pirelli/Armstrong, and they have agreed to go back to work. Pirelli has to hire workers back or face fines under a National Labor Relations Board ruling.

Well, I think that same ruling is going to come down on Bridgestone/Firestone, that they have failed to negotiate in good faith. Again, I hope that that decision will be coming soon.

Mr. President, I ask unanimous consent that the article dated March 7, 1995 appear in full in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Mar. 7, 1995]

Rubber Workers strike out in their walk-out at Bridgestone/Firestone.

The eight-month strike, the longest-running in the tire industry, fails to hurt the company, which reports an 11% jump in sales and tripled profits for 1994. The company operates tire plants with 3,000 permanent replacements and 1,300 workers who cross picket lines, and says it doesn't need any more help. David Meyer, a labor expert at the University of Akron, predicts replacement workers will eventually vote to decertify the United Rubber Workers. The standoff drains the strike fund, forcing the union to stop \$100-a-week checks to strikers.

The URW tries to save 1,000 jobs at Pirelli Armstrong by offering an unconditional end to the strike there. Pirelli has to hire the workers back or face fines under a National Labor Relations Board ruling. "This way," Mr. Meyer says, the union "can at least stay in the plant and fight another day."

Mr. HARKIN. The Wall Street Journal in December of this year, December 27, 1994, had a story about Bridgestone/Firestone. I am going to read some excerpts from it, and I ask unanimous consent that the entire article from the Wall Street Journal appear in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. BENNETT). Without objection, it is so ordered.

(See exhibit 1)

Mr. HARKIN. Here is part of the article from the Wall Street Journal. It says:

When he took the wheel at Bridgestone Corp's U.S. operations 3 years ago, Japanese executive Yoichiro Kaizaki warned managers that he's a born gambler, and that he always wins. Mr. Kaizaki—who spent more time at the mahjong table than his college economics classes, a classmate says—was given bad odds for turning around the ailing U.S. operation . . .

Now, Mr. Kaizaki has cast the dice in perhaps his toughest wager yet; that he can crush a six-month-old strike at three of the company's eight U.S. tire plants, allowing Bridgestone to stand alone against a costly master contract adopted by its industry peers. Analysts think it would be tougher for the United Rubber Workers to maintain its clout in the industry if Bridgestone prevails in the strike.

That is why this is so insidious. Goodyear settled. Pirelli/Armstrong is going back to work. Dunlop, they have all signed on. They all have contracts. But now here is Bridgestone. They are saying, no, we are not going to reach

an agreement. We will crush the union. We will depress our wages. And that will put Goodyear, Dunlop, and Armstrong at a competitive disadvantage. And what are they going to do? Their shareholders are going to say, "Wait a minute; we have to do the same thing they are doing." And thus you get the ratcheting down of conditions in this country. So this does not have just to do with Bridgestone. It has to do with the whole tire industry in the United States and what is going to happen to the workers there.

The 61-year-old Mr. Kaizaki isn't looking for a compromise.

Here's more from the article from the Wall Street Journal, quoting Mr. Kaizaki: "Ending the strike is not necessary for the company if we are forced to set working conditions that kill the company."

Mr. Kaizaki says Bridgestone is racking up losses of about \$10 million a month at the three striking plants.

And you would think that would bring them in, but even with that their profits tripled in 1994. So they are making big money. The real point is they do not want their workers to share in a legitimate, fair way with the increased profits they are making. That is what this is all about.

Earlier this afternoon, the senior Senator from Texas, Mr. GRAMM, said "This has to do with the right of a free people to withhold their labor and the right of the employer to hire somebody else willing to work."

That is what the Senator from Texas, who has now thrown his hat in the ring as an announced candidate for the President of the United States, said. Let me read that again. "It has to do with the right of a free people to withhold their labor and the right of the employer to hire somebody else willing to work."

Mr. President, I have a lot of cousins who work at Bridgestone/Firestone. There is not a one of them not willing to work. Many of them have worked there 20, 30 years. They want to work. And as Sherrie Wallace said in her letter to me not only do they want to work, they will work very hard. The company asked them to produce one more tire a day. She said, "I gave them three more tires a day."

Now, I am sorry. Mr. GRAMM has it wrong. They are willing to work. They are just not willing to be slaves. And we ought not to stand here and allow a company like Bridgestone/Firestone to make them slaves.

I chose my words carefully. I mean exactly what I said—these workers are like slaves, with no voice in what they are going to get as a share of the profits of that company. "Take it or leave it," from the employer. "No matter how long you have worked there, we do not care. You worked there 20 years, you give your best years to the company, we do not care. Take it or leave it, or out the door."

That is slavery, pure and simple. These people are willing to work. They

want to work. They want to work under the rubric of the laws of the United States of America. These are law-abiding citizens. They are not breaking any law. If there is a law breaker it is Bridgestone, violating section 8 of the National Labor Relations Act.

And Bridgestone/Firestone cannot say that they are not hiring permanent replacements. They are hiring permanent replacements. That is exactly what they are doing. Here is a letter that was sent to Gary Sullivan, Sr., by Lamar Edwards, labor relations manager for Bridgestone.

On January 19, 1995, you did not report to work because you were on strike and you were permanently replaced.

That is what the letter says.

Please address any questions you have to the labor relations office. Lamar Edwards, Labor Relations Manager.

Not even "Sincerely." Not even "Cordially Yours."

Gary Sullivan penned a note on the letter he sent to me. He said: "This is all I am worth after 24 years of devoted and loyal service. Please continue to hang in there. We need your help."

Mr. President, 24 years Gary Sullivan gave to this plant. He worked hard; he produced a lot of tires. They did not even say thank you.

I only have one question for Bridgestone. Where is their heart? Where is their conscience? Do they not have just a little bit of compassion? Do they not have just a little bit of feeling for working people, people like Gary Sullivan or Sherrie Wallace, or all my cousins who have been working at Bridgestone/Firestone?

We are not asking the company to go broke. Profits tripled last year. They are in a great position. But what is happening is they are taking all the money for Mr. Kaizaki and his shareholders, and they are going to see how little they can pay their workers to get the production levels that they want. And they will keep squeezing them down.

That is what this is all about. That is what this is all about, pure and simple. It has to do with whether or not in the specific instance we are about here—whether or not the Federal Government will take tax dollars from Sherrie Wallace and Gary Sullivan and Richard Harkin and Martin Harkin and Edward Harkin—I can go through all my cousins who worked there; it will take me about half an hour—whether they will take their tax dollars; will our Federal Government take their tax dollars and use those tax dollars to turn around and buy tires from Bridgestone/Firestone for the U.S. Government?

The fact is we have contracts with them; there are several contracts with Bridgestone/Firestone from the Federal Government. We know of some 47 Federal contracts held by Bridgestone/Firestone nationwide, not including contracts held by the corporation's subsidiaries. With this Executive order, Bridgestone would not be able to renew

over \$8 million in Government contracts, \$1.5 million from the Des Moines plant alone.

So will we let the Federal Government take the tax dollars of these workers and turn around and use them to buy tires from a plant that has told them, no, we will not bargain with you; we are going to permanently replace you even though you have exercised your legal right to strike? That is why I am proud of what President Clinton did. He said: No, we are not. We are not going to renew our contracts with Bridgestone/Firestone. We are not going to buy tires from that company for the Federal Government if they will not even sit down and bargain and abide by the National Labor Relations Act and bargain in good faith.

Again, I do not know where Bridgestone/Firestone gets off on this. I do not know Mr. Kaizaki. I never met the man. But I do know something. They were talking about violence. We had a couple of violent instances at the Des Moines plant, strikers who were fearful of what is going to happen to their families and their children. I want to read one letter here: There are many ways to do violence. Twelve workers at Bridgestone/Firestone were fired by the company three days before Christmas as a response to what the company referred to as "acts of violence, threats and aggressive behavior."

I do not condone physical violence and physical threats. Most of us abhor such things as they occur in labor confrontations. However, that is what company officials are counting on in this situation as they commit their own brand of violence by refusing to bargain in good faith for an end to the strike. The company is using its financial might as a club over the workers.

The management of Bridgestone/Firestone wants nothing less than complete capitulation by the members of the United Rubber Workers union. The union is trying to hang on to benefits gained over the years in legitimate negotiating processes.

It behooves the rest of us in the community to understand that what is happening out on Second Avenue in Des Moines and at the other Bridgestone/Firestone locations around the country is an attempt to further erode the rights of workers to maintain some control over their own lives, minds and bodies rather than become the de facto property of the company.

Do not be fooled by the actions of the management of Bridgestone/Firestone. It is every bit as violent (and more so) as any act of physical violence on the picket line in its destructive effects on human life—The Rev. Carlos C. Jayne.

So what Bridgestone/Firestone is doing are acts of violence, violence to decent, hard-working people, many of whom served in our military, fought in our wars; many who gave the best years of their lives; many who have sustained injuries of one form or another; many who are now in their fifties and will not be able to find work anywhere else.

And what Bridgestone is saying is it is just tough luck. We are going to throw you out on the trash heap of life.

It did not just start here. It started a long time ago. It started with other companies, but now it has reached epic

proportions. Basically, what we are seeing in America today is the destruction of the working spirit, because what we are telling workers is they are like a piece of machinery. We can use you up and depreciate you down and then we can just kind of throw you out. I think it is destructive of the work ethic. I know it is destructive of human nature. I know it has destroyed a lot of people.

I first came across something like this, when my brother Frank was working at a plant in Des Moines, Delavan Manufacturing Co., started by Mr. Delavan, right before the Second World War. During the Second World War, it grew big because it made a lot of defense articles and it continued to make a lot of defense equipment on through the years. My brother went to work there. He was a machine tool operator and worked there for 23 years.

He loved his job. He loved the plant. He loved Mr. Delavan, a man I had met myself. He had a good job. He belonged to the United Auto Workers. He was a proud union man. He worked there for 23 years. In the first 10 years he worked there, he did not miss 1 day of work and was not late once in 10 years.

I remember I came home from the service on leave one time, and at a Christmas dinner they gave him a gold watch with his name on it because in 10 years he had not missed 1 day of work and he had not been late once in 10 years.

My brother worked in that plant for 23 years. He missed 5 days of work in 23 years because of the snow conditions. We lived in a small town outside Des Moines, and he could not make it to work.

The same thing happened there as happened at Firestone. Mr. Delavan got old. He sold the company. He took care of his workers. In all of those 23 years that plant never had labor strife; they never went on strike. When the contract went up for renegotiation, Mr. Delavan would sit down with them, and they would renegotiate.

Mr. Delavan got old and sold the company to a group of investors. They bought the company. One of the leaders of this investor group bragged at a speech in Des Moines. "If you want to see how to bust a union, come to Delavan." The contract came up for negotiation. He refused to sit down and bargain.

The same thing is true at Bridgestone/Firestone. The workers went out on strike. They brought in the permanent replacements. That was the end of it.

For 23 years my brother worked there. My brother is a high school graduate. He gave the best years of his life, and worked hard. He would stay after work. No matter what they asked him to do, he would do it; 23 years.

Another part of the story I have not mentioned. My brother is disabled; he's deaf. He went to the Iowa School for the Deaf and Dumb. I remember he always said, "You know, I may be deaf

but I am not dumb." But that is what they called it: The Iowa School for the Deaf and Dumb.

When he went there, they said, "You can be three things: A shoe cobbler, a printer's assistant, or a baker. It is your choice." He said, "I do not want to be any one of those." But he said, "OK. I am going to be a baker."

He got out of school and baked for a while. Then he got this great job at Delavan's. He made good money. He was a union member. He bought his own car. It was incredible. Here is a deaf man in his early twenties making decent money, bought a new car, out on his own.

You see, Mr. Delavan had gone out and hired disabled people—he was way ahead of his time—to work in his plant and found out that they made some of the best workers. When this new crowd came in and bought the plant, did they give a hoot? They did not care. The bottom line was profits. That was it. They figured it out. If they could take my brother, Frank, who had been there for 23 years and worked his way up the wage scale, if they could get rid of him, they could hire somebody else for a third less. That is exactly what they did.

I will never forget as long as I live two things my brother said to me. The one was when he said to me, "I may be deaf but I am not dumb." I will never forget that. I will never forget that after he lost his job at Delavan's, he was then 54 years old. Do you know where a 54-year-old deaf man finds a job? He got a job as a janitor working at night cleaning out the latrines.

Here is a man who for 23 years operated a nice piece of equipment. It was a drill press. As a matter of fact, he made jet engine nozzles that I used in the jets that I flew in the Navy. He was contributing to the defense of his country. He was making a good wage. He was a member of a union; highly productive; 54 years old. No one is going to hire a 54-year-old deaf man. He went and got a job as a janitor at minimum wage; no union; no benefits; no health care; no anything.

The second thing he said to me that I will never forget. He said, "I feel like that piece of machinery." Delavan had out in back a dump where they dumped all the tailings, and worn out machines. He said, "I feel like one of those pieces of machinery that they used up and they threw out."

I will tell you. When those things hit home, you never forget them. So I have been in favor of doing something about striker replacement ever since that time. It is just not right. It is not right for companies to do this to people. Not all companies do this. It started small. But now it is like a wildfire. Now they are all starting to do it. If Bridgestone/Firestone gets by with it, it will be Armstrong next and then it will be Goodyear and then it will be Dunlop and it will just keep going on because they are going to have to compete.

That is what is happening in our society.

So that is what this is all about. It is not convoluted. It is not complicated. It is very simple. It is about whether or not working people in America have any dignity, whether they have any rights at all, whether we believe that people who work should have some bargaining power to bargain with their employer, or whether or not the employer can just say "take it or leave it." That is all it is about. It is nothing more than that.

Finally, it is about whether or not we in the Federal Government will permit our tax dollars to be used to help subsidize this kind of corporate greed, corporate irresponsibility.

President Clinton did the right thing, and I hope we do the right thing. I hope we defeat the Kassebaum amendment and send a strong signal to our workers that the Federal Government, at least, is not going to use their tax dollars to subsidize companies like Bridgestone/Firestone.

I yield the floor.

#### EXHIBIT 1

[From the Wall Street Journal, Dec. 27, 1994]  
CORPORATE FOCUS: BRIDGESTONE BETS IT CAN DEFEAT RUBBER WORKERS' STRIKE—KAIZAKI TRIES TO TURN AROUND FIRESTONE BY BUCKING INDUSTRYWIDE CONTRACT

(By Valerie Reitman, Masayoshi Kanabayashi, and Raju Narisetti)

When he took the wheel at Bridgestone Corporation's U.S. operation three years ago, Japanese executive Yoichiro Kaizaki warned managers that he's a born gambler, and that he always wins.

Mr. Kaizaki—who spent more time at the mahjong table than his college economics classes, a classmate says—was given bad odds for turning around the ailing U.S. operation. So far, he has beaten them.

His aggressive restructuring, known as "risutora" in Japanese, has produced the beginning of a turnaround at rusty Firestone Tire & Rubber Co., which Bridgestone acquired for \$2.6 billion in 1988. Mr. Kaizaki's performance at the U.S. operation, known as Bridgestone/Firestone Inc., led to his promotion last year to president of the Tokyo-based parent company, one of the world's largest tire makers, with \$10.7 billion in tire revenue last year.

Now, Mr. Kaizaki has cast the dice in perhaps his toughest wager yet: that he can crush a six-month old strike at three of the company's eight U.S. tire plants, allowing Bridgestone to stand alone against a costly master contract adopted by its industry peers. Analysts think it would be tough for the United Rubber Workers to maintain its clout in the industry if Bridgestone prevails in the strike.

The battle is reaching a flash point: Bridgestone says it's about to replace workers permanently, while the union vows to keep Bridgestone from gutting the hard-won increases at other companies.

The outcome likely will determine whether Bridgestone's purchase of Firestone—widely considered one of the worst Japanese investments in America several years ago—will prove a durable winner. Or whether it will go down on the list that includes Sony Corp.'s purchase of Columbia Pictures and Matsushita Electric Industrial Co.'s acquisition of MCA Inc.

The strike's resolution also will stand as a verdict on the management performance of Mr. Kaizaki, who has been applying the re-

structuring lessons he learned in America to Japan.

When it acquired Firestone, Bridgestone instantly gained a substantial base of U.S. and European factories and sales outlets, doubling its revenue. But Mr. Kaizaki's sweeping reorganization in the U.S. including cost cuts and massive layoffs, and his attempts to boost productivity, have led to this year's strike. Bridgestone and the union are "locked in mortal combat," says William McGrath, a Cleveland tire-industry consultant.

Negotiations are at a stalemate in the strike, which has already surpassed the 141-day walkout that crippled the U.S. tire industry in 1976. Bridgestone is considering making permanent many of the temporary workers hired to replace the 4,200 strikers. Tension has erupted on racial lines, with pickets bearing placards saying "Nuke 'em" and "WWII Part II—Japan's Bridgestone Attack on American Economy."

The union wants Bridgestone to extend the same master contract adopted by U.S. tire industry bellwether Goodyear Tire & Rubber Co. The contract calls for wage and benefit increases of 16% over a three-year period from the current average of \$67,000, with the average salary portion going up to \$49,000 from \$45,000.

Bridgestone and Mr. Kaizaki aren't budging. The company says its crushing debt load—\$2 billion left over from the acquisition and subsequent capital investment, and another \$500 million of off-balance-sheet debt—makes it unfeasible to accept the same agreement as its powerful rival, Goodyear. But Bridgestone contends its proposal is generous, providing average annual compensation of \$63,000 when pegged to productivity improvements and 12-hour rotating shifts. The union abhors the work schedule and says it's impossible to calculate the value of the proposal, given several proposed reductions of pension and medical benefits.

The 61-year-old Mr. Kaizaki isn't looking for a compromise. "Ending the strike is not necessary for the company if we are forced to set working conditions that kill the company," he says in an interview.

Mr. Kaizaki says Bridgestone is racking up losses of about \$10 million a month at the three striking plants, but that the U.S. operations overall will still earn a profit for the year. Its five other plants are operating full throttle: Union contracts there do not fall under the URW master agreement. Indeed, for the first time since Bridgestone's acquisition, the U.S. operation swung into the black with a \$6 million profit last year, and another \$10 million in profit is expected this year.

While the strike has forced Bridgestone to import costly tires from Japan and to fall behind in farm-tire deliveries, the betting is that Mr. Kaizaki will prevail. With the union's war chest running low and some union workers crossing pickets, "this one is an endgame," says University of Akron management Prof. Daniel Meyer. "If the URW picket lines break and a lot of those workers go back, they (URW) will still be a force, but their ability to impact in a major way would be gone."

Judging by his past record, Mr. Kaizaki isn't likely to retreat. A maverick by any standard, he particularly stands out among Japanese managers. The son of a soy-sauce brewer, built like a fireplug, the chain-smoking Mr. Kaizaki resembles the bulldog of a manager he is.

He surprised Firestone workers when he arrived in the U.S. in 1991. He admitted that he knew little about the tire business, coming from Bridgestone's chemical division, and even less about North America. Nor did



he speak English. But what he did say was memorable—that he could make tough decisions because he “had a strong stomach and no problem sleeping at night,” recalls Bridgestone/Firestone Inc.’s vice president, Trevor Hoskins.

The first Japanese word many Firestone workers learned when he took over was *dame* (pronounced DA-may), or “no good,” which he often used about compromises with the union, according to Nikkei Business magazine.

Productivity assessments have been another hallmark. Mr. Kaizaki quickly divided the U.S. operation into 21 divisions, set clear goals for each manager and gave each division chief “The Buck Stops Here” placards. He says he has no second thoughts about the demands that prompted the strike, including a nonstop production cycle and tying wages to productivity.

From his U.S. vantage, Mr. Kaizaki says he could “see many defects” in the Japanese headquarters. “When I went to the U.S., the parent in Japan did not possess the ability to institute cost-cutting measures.” Now, he’s implementing some of his U.S. changes at the Japanese parent, putting it on a restructuring diet that he calls *slim-ka*, in order to offset rubber-price increases (50% this year alone), the yen’s appreciation and anemic sales. He has halved management positions, established direct managerial communication lines and meted out the lowest raises in the Japanese tire industry to Bridgestone workers, still the industry’s highest-paid.

The diet is working: Bridgestone just boosted its 1994 earnings forecast for Japanese operations to 21.5 billion yen (\$216 million), a 26% increase from 17.05 billion yen last year.

In the interview, Mr. Kaizaki dares to say he would lay off workers at the parent if it starts losing money. Even suggesting such a possibility is radical in Japan. But, he says, “I will fire people if the company here falls into as bad a situation as Firestone was in when I was in the U.S.”

Even now, he acknowledges that it will be some time before Bridgestone beats the long odds placed on its investment in Firestone. “I think it will take a long time for us to see results. We are getting on the right track, but we are still deeply hurt.”

Bridgestone by the numbers—the fundamentals

	1993	1992
Sales (trillions) .....	1.60	1.75
Net income (billions) .....	28.39	28.40
Earnings per shares .....	36.8	36.8

Major product lines: Tires (accounting for 74.5% of total sales), wheels, industrial rubber products, chemical products, sporting goods, bicycles.

Major competitors: Group Michelin (in Europe), Goodyear Tire & Rubber (in U.S.).

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Thank you, Mr. President.

Mr. President, I want to associate myself and concur with the remarks of the Senator from Iowa, my neighbor. I, too, rise in opposition to the pending amendment.

This amendment would block the Executive order issued by President Clinton that prevents the Federal Government from contracting with employers that permanently replace legally striking employees. I strongly support the Executive order.

The time has come, Mr. President, for all of us in this body to begin to correct the significant imbalance that exists in labor law today; an imbalance that must be corrected if America is going to thrive in the increasingly competitive global marketplace.

Mr. President, under our Federal labor law, an employee cannot be fired for exercising the right to strike. Congress guaranteed that right in 1935 with the passage of the National Labor Relations Act, which told every worker that he or she had the right to organize labor unions, to bargain collectively with employers, and to strike in support of those bargaining demands.

Unfortunately, based on the Supreme Court decision in the case of *NLRB v. MacKay Radio and Telegraph Company*, that same employee who cannot be fired can be “permanently replaced.” Mr. President, I have yet to figure out how to console an employee who just lost his or her job for going out on strike by telling her that she has not really been “fired,” she has just been “permanently replaced.”

The distinction makes absolutely no sense. It is newspeak. It is a distinction without a difference. Perhaps those in the Congress who oppose the President’s Executive order could take a moment to explain the distinction to the Senate, the difference between being permanently replaced on a job versus being fired from that job. Or, better yet, perhaps they could take a minute to explain the difference to people like Carol Little, a former employee of the Woodstock Die Cast Co. in Woodstock, IL. I want to tell Carol’s story because I think it is significant and it points to some of the issues that the Senator from Iowa raised in his eloquent statement.

In 1988, Woodstock workers went out on strike to protest severe company cutbacks. At issue were proposed reduction in wages and health care benefits, as well as complete elimination of pension benefits, all in a time when the company was making a profit.

Many strike participants had 30 and 40 years of service in the plant, and a majority had over 10 years of service. Carol Little was one of the 370 workers who went on strike as a typical Woodstock Die Cast worker. A 22-year veteran of the plant, she began working at Woodstock Die Cast in 1966.

The job made it possible for her to support her children and disabled husband, while putting a son through college. As the family’s primary breadwinner, she depended on the fair wages and benefits historically provided by the Woodstock Die Co.

Within 2 days of the beginning of the strike, the company began advertising for and hiring permanent replacement workers. The company ultimately replaced 220 of the 370 strikers.

While the union provided hardship payments to workers facing severe financial problems, a number of strikers still lost their homes. Several of the striking Woodstock Die Cast workers

were forced to file for bankruptcy. In addition, the practice of replacing strikers had severe repercussions throughout the community. The stress caused by the strike and the ensuing job losses contributing to an increase in the divorce rate among former Woodstock Die Cast employees. The most poignant example of tragic personal loss, however, is that of a 26-year-old striker who, in an act of hopelessness, took his own life after his wife left him.

Fortunately, everything turned out OK for Carol Little. She was able to find another job and continue to support her family, but not everyone was as fortunate as Carol Little.

This tragic story is not unique, Mr. President. Similar stories could be told by the 85 workers replaced by Capitol Engineering in 1983; the 100 workers replaced by Calumet Steel in 1986; the 160 workers permanently replaced by Aircraft Gear Corp. in Chicago, in 1990; and the 338 members of the Chicago Beer Wholesalers Association who were permanently replaced—to cite just a few examples.

Over the last few months, the Bridgestone/Firestone Corp. has also permanently replaced several hundred workers in its plant in Decatur, IL. There is a plant in Decatur as well as Des Moines. This decision has created severe economic disruptions for working families that depend on Bridgestone/Firestone for their livelihood. It has also impacted many people and businesses throughout the Decatur area that are not directly connected with the company.

The fact of the matter is, Mr. President, that there is no difference between permanently replacing a striking worker, or firing a striking worker. As Thomas Donahue, secretary-treasurer of the AFL-CIO stated:

Stripped of the legal niceties, the Mackay doctrine is a grant to employers of the ‘right’ to punish employees for doing no more than unionizing and engaging in collective bargaining. Mackay takes back a large part of the Federal labor law’s broad promise to employees that they are protected against employer retaliation if they choose to exercise their freedom to associate in unions. And it does so when that promise would have the most meaning: A collective bargaining dispute. At that critical time, the Mackay doctrine sacrifices basic workers’ rights in the interest of aggrandizing employer prerogatives.

Mr. President, the Senate failed to end debate on the striker replacement act last July. This legislation would have amended both the National Labor Relations Act and the Railway Labor Act by banning the permanent replacement of striking workers.

The Executive order issued yesterday by President Clinton will help us take a small, first step; toward restoring the long-standing imbalance in labor-management relations by prohibiting the Federal Government from contracting with employers that replace legally striking workers.

It does not mean that the choice that employees have will be removed from them. They can still decide if they want to avail themselves of the right to permanently replace somebody, but it does mean that taxpayers will not be a party to decisions to permanently replace workers when indeed the law that guarantees people the right to strike would have prohibited it.

Mr. President, this order represents a lawful exercise of Presidential authority. The Federal Procurement Act, enacted by Congress in 1949, expressly authorizes the President to "prescribe policies and directives, not inconsistent with the provisions of this act, as he shall deem necessary to effectuate the provisions of said act."

Republican and Democratic Presidents alike have issued Executive orders addressing the conduct of companies with which the Federal Government does business. For example, in 1941, President Roosevelt issued an Executive order which prohibited defense contractors from discriminating against individuals on the basis of race. In 1951, after enactment of the Procurement Act, President Truman—whose desk I share, by the way, Mr. President—issued an Executive order extending that requirement to all Federal contractors. When both orders were issued, such discrimination was not unlawful and, in fact, Congress had failed to enact an antidiscrimination law proposed by President Truman.

In 1964, President Johnson issued an Executive order prohibiting Federal contractors from discriminating on the basis of age. At the time, Federal law permitted such discrimination.

In 1969, President Nixon expanded the antidiscrimination Executive order by requiring all Federal contractors to adopt affirmative action programs. President Nixon did that.

In 1992, President Bush issued an Executive order requiring unionized Federal contractors to notify their unionized employees of their right to refuse to pay union dues.

Mr. President, since being elected to the Senate I have had the opportunity to speak to hundreds of workers about the issue of striker replacements throughout my State and indeed in other places, as well. The most important point that I try to make when I talk with working people is that a company's most important asset is its labor force.

This permanent replacement situation, I believe, is counterproductive in that it sets up a dynamic of mistrust and hostility between labor and management that cannot be constructive or conducive to productivity. That really breaks down the capacity of the organization to function.

Of course, every time I talk to working people, I am preaching to the choir. Telling a group of UAW members, for example, about the importance of passing legislation that would prohibit permanent striker replacements is like telling South Africans about the im-

portance of voting. They get it right off, and they understand immediately what it means.

But I have also tried to get the same message through to members of the business community in Illinois. I hope I have been successful. America's employers have nothing to fear from President Clinton's Executive order. In the end, labor and management's interests really are the same. We are all in a global economy and we will rise or fall, sink or swim together. We are all in this together.

Mrs. BOXER. Will my colleague yield to me on that point for just a very brief comment?

Ms. MOSELEY-BRAUN. Certainly.

Mrs. BOXER. Mr. President, I really am pleased to hear the Senator talk about how important it is to have good relations between the workers and management.

I know that our Presiding Officer is a very successful business person. I know how much we think of him. We think he is one of the finest Senators, and I am sure that his workers felt the same way about him because this is a man of quality. I think that relationship is crucial.

I just wanted to put in the RECORD at this point a comment that was made by a nurse who was voted the nurse of the year in one of our great hospitals in California. There was a terrible strike going on and the nurses felt that they were really being abused in many, many ways. I will not go into all the details. It is not important here.

But what is important is that they went out on strike and within a day they were replaced. This is what she said:

I always felt that you strike because of the issues and when you settle the issues you go back to work. You do not win every issue. You compromise. That is how we do it in America. I never thought they would replace the workers. Why would anyone ever go on strike then?

And I think that very simple message gets through to me. We need to settle our differences amicably. And if you know that you are going to be replaced the minute you withhold your labor, which is a human right, then I think it has a tremendously chilling effect.

So I am very pleased to associate myself with the Senator's remarks, the fact that I think that it is the right thing for business and for the working people and that our President did the right thing. He stood up and said, you know, "I'm drawing a line here in the sand."

I am very sorry that we are into this on a bill that is supposed to reimburse the Pentagon for peacekeeping expenses. It seems to me very odd that the Republicans would offer such an amendment on a bill I know they want to get through. It is delaying us, but I guess that is the way it goes.

I am proud to associate myself with my colleague. I look forward to working with her on this issue.

Ms. MOSELEY-BRAUN. Thank you very much.

I thank the Senator from California for her remarks, as well.

Mr. President, I would like to address some of the incorrect statements that have been made about President Clinton's Executive order.

The President's Executive order will not encourage workers to strike, it will only restore balance to their relations with employers. It also will not prevent employers whose workers choose to strike from carrying on with their business.

A company faced with a strike has a number of options. It can hire temporary replacements. It can rely on supervisory or management personnel to complete jobs. It can transfer work to another plant, subcontract work, or stockpile in advance of a strike. In addition, the Supreme Court has long held that an employer lawfully may lock out employees as a means of controlling the time of a work stoppage and gain an advantage thereby in bargaining. The President's Executive order will not take away any of those alternatives.

All it will do, again, is keep taxpayers from being made an inadvertent, unwilling, and unexpected party to the capacity of an employer to permanently replace a worker. Again, "permanently replace"—in my mind, I would like someone to explain how that is different from firing somebody.

There are, of course, those who say that the Executive order is unnecessary, that employers are no more likely to hire permanent replacements for their workers now than they were when the Mackay decision was originally issued. The facts, however, tell another story. Since 1980, employers have made far more frequent use of permanent replacements.

In 1990, Mr. President, the General Accounting Office released a study on the use of permanent replacements by employers of labor disputes covered by the NLRA. The study covered the years 1985 to 1989. The study found that in fully one-third of the strikes examined, employers indicated they intended to hire permanent replacements. In approximately 17 percent of the strikes, employers actually did hire permanent replacements. The GAO stated that approximately 14,000 striking workers were replaced in 1985 and 14,000 more in 1989.

Of course, this figure did not cover employees covered by the Rail Labor Act, or the RLA, such as the 8,000 pilots, machinists and flight attendants replaced by Continental Airlines in 1985, or the 7,000 employees replaced by Eastern Airlines in 1989. An AFL-CIO study found 11 percent of striking workers, 126,450 individuals in all, were permanently replaced in 1990.

What we are seeing is an increase in the use of permanent replacements, and an increase in the use of this tactic by employers. Again, given the trauma that it occasioned, I daresay it cannot

be in our national interests to promote or to continue.

What is even more important to realize, Mr. President, is the real issue is not ultimately how often the permanent replacement weapon is used. The truth is that the mere availability of this weapon to management distorts the collective bargaining process in many, many more labor disputes than those in which it is actually used. The mere existence of the threat, whether or not it is carried out, is enough to undermine the right to organize and to undermine workers' ability to bargain on a level playing field about the conditions of their work.

In that regard, I reference the letter that was read by the Senator from California, when the letter writer said, "If you knew you were going to get fired, why would you try?"

After 12 years of antagonism during previous administrations, the time I believe has come to forge a new direction. The time has come for labor and management to work together in this country. Our major industrial competitors including Canada, Japan, Germany, and France, have recognized that banning the permanent replacement of strikers restores balance in the collective bargaining process and makes good economic sense. The time has come for Congress to do the same.

I point out again, with regard to Bridgestone/Firestone in Decatur and Des Moines, what is happening in Decatur, and what is happening in Des Moines, is illegal in Japan. It is almost too perverse to contemplate.

America's union workers are not simply another cost to be cut. They are human beings who are often struggling to provide for their families to make ends meet. Under our Nation's labor laws they have certain rights, including the right to strike. Congress thought that we were guaranteeing that in 1935 when the NLRA was passed. Unfortunately, they were wrong. They had not counted on someone coming up with the idea that to be permanently replaced was not the same thing as being fired.

But we can guarantee that today. We can acknowledge what everyone knows to be true: That absent the right to strike without being permanently replaced, collective bargaining does not work. It cannot. It cannot if management can replace workers the minute they take to the picket lines. Workers then do not have the right to bargain. They walk around in every negotiation with a loaded gun, frankly, at their heads.

Mr. President, we are entering a new era in economic competition. All over the world, barriers to trade between nations are falling. We are witnessing the development of a truly global marketplace. I believe that America can and must lead the way in this marketplace, but if we are to succeed, if we are to retain our competitive into the 21st century, there must be a symbiosis between labor and management and

government. That means a mutually beneficial working relationship, one of mutual respect: Labor needs jobs, workers need jobs, workers need the business to be competitive to make a profit to be able to compete. Government should be a partner of all of that.

Certainly, this issue of permanent replacement of strikers just cuts against the grain and prohibits and precludes our ability to advance ourselves and to go forward in terms of this global marketplace and the competitiveness challenges that we are facing in the world.

Mr. President, President Clinton's Executive order, I believe, is a first step in restoring the balance, the delicate balance, that will allow America to retain its competitive edge. I would, therefore, like to conclude my remarks by urging this body to oppose the pending amendment. I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

## MORNING BUSINESS

### THE PELL GRANT PROGRAM

Mr. PELL. Mr. President, recently, concern was expressed that the Pell Grant Program may be giving college students a free ride, and that Federal funds might be better spent by transferring funds to the College Work Study Program. Because of this, I thought it might be helpful to take a somewhat closer look at the Pell Grant Program, and place it in a more proper context regarding student aid in general and its relationship to college work study in particular. I thought it might also be good to see just how many students today have to work to help pay for their college education.

At the outset, let me make it clear that I support both of these very worthy programs. The Pell Grant Program provides students with need the opportunity to pursue a college education that might be beyond their financial reach. The College Work Study Program often supplements the Pell Grant Program and offers deserving students the chance to help defray their educational expenses by working. Both programs are important, and both programs are essential.

I am concerned, however, that with respect to the Pell Grant Program, the impression in the public's mind might be that these students do not have to work and that their college education is being fully financed by their Pell grant. Nothing could be farther from the truth.

As my colleagues know, the Pell grant award is need-based, which means it goes only to students who

demonstrate financial need. Over 75 percent of all students who receive Pell grants come from families with incomes of less than \$15,000 a year, which means that the program is targeted to those students who have the greatest financial need.

In addition, it is very important that one realize that the maximum Pell grant can be no higher than \$2,340, the current maximum, or 60 percent of the cost of attendance, whichever is less. Thus, in no situation does the Pell grant pay for a student's entire education. At best, it covers only 60 percent of the cost of attendance, and that in the case of those students who demonstrate the very greatest need.

Increasingly, more and more students find they must work in order to obtain the additional funds necessary to pay for a college education. A recent Washington Post article indicated that the proportion of all fulltime college students between the ages of 16 and 24 who worked to help pay for their education had increased from 35 percent in 1972 to 51 percent in 1993. And, fulltime students now work an average of 25 hours a week.

The figures for Pell grant recipients are even more dramatic. Of those who responded to a recent survey by the U.S. Department of Education, more than 75 percent of all Pell grant recipients worked and 60 percent worked while they were in school. Numerically, this means that almost 2.8 million Pell grant recipients work, and over 2.2 million must work and go to college at the same time.

I am equally concerned that there may simply not be enough hours in a day for needy and deserving students to pay for their entire education by working. One goes to college to learn. If that is to be done and done well, students must have sufficient time to study. While work may be both necessary and laudable, it should not rob students of the time they need to fulfill the academic responsibilities that led them to seek a college education in the first place.

Further, it is very doubtful that there are enough jobs in and around campus to meet the demand that would be created if the Pell Grant Program were handed over to college work study. When we reauthorized the Higher Education Act in 1992, we considered an expansion of the Work Study Program, but found that many colleges were literally stretched to the limits in terms of finding employment for their students. Thus, as worthwhile and important as the College Work Study Program is, it simply cannot meet the overwhelming needs of students.

One of the unique features of the Pell Grant Program is that it is targeted to the student and not the institution. If students demonstrate need, Pell grant funds are available to help them attend a college of their choice. Transferring that approach to the campus-based Work Study Program would change the very nature of the Pell Grant Program.