



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, FIRST SESSION

Vol. 141

WASHINGTON, FRIDAY, MAY 5, 1995

No. 74

House of Representatives

The House was not in session today. Its next meeting will be held on Tuesday, May 9, 1995, at 12:30 p.m.

Senate

FRIDAY, MAY 5, 1995

(Legislative day of Monday, May 1, 1995)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

The PRESIDENT pro tempore. The opening prayer will be made this morning by Father Thomas Kuhn of Ohio. We are pleased to have him with us.

PRAYER

The guest Chaplain, Father Thomas A. Kuhn, Church of the Incarnation, Centreville, OH, offered the following prayer:

Lord God, we have consistently believed in Your great love for us and for our Nation. We know that we are Your children, and in that faith have not called ourselves simply a nation, but "one nation under God."

The tragedy of recent weeks in Oklahoma City points out the need we have to foster Your love in our land. Help us to reflect the love You have for us in our lives and in our dealing with others. We know that You have a plan for us. We know that You love us. Help us to keep faith that You will always be there to guide and direct our great Nation.

You have blessed all of Your children with the same rights that come from calling You our Father. Help us as a nation to work to protect the rights of all, for we know when the rights of one of us is in danger, the rights of all are in danger.

You have blessed us with a beautiful land. Help us to preserve it so the generations after us may enjoy it as we have.

We know that some of Your children, particularly the aged, the sick, the poor, and the very young, are in need of help and protection. Give us the insight as a people to always protect those who cannot care for themselves.

Father, we pray in a special way for our Senators. Give each of them a parochial, a national, and a world vision, so they may lead us safely in Your kingdom.

Mr. GLENN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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 President, I ask unanimous consent that the order for the quorum call be rescinded.

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

RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leader time is reserved.

MORNING BUSINESS

Mr. DEWINE. Under the previous order, there will now be a period for the transaction of morning business until the hour of 11 a.m. with Senators permitted to speak therein for not to exceed 5 minutes each.

Under the previous order, the Senator from North Dakota [Mr. DORGAN]

is recognized to speak for up to 20 minutes.

The Senator from North Dakota is recognized.

TRADE, ECONOMIC STRATEGY, JOBS, AND INCOME

Mr. DORGAN. Mr. President, I indicated the other day that I intended to come to the floor of the Senate over a period of some weeks and offer some comments and observations and discuss a series of issues relating to trade, economic strategy, jobs, and income in our country. I would like to introduce that topic today. I will finish it in other presentations in the coming couple of weeks.

I was a speaker at a college commencement exercise last Sunday at Concordia College in Moorhead, MN, where nearly 600 young men and women were getting their 4-year baccalaureate degrees and were getting ready to go out and find a job and make their way in the world. Yet, about half of the students that I had an opportunity to visit with indicated to me that they really did not yet have a job lined up. They were looking and had prospects here and there, but did not yet have a job lined up and did not yet know what they would do. That is not an unusual situation. It is a chronic problem in our country, even for college graduates, to find a good job, to find the right job that has a good income.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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No matter where you are on the economic ladder in this country, it is becoming more and more difficult to get a good job that pays good wages and has benefits. It certainly is true for those on the lowest rungs of the economic ladder, but it is also true increasingly for those who are among the most educated in our country.

I want to give a series of addresses in the Senate exploring the reasons that in the United States we see fewer and fewer good jobs and we see less opportunity. I want to talk a little about what we can do about that. I want to explore the relationship of the global economy, international trade, and the role of international finance in pushing our country into an economic corner with slower growth, fewer jobs, and lower wages.

I think, frankly, the root of much of the disaffection in this country relates to these issues. There is a great deal of anxiety, a great deal of political disaffection, a great deal of concern among the American people. And, I think it is because they see an economy that provides less opportunity than they are accustomed to seeing. Most people know that despite all of the rosy talk about new jobs and economic growth that they are now working harder for less money. Their children who graduate from college have a tough time to find a good job.

Those are the realities that face families in America. It causes them to be anxious about the future. It causes them to be angry about lost opportunity. I think it causes the kind of political, social, and economic turmoil we have in our country today.

I indicated on Sunday at the graduation speech just one symptom of this. Of course, there are a lot of reasons for what is happening in our economy. But I described in our country the inclination for us to buy and wear Chinese shirts, Mexican shorts, Malaysian shoes, watch television sets made in Taiwan, buy cars made in Japan, and then wonder where all the jobs went. Well, it is not hard to figure out where the good jobs went and where the good income is.

I am going to begin by citing some data that was released about an hour ago by U.S. Department of Labor on wages and jobs. Today the Bureau of Labor Statistics reported that 28,000 more manufacturing jobs were lost in April in the United States. That means that generally good jobs, higher wage jobs—because the manufacturing jobs are normally the better jobs—have been lost. They have been replaced by jobs with lower productivity and generally lower wages often in the service industries. It is not that those jobs are not worthwhile in the service industry. They are. But the problem is that we are losing so many good jobs and replacing them with lower paying jobs, largely in the service sector.

In fact, this morning's report is not surprising. I figured yesterday, when I

knew the report was coming out this morning, that that is what the report would show. We would see that we would lose more manufacturing jobs in our country again last month because it has been going on and on and on for many, many years.

We are now in the 50th month of an economic recovery cycle. Everyone who knows about the business cycle knows there is contraction and expansion, an expansion phase and an economic recovery phase. We are now in the 50th month of a recovery that began in March 1991. Unfortunately, after 50 months of economic recovery we have lost more good jobs than we have gained. What's more, wages are not rising but they are falling.

I want to show this chart to compare what has happened in periods of American economic recovery following recessions. In nearly every circumstance in the last 35 years, we have seen a net increase in manufacturing jobs during the first 4 years of a recovery. There is just one exception, and that is now. In this, the 50th month, of this economic recovery, contrary to what happened to every other period in the last 35 years, we see over 400,000 lost manufacturing jobs. In other words, during an economic recovery, a period when you ought to have economic expansion, we are seeing a contraction in the good jobs in this country. We lose. And that is a symptom of the root of what is wrong in this country.

In fact, since 1985, just in the past 10 years, we have lost a million jobs in traded industries, which is manufacturing and agriculture and mining and all the sectors in which we produce things for sale.

People say, well, you may have lost those, but there were a lot of other jobs created. That is true. There were a lot of other jobs created in nontraded industries, that is, industries that are not subject to the competitive cycles of international trade.

It is interesting to me; if you take a look at what has happened with manufacturing employment in this country and the decrease in manufacturing employment and the generally diminished wage opportunity, you understand the consequences for the American people.

A chart was presented using Department of Labor information—presented, incidentally, by MBG Information Services—that shows what happened to growth in workers' compensation in this country from 1948 to 1973, a 25-year period, and then the growth in compensation during the next 22 years, up to the present, and that is the red line.

You will see that in the first 25 years of this 50-year post-Second World War period we had generally robust increased wages in this country. And then you will see that after the first 25 years, we have seen generally stagnant wages since the early 1970's.

It is not a myth. It is reality. This is what the American families have faced, and this is why they are so concerned

about what is happening to their economic fortunes and opportunities for their families.

We have accumulated since 1980 a \$1.4 trillion trade deficit, which I am going to relate to these issues at some point later—over a \$1 trillion trade deficit in manufactured goods alone. Last year, this country suffered the single largest trade deficit in the history of the world.

This chart shows you the merchandise trade deficits of our country. This shows that last year we had the single largest merchandise trade deficit in the history of the world. Now, this must be repaid with a lower standard of living in the United States in the future. This is serious. This is a crisis. And no one but no one talks about it.

I am going to bring charts to the floor and describe how we have gotten to this point and why we have gotten to this point and what we can do about it. But it is safe to say that anyone who understands economics and understands what drives the American economy and what produces good jobs with good income understands this is a crisis. This is not President Clinton's fault. I am not suggesting this administration is at fault for these red bars or these red lines. In fact, this administration has been more aggressive than past administrations in dealing with some of these international economic problems, especially trade.

Unfortunately, this administration and every other past administration for 30 years has embraced the exact same trade policy. Our economic policy, and especially our trade policy, is rooted in a post-Second World War notion that much of what we do internationally relates to foreign policy, but not sound economic policy for this country's interests.

The chart on American worker compensation suggests that this Nation's economic policies were, fortunately, serving its citizens' interests during the first 25 years after World War II. But we now see evidence across America that our policies are contrary to America's economic interests, and yet we embrace the same failed international economic and trade strategy in which our country loses and others win.

We must find a way to put together a much better strategy. In order to do that we need to begin discussing a range of issues that deal with jobs, with income, with international trade and international finance. And we must especially strip away the myths and deal with the realities.

If we talk to people in this town today about trade, about economics, about our country's economy, you would find those whose job it is to sell a positive story say, "Gee, I don't know what you are talking about. We are in the 50th month of an economic expansion. Our economic growth is robust and good. In fact, the Federal Reserve Board is worried about economic

growth being so high that it has increased interest rates seven times to bring economic growth rates down."

They would give a scenario that suggests to you: What are we thinking of? America is in great shape. But, of course, the real test of whether our country's economy is in good shape is whether our citizens are able to find work at decent wages. You can have a bull market on Wall Street, you can have economic growth at 5 or 6 percent, and you can have unemployment at 2 percent, but if you have falling wages and lost opportunity, people in this country are not going to be convinced this economic strategy works for them or their families or for the future of this country.

We have a great deal of which to be proud and to celebrate about our economy in this country, about where we have been, about what we have done over 50 years, all over this world. We have helped; we have invested; we have nurtured; we have protected; we have been a part of what has built an enormously important private sector opportunity internationally that has expanded opportunity for many years.

What has happened in the last 25 of these 50 years is that we have become victims of a system that helps others and hurts us. That is what is at the root of the political disaffection in our country, I am convinced.

I noticed yesterday in the Wall Street Journal something that relates to what we are talking about today. Economic expansion, great opportunity, good times, bull market on Wall Street, and here is what the Wall Street Journal of Thursday, May 4, says in its feature story:

Amid record profits companies continue to lay off employees.

This is the reality for the American families.

Last week, Mobil Corporation posted soaring first quarter earnings. This week it announced plans to eliminate 4,700 jobs. While corporate profits were surging to record levels last year, the number of job cuts approached those seen at the height of the recession.

Corporate profits rose 11 percent in 1994, after a 13-percent rise in 1993, according to DRI/McGraw-Hill, a Lexington, MA, economic consultant. Meanwhile, corporate America cut 516,069 jobs in 1994, according to an outplacement firm, Challenger, Gray & Christmas in Chicago. That is far more than in the recession year of 1990 when 316,047 jobs were cut.

Let me restate that because I think it is important. In 1990, when we were in a recession, corporate America eliminated 316,000 jobs. Last year, when corporate profits were at a record level, we saw 516,000 jobs cut, eliminated, lost. Those are lost opportunities for America's workers.

Again, quoting from the same story:

For employees, the latest layoffs, coming amid good times and fat profits, seem mean and arbitrary. It's the seemingly relentlessness of the job losses that aggravates most.

Workers see this as a long-term trend that has little relationship to how their company is performing. Nobody feels very secure.

The article is a long article, and I commend people to read it. But it describes at its roots what is happening in our country today—record profits, fat opportunities for corporations. But, of course, corporations, the large corporations, are internationalists now. They are not American citizens who get up and say the Pledge of Allegiance and sing the "Star Spangled Banner." It does not mean they are un-American. It just means they are searching for international profits. That is their interest; that is their responsibility to their stockholders. And if they can produce in Indonesia and sell in Pittsburgh and move the jobs from Pittsburgh to Indonesia, that is precisely what they will do, and it is precisely what they have done.

If their actions mean they will substantially increase America's trade deficit, then that is what they will do, because their interest is not in our trade deficit. Their interest is in their profit for their stockholders.

We must, Mr. President, begin to discuss these issues, these economic issues, international and national economic issues, in the context of what works for our country, what is best for America, what produces jobs and good income and opportunity for our country.

We must start thinking in those terms. We must change our thinking. Virtually every discussion you have about our economic policies in this town is a debate filled with myths. I hope in the next couple of weeks, in further presentations on these issues, to strip away some of those myths and try to talk about the economic realities. The economic reality is most American families sitting down to have their evening meal understand they are working harder, longer hours, but making less money.

Why? Because of a whole range of reasons dealing with national and international economic strategy and issues that we largely do not debate on the floor of the Senate. Without a new debate, one viewpoint persists: Our current economic strategy is good for America, and this globalization of trade is just fine; works just great. We have economic growth and that is all that really matters.

Well, all of the positive Government reports and news stories mean nothing to American families if they do not mean opportunity and do not mean decent jobs and do not mean decent incomes. And that is the dilemma.

We are, and this year have been, talking about the budget deficit in our Federal budget. It is a real dilemma and we must deal with it because it, too, is dangerous for this country. It injures our economic future.

But it is no more dangerous than this—the largest trade deficit in history. Or than this—in the 50th month of an economic expansion, to find that

the numbers for last month show that we lost 28,000 additional manufacturing jobs. That is serious. When you lose the kind of manufacturing jobs we have lost in this country, you lose real opportunity. You lose the kind of economic propellant that moves families up the economic ladder, that moves families into the middle class. It was manufacturing jobs that did that, not minimum-wage service jobs. This is the dilemma we face today.

Now, I am going to bring some charts to the floor that talk about specifics, talk about international finance, talk about trade policy, talk about our trade with Japan, our trade policy with China, our trade policy with Mexico, and how that relates to what I am discussing here.

But, most importantly, when I do that, I want to see if we cannot finally begin, all of us, to strip away the myth and talk about what kind of strategy in the end will boost this country's fortune. Not necessarily what will boost all the aggregate numbers about economic growth, but, in fact, boost this country's fortune in the number of good jobs with good incomes that it creates for American families who want to work.

Mr. President, I yield the floor.

A CLEAR VIOLATION OF BASIC PRINCIPLES OF HUMAN DECENCY

Mr. DOLE. Mr. President, on Wednesday, the Capital of Croatia, was subjected to a vicious attack by militant Serb separatists. This was the second day in a row that Zagreb was attacked by rockets armed with cluster bombs. The attack occurred at noon, when civilians were out having lunch. The principal targets were the children's hospital and the national theater where a ballet company was rehearsing. Several people were killed and dozens were wounded, bringing the total number of casualties to about 200 people.

There are those who say that the Croatian Government provoked the attack, by conducting a military operation that returned a 200-square-mile area back to Croatian control. That argument misses the point. Nothing, I repeat, nothing, justifies an attack on innocent civilians—on children in this case. The U.S. Ambassador was right when he condemned these attacks at a clear violation of basic principles of human decency.

I am aware that it is U.N. practice to shift the blame and muddy the waters in their pursuit of neutrality between aggressors and victims. But, to do so—whether in this case, or in the case of attacks on civilians in Bosnia—is reprehensible.

Furthermore, if the United Nations were doing its job in Croatia—if the United Nations had implemented its mandate to demilitarize the sectors of Croatia under their control thereby clearing the way for reintegration of