

THE ECONOMY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, September 11, 1996, into the CONGRESSIONAL RECORD.

THE ECONOMIC OUTLOOK

As I travel around the 9th District, Hoosiers continue to ask me about the economy and its outlook. They wonder about the outlook for jobs and our international competitiveness, but most recognize that the economy is in better shape now than it was several years ago. They hear a lot about proposals to change our economic policy, stimulate growth through major new tax cuts, and ease up on our deficit reduction effort. They question whether this is the time to make a major change in economic policy.

On many measures, the economy today is in good shape. Unemployment is near a 25-year low, and so is inflation. The stock market is booming, growth of the overall economy is solid, and Federal Reserve officials have been optimistic enough about inflation to leave interest rates unchanged. Of course there are some problems. Income inequality has worsened over the past several years, and wages, which have been stagnant since the early 1980s, are just now starting to rise again.

But overall, progress has been made. In January 1993, the federal budget deficit was spiraling upward while the economy was in the slowest recovery of the postwar era. The President and Congress passed the 1993 deficit reduction package which has led to a dramatic drop in the deficit and has helped produce a steady, sustainable economic recovery. Critics were saying that the package would cause a recession and higher unemployment, but it has had just the opposite effect, boosting the economy in several key ways. My view is that whatever adjustments we might make to our economic policy, we should not waver from our central goal of reducing the deficit, balancing the budget, and creating the conditions for non-inflationary growth in the American economy. We must avoid policies that threaten to again balloon the deficit.

PERFORMANCE OF THE ECONOMY

Deficit Reduction

Washington has been obsessed with deficits for more than a decade. American voters have consistently rated the budget deficit as one of their top public policy concerns. So the good news is that the deficit has declined significantly since passage of the 1993 deficit reduction package. The deficit this fiscal year will be \$116 billion. That's almost \$50 billion less than last year and far below the deficit peak of \$290 billion in 1992. That will make the deficit as a share of the economy, at 1.5%, the lowest since 1974, and the lowest of all the major industrialized countries. We must continue on to our goal of a balanced budget.

Economic growth

The pace of the current expansion of the economy is solid and modest, growing at a 2.5% rate since 1993. This is better than the 1.5% growth rate in the previous four years, and slightly above the average of the major industrialized nations. Growth in the second quarter of 1996 was at a robust 4.8% rate, but that should moderate in the last half of the year. After 65 months, the cycle of expansion that the economy is enjoying has already

outlasted all but two of the other eight postwar expansions. Even so, the economy is growing in a balanced way, and inflation, which has killed off a number of previous economic expansions, has not occurred. Strong, non-inflationary growth will do much to improve the outlook for working Americans.

Jobs

Job growth continues to remain strong. The economy has created nearly 10 million new jobs in the last four years. Most of these were good jobs paying above-average wages, and most were in the private sector, an indication of a revitalized economy. In 1995, more than 50,000 net jobs were created in Indiana. Leading the way in Hoosier job growth was the manufacturing sector, with a 7% increase in employment. This means the strong rebound in manufacturing jobs is continuing, after heavy losses between 1989 and 1993.

Unemployment

Strong job growth has helped bring the unemployment rate down to its lowest level in years. Since the beginning of 1993, the national unemployment rate has dropped from 7.1% to 5.1%. In Indiana, the news is even better, where the economy has outperformed the national economy, resulting in an unemployment rate of just 4.2%. Experts expect the unemployment rate to remain steady through 1997.

Inflation

Inflation, which peaked at 6.1% in 1990, has remained below 3% in recent years. During 1995, the inflation rate was only 2.5%, and it is expected to remain around 3% through 1997. The Federal Reserve has done a good job of keeping inflation in check.

Productivity

While not as robust as in the 1950s and 1960s, productivity continues to show solid gains, and the United States remains the most productive nation in the world. The lower interest rates resulting from deficit reduction have boosted business investment and productivity.

Wages

A continuing problem is that while we have created millions of new jobs and the national income is rising, wages for the average family have not kept pace with inflation. Since 1968, while the incomes of middle class and poor families have dropped in real terms, the income of households in the top 20% of the population has increased by almost 50%. Although there are signs that wages for the average worker have begun to improve, our policies must ensure that all Americans benefit from economic growth. The recent increase in the minimum wage is a positive step in the right direction.

Trade deficit

Another disappointment is the trade deficit. Even though the U.S. is exporting a record amount of goods and services, we still import over \$100 billion more than we export. This trade gap is expected to narrow as improved economic growth in Europe and elsewhere improves the ability of other countries to buy U.S. products. And recently the monthly trade deficit did improve by 20%.

We have made significant progress in the last four years, and most forecasters expect the economy to continue on its path of modest growth, low inflation, and low unemployment. That is good news. We have to continue working to reduce the budget deficit. But, we must do it in a way that does not jeopardize our economic gains. We need to make sure that any proposed tax cuts are fully paid for, up front, and do not balloon the deficit. We have to continue investing in education, research, and infrastructure.

These are things that help build a foundation for the long-term economic health of the country. The bottom line for me is that the policies we follow should improve the lives of average working families. I think we are on the right path, but there is more work to be done.

AMERICA'S VETERANS DESERVE BETTER THAN THE CLINTON ADMINISTRATION

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. SOLOMON. Mr. Speaker, 4 years ago, then Governor Clinton campaigned as if he would be a great defender and proponent of America's veterans, their benefits and their role in his administration. Now, as is the case with many other campaign promises and claims he has levied, his record says differently.

From the constitutional amendment to prohibit the physical desecration of the American Flag, to the employment of veterans at the White House and in his administration, President Clinton has repeatedly proven himself to be a disappointment to so many veterans who believed he was on their side in 1992. Even when it comes to financing the VA hospitals that provide critical health care to service-disabled veterans, President Clinton cannot compare to the record this Congress has shown. In fact, the congressional budget would spend \$10.6 billion more than the President over the next 6 years and the House has proposed spending \$60 million more on veterans health care than the President in 1997 alone.

The following article which appeared in the August 26, 1996 edition of *Insight* magazine outlines perfectly the feeling of abandonment many of America's courageous veterans feel as a result of this President's actions, or inactions. Clearly, President Clinton's record on veterans issues says more than his rhetoric.

LAST LINE OF DEFENSE

(By David Wagner)

Many Vietnam-era veterans rallied around Bill Clinton during his campaign for the White House. Now some are wondering if the president is a deserter in their battle for those who served.

In 1992, Lewis B. Puller, Jr., a severely wounded Vietnam veteran and son of legendary Marine Gen. "Chesty" Puller, won the 1992 Pulitzer Prize for his autobiography *Fortunate Son: The healing of a Vietnam Vet*. On May 11, 1994, he committed suicide.

At the time, Puller had been working with John Wheeler—president of the Vietnam Children's Fund, chairman of the committee that raised funds to build the Vietnam Veterans Memorial and author of *Touched With Fire: The Future of the Vietnam Generation*. The two were trying to obtain from the Clinton White House an accounting of its records of hiring veterans for senior positions.

Puller and Wheeler had supported Bill Clinton in 1992 and had helped rally vets to the militarily challenged Democrat's candidacy. For instance, Wheeler wrote an op-ed that appeared in *USA Today* during the 1992 Democratic primaries rebuking then-candidate Sen. Bob Kerrey of Nebraska for exploiting his Vietnam experience in the race against Clinton.

Puller and Wheeler had expected that once the new administration was in office it

would reciprocate by hiring vets for senior positions in rough proportion to their numbers in the workforce. But they received no hiring data—just a part-time appointment for Puller to the Battle Monuments Commission.

Further evidence about the attitude of the new administration toward the military unsettled Puller and Wheeler. There was, for instance, the incident in which a general officer, greeting a new White House staffer, was told insultingly, "We don't talk to people in the military around here."

Wheeler points out that Puller had many personal problems at the time of his suicide, so the perceived stonewalling by the White House was unlikely to have been the sole source of Puller's final depressive episode. But, says Wheeler, it took its toll. "One of the last things Lew ever said to me was, 'I feel used by Clinton.'"

According to figures that Wheeler since wrung from the White House, 4 percent of the political appointees in the Clinton White House are veterans. He notes for comparison that 59 percent of senators, 40 percent of representatives and 37 percent of men over age 35 in the nationwide workforce are vets.

Furthermore, there were 132 male veterans and one female veteran in Senate-confirmed positions in December 1994 under Clinton. In December 1992—while President Bush still was in office but after many of his appointees already had left for greener pastures—there still were 189 male veterans in Senate-confirmed positions.

"Using Bush levels as a baseline," says Wheeler, "Clinton cut total vets by 57 and added 76 women and 64 nonvet men. For the Vietnam generation, Clinton cut vets by 12 and added 75 women and 105 nonvet men. Room for the increases in women and nonvet men was made by cutting out only vets."

Obtaining even such limited numbers, says Wheeler, was an ordeal that began with polite letters and escalated into a Freedom of Information Act, or FOIA, request. This led to a White House meeting and was followed by more stonewalling.

Leading veterans' organizations do not see the problem in the same terms. Bill Smith, a spokesman for the Veterans of Foreign Wars, or VFW, told *Insight*: "This administration is not antiveteran at all. Jesse Brown, secretary of Veterans Affairs is earnestly working in the interests of vets. In an age of budget cutbacks, VA has fared well."

On the question of whether customary numbers of veterans are being hired for senior positions, Smith says that though he has seen no surveys, he is not aware of any discrimination. "Compare the administration with the Congress: There are fewer vets there too."

"I'm not surprised he's seen no surveys," says Wheeler. "I still haven't gotten the information I've been promised, and I've been at it for almost three years. Look, the VFW is a venerable organization, but its job is to look after veterans' benefits, not veterans' values. There are about 26 million American veterans altogether. About 4 million of them are primarily interested in benefits, and the mainline vet organizations represent them very well. But the rest of us are more interested in the values represented by military service: sacrifice, country, freedom, the reality of things beyond your immediate circle that are worth dying for. These values are traditional . . . and they are the antithesis of the life the Clintons live."

Those values issues could have an electoral spillover. "These guys helped put Clinton over the top in 1992," says Wheeler. "If they desert him in '96, he could yet lose this election. Strange, but no one has done any polling of vets on their presidential preferences. The mainstream vet organizations are scared of what they'd find."

The VFW's Smith says his organization hasn't conducted any veteran polling. "We're nonpartisan, not a PAC—but I haven't heard of any of the veteran PACs having any poll numbers either."

For Wheeler, the Clinton administration's good record on veterans' benefits supports, rather than contradicts, his overall theory: "The Clintons want their vets to be victims, not partners. They want to be photographed in attitudes of pitying kindness toward veterans, but they don't want them as colleagues in the Executive Office of the President. They've done some good for vets on the benefits side of things, but when it comes to recognizing vets as anything more than just another victim class, this administration shows its antiveteran face."

On April 17, 1994, in a letter to then-White House counsel Lloyd Cutler, Wheeler filed a FOIA request for the vet hiring data. This request led to a White House meeting on June 22, 1994, attended by Clinton administration officials Jody Greenstone and Steve Hilton, representing Cutler, and Bob Bell, of the National Security Council staff. At this meeting, as a settlement of Wheeler's FOIA request, the White House agreed to supply him with requested information.

Some information has, in fact, been rolling into Wheeler's mailbox. He now receives quarterly reports on the hiring of veterans for the approximately 850 Senate-confirmed slots. As per Wheeler's request, this information is broken down by gender and age. But Wheeler still is awaiting information on vet hiring in the Executive Office of the President, despite agreement at the June 1994 meeting that this information is public and despite the fact that the White House's promise to provide it was offered as part of a settlement of the FOIA request.

Besides the question of hiring, three Vietnam vets whose sons were killed in Somalia still are waiting for an adequate accounting of the decisions that may have placed their sons in unnecessary danger, such as the decision to exclude tanks from the Somalia mission.

Army Ranger Cpl. Jamie Smith bled to death during a battle in Mogadishu, Sgt. Casey Joyce and Cpl. Dominic Phila, both soldiers, also died there on the same day: Oct. 3, 1993. Thereafter, the Smith and Phila families worked together with retired Lt. Col. Larry Joyce, Casey's father, to learn what led to those tragic events.

Joyce tapped his Pentagon contacts and reports that the field commanders in Somalia had requested tank support, that the request had been approved up the chain of command through the Pentagon—and that it had been denied at the White House level for reasons that were political rather than military: The administration wanted to avoid the appearance of escalating the Somalia mission.

Joyce composed a handwritten letter to Clinton and had it delivered through a White House contact. On Nov. 19, Joyce recalls, the president called him and said a meeting would be arranged for the following week—but no further calls came.

On Dec. 15, 1993, the day Defense Secretary Les Aspin resigned, about a half-hour before the resignation announcement, Joyce received a call from presidential assistant Betty Currie assuring him that the president still wanted to meet with him. Joyce says he suspects this call was made to forestall his potential criticisms of military decisions taken on Aspin's watch, including the fatal mistakes in Somalia, for which some say Aspin had been made to take the fall.

Currie tells *Insight* that she cannot remember calling Joyce on that particular day. "But if he said so," she adds, "it's probably true."

In March 1994, Joyce, retired Capt. Jim Smith and retired Sgt. Ben Phila met with Democratic Sen. Sam Nunn of Georgia, at that time the chairman of the Senate Armed Services Committee. Nunn scheduled a hearing, with Joyce and Smith as witnesses, for May 12, 1994. On May 11, as Capitol Hill committee procedure requires, they faxed their written testimony to Nunn's committee—and within an hour of sending the fax they received a call from the National Security Council asking them to meet with the president the next day.

By this time, testifying before Nunn's committee was a higher priority for the bereaved fathers than meeting with the president. But on the morning of the hearing, the schedule was juggled so Joyce and Smith would testify after lunch. Then, during the hearing's luncheon break, they were taken to a limo, whisked off to the White House and deposited in the Oval Office with Clinton, National Security Adviser Anthony Lake and senior White House aide George Stephanopoulos.

Joyce says that during the meeting he found Clinton arrogant, insensitive and anxious to retain control of the conversation. Stephanopoulos hung back near the door, looking annoyed, according to Joyce, and frequently checked his watch.

The line the president took was that he had relied upon his military commanders and had not wanted to make former President Johnson's mistake of trying to micromanage military operations from the Oval Office.

Joyce seized on a pause in the president's word flow to ask if it were true that at the time that Casey Joyce, Jamie Smith and Dominic Phila were killed, Clinton already was working on a diplomatic solution brokered by former President Carter, using Carter's contacts with Somali "warlord" Gen. Mohamed Farah Aided, and that Clinton had accepted Carter's opinion that a military solution in Somalia would not work?

Joyce says Clinton acknowledged all this. Joyce then asked why a raid aimed at capturing Aided had been carried out on Oct. 3. "He was stunned at the question," Joyce tells *Insight*. "He then said: 'On Oct. 3, I asked Tony Lake the same question.' But later, after that meeting, I asked Gen. Colin Powell whether the military had been told of any change in the Somalia strategy, and he said no, it had not."

Joyce says that, publicly and privately, the Clinton administration "is sticking to a canned response that says the operation in Somalia saved lives and therefore our boys did not die in vain. But the lifesaving part of the mission was the humanitarian part, which ended in March of '93. The rest—the part our sons died in—was just President Clinton's participation in Boutros Boutros-Ghali's personal vendetta against Aided."

Throughout the 45-minute meeting, says Caroline Smith, Jamie's mother, "the president never acknowledged any responsibility whatsoever. He was sorry, of course, but as far as taking responsibility, he diffused it all over the place."

The White House referred calls on all these matters to the VA. VA spokesman Jim Holly tells *Insight* that the Clinton administration's record on veterans' benefits and veteran hiring makes this "the most pro-vet administration since FDR signed the GI Bill."

On July 28 the president told a Disabled American Veterans conference in New Orleans: "We're still around because of you."

But others besides Wheeler are alarmed at the plight of veterans. On July 31, Rep. John Mica, a Florida Republican, shepherded the Veterans Employment Opportunities Act of 1996 through the House. The bill would strengthen veteran preferences in federal

hiring and allow vets in federal employment to appeal adverse actions to the Merit Systems Protection Board.

"Right now," Mica tells Insight, "veterans are the last hired, first fired."

But for Wheeler the issue is not filling quotas, but showing respect. "I'm not trying to obtain a given number of senior White House jobs for veterans," Wheeler says, "I'm trying to confirm or disprove a growing impression that this White House doesn't want veterans in its face."

In a National Public Radio interview on March 14, 1994, Puller observed: "Clinton came in with a lot of baggage. His draft record back in the sixties; he went to Yale Law School, where virtually no one served; so, I sense sort of a 'we-they' mentality there."

"I know a number of years ago," Puller continued, "somebody said there's an unbridgeable gulf between those who served and those who didn't serve in the Vietnam War. I don't believe that any more, but I feel like veterans have made more of an effort to be accessible to Clinton, and to his administration, than his administration has to be accessible to them."

Instead of accepting Puller's outreach, Wheeler says, this White House has comported itself toward veterans as though inspired by a remark of Shakespeare's great villain, Iago: "He hath a daily beauty in his life that makes me ugly."

A POINT OF LIGHT FOR ALL AMERICANS: DAVID MINKIN

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. OWENS. Mr. Speaker, I rise today to honor David Minkin, an individual whose concern for his fellow man and worthy philanthropic pursuits over the past six decades have earned him the love, respect, and gratitude of the many individuals he has touched. His life is a testament that human compassion is a factor that matters most in life. Mr. Minkin is a point of light for all Americans.

Throughout his professional life as a real estate developer, builder owner and manager, Mr. Minkin has been viewed by those with whom he has been associated with as a fair, sincere, and loyal person. However, it has been his philanthropic deeds that have earned him the greatest respect and admiration of those whose lives he has touched.

For the past 64 years, David Minkin has worked tirelessly in improving the health care for the residents of the Flatbush section of Brooklyn by continuing the fundraising efforts for the Kingsbrook Jewish Medical Center begun by his parents Rose and Bernard Minkin in 1932.

Throughout the past six decades, Mr. Minkin has held many key offices at the facility. He served as president of Kingsbrook until 1995 when he stepped down to assume the role of president emeritus and he remains the faculty's chief benefactor, leading fundraising efforts and contributing millions of dollars for the center.

Mr. Minkin's first major contribution to Kingsbrook was the construction of an acute care facility named in honor of his parents in

1967 in which he raised and personally contributed several millions of dollars. He later spearheaded the construction of the last three buildings of the nine-building Kingsbrook complex.

During his life David Minkin has been recognized for his contributions to a broad spectrum of religious, cultural, educational and social service agencies, institutions, and organizations. His participation and recognition for many of these worthy efforts cross religious boundaries with recognition in the Catholic community as well as in his own Jewish faith.

In 1976 Kingsbrook named a facility for skilled nursing care and rehabilitation services, the "David Minkin Rehabilitation Institute" in honor of his contributions and dedicated service to the facility. In addition, David was awarded the Medical Society of the County of Kings 19th Annual Citizen's Award, in appreciation of his tireless efforts in improving the health and well-being of the citizens of Brooklyn through his unstinting devotion to Kingsbrook Jewish Medical Center.

Among his many other honors, David was awarded the Prime Minister's Medal from State of Israel Bonds, as well as the Ubi Caritas Award from Catholic Charities. A generous contribution to the Catholic Charities of Brooklyn and Queens resulted in a residence that would provide 100 units of supportive housing for the elderly. In appreciation the organization named the facility in David Minkin's honor.

At a time when charitable giving is decreasing, it is appropriate that we join his friends and family in celebrating this point of light for all Americans—David Minkin.

THE EPA CLUSTER RULE

HON. ALAN B. MOLLOHAN

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Mr. MOLLOHAN. Mr. Speaker, I want to join my colleagues in support of the direction taken by the U.S. Environmental Protection Agency on the Cluster Rule for the pulp and paper industry. On behalf of my constituents who are employed by the paper and forest products industry—one of West Virginia's five major economic sectors—I urge the EPA to promptly finalize a Cluster Rule.

I am very pleased that on July 15, 1996, the EPA published in the Federal Register information on two technology options for final guidelines for bleached papergrade kraft and soda mills based on best available technology under the Cluster Rule. In this notice, the EPA stated that complete substitution of chlorine dioxide, identified as Option A in the proposal, should be given the same consideration as oxygen delignification coupled with complete substitution of chlorine dioxide, identified as Option B. In fact, the EPA stated in this proposal that "both options appear to reduce dioxins and furans in wastewaters to concentrations at or below the current analytical minimum levels."

In the first district of West Virginia, about 900 people are employed at the Luke Pulp and Paper Mill. Luke, which meets the require-

ments of Option A, is one of the Nation's largest paper mills. I understand that Option B would cost this mill, which in the past 5 years has spent over \$45 million on environmental protection improvements, an additional \$100 million.

I compliment and thank the Agency for the direction they have taken to provide for the fullest possible protection of the environment while at the same time ensuring that the final rule will not place on unreasonable cost burden on the pulp and paper industry. This approach demonstrates regulatory flexibility at its best.

I rise to join my colleagues in an endorsement of Option A.

TRIBUTE TO GEORGE SWEENEY

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 11, 1996

Ms. DeLAURO. Mr. Speaker, on Thursday, September 12, 1996, George Sweeney will be honored with a retirement dinner. George has served the New Haven Fire Department for more than 39 years.

George's career with the New Haven Fire Department began in 1957 when he was assigned to Engine Company 4 at the Central Station. He served in this capacity until January 26, 1977 when he was promoted to lieutenant. While he was with Engine Company 4, he was commended by the board of fire commissioners for his actions at a four alarm fire at the Yale Art & Architecture Building on June 14, 1969. In the following years, George served with a number of companies including Hook and Ladder Company 3, Lombard Station, Engine Company 7, Lombard Station, Engine Company 10, Lombard Station, Engine Company 15, Fountain Station, Hook and Ladder Company 5, Fountain Station. In 1991 he became the acting supervisor of records and operations at the Motor Apparatus and Building Maintenance Division.

Firefighting is a career which demands incredible dedication, courage and bravery, and a deep commitment to helping others. Firefighters are public servants in the truest sense. They risk their lives every day to protect citizens. During his tenure with the New Haven Fire Department, George was awarded a meritorious citation for his part in a heroic attempt to rescue two children from the second floor of a three story building. George's actions speak to his immeasurable sense of responsibility for the citizens of New Haven. George is also the recipient of three unit citations. He has been honored by the Connecticut State Fireman's Association in 1992 in recognition of 35 years of service and he was named Firefighter of the Year in 1995 by the New Haven Block Watch Association.

George Sweeney has devoted himself and his life to a career as a firefighter for the city of New Haven. For over 39 years George has served the people of the city. In that time he has truly made a difference in people's lives, in some cases his efforts have meant the difference between life and death. I am proud to join George's family, friends and colleagues as they honor him on his retirement. He deserves our deepest thanks and appreciation.