

tax relief, that \$500 tax credit, or a tax credit for adoption of our children. Or it might mean welfare reform or saving, just cutting away at the big bureaucracy here in Washington, and I think the gentleman would agree with me that we are trying our very best to bring some sanity, and yet the rhetoric is very strong, especially on two freshmen.

And I just might say in this week we are commemorating Earth Day and talking about the environment. I will just say to the gentleman from northern California, you have been recycled as a Member of this Congress, and very gladly, because you served in this Congress for 2 years, and you were out for 2 years, and now you are back, and I am just glad to recognize you as one of the members of the freshman class.

But what we have been trying to do in this 104th Congress to make this place accountable to those working families that are way back on the West Coast of California and make some sense to the men and women, the moms and dads, that are trying to make it in this very hard economy.

So I just thank the gentleman for bringing up all the issues that you previously did, and I would just say that I guess we are going to have to tighten our seat belt because we are going to continue to see radical groups, big labor, especially the ones based here in Washington, such as the AFL-CIO, continuing to launch an assault on our efforts to bring about meaningful change in a way the Federal Government operates and undermine our efforts to secure a brighter future for the folks in California.

I think it is very obvious that at AFL-CIO they are not looking out for their union members and their families in our two districts. No; those Washington bosses, as far as I am concerned, are using those membership forced dues to fight against that balanced budget that would give them and the families such benefits as more take-home pay, and lower interest rates and the ability to decide how they are going to spend their dollars, and not a bureaucrat here in Washington, DC.

You know, I believe that the union members and the families in my district and yours, Mr. RIGGS, if they were given a choice, it is likely they would prefer their balanced budget bonus to a deceptive, dishonest, propaganda campaign against our voting record. And you know it is just amazing to see it transpire, and I would just say I guess we were going to see this until November.

Mr. RIGGS. I think so, and I thank the gentlewoman for her comments.

Again, she is so right. She is basically describing the so-called mediscare campaign that has been launched by big labor, the major Washington-based labor unions back here which have become the core constituency of the national Democratic Party, yet they are ignoring all the warning signs that we are heading towards

bankruptcy, for one reason and one reason only: They want to use this as the political issue to regain control of the Congress.

Independent analysis indicates that you know Medicare is going broke. The gentlewoman from California [Mrs. SEASTRAND] mentioned that we both been targeted by radio and television ads in our congressional districts, giving us an F for our votes on preserving Medicare from bankruptcy. That is actually out of the union press release. Yet if you look at the independent analysis that has been done of some of these advertisements by Brooks Jackson of CNN, he talks about the ads being a big hoax on the American people, grossly misleading.

One of the ads running now says the Democrats want to protect Medicare the Republicans want to gut it. But then Jackson goes on to admit Republicans currently propose to cut the growth of Medicare by \$168 billion over 7 years. President Clinton's budget calls for \$124 billion in cuts, which he calls savings.

He also analyzes another allegation in these ads. Republicans cut school lunches, cut Head Start, cut health care. Then Jackson, Brooks Jackson of CNN, calls this Democrat National Committee ad false advertising.

Mr. Speaker, the Republican Congress appropriated more money for school lunches this year, just what President Clinton asked, in fact, and the Agriculture Department says it has increased the number of children served. Money from the Head Start preschool program has been cut 4 percent this year temporarily, but Republicans have agreed to a 1 percent increase once a permanent appropriations bill is passed. Meanwhile not a single child has been affected. In fact, Head Start enrollment is up this year.

On child health care, Republicans did pass a \$164 billion cut in Medicaid growth, which Clinton vetoed. Now differences have narrowed. Republicans last proposed to cut only \$85 billion over 7 years, again to save that program, which has been growing in an unsustainable rate, and President Clinton's own budget proposal cuts of \$59 billion.

As we saw in this ad, the Democrats' strategy is to, exact quote, Brooks Jackson on CNN, "not let the facts get in the way of a pro-Clinton political spin."

So again I thank the speaker for the time this evening. I will have more to say about these ads in the future. I would simply try to admonish her to advise the American people, you know, do not believe the lies and the scare tactics. Research the issues for yourself. Be informed, and I think you will see that we are trying to do the right thing, the responsible thing here in Congress, and we are trying to remember the old admonition of Mark Twain, which is, always do right, you will make some people happy and astonish the rest.

POSITIVE ECONOMIC AMERICANISM

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

Mr. LIPINSKI. Mr. Speaker, for too many Americans, the great American dream has been replaced by sleepless nights of worry. Worries about how to care for elderly parents, how to pay for a home, how to pay for a car, and how to pay for the children's college tuition, in a world where real wages have become stagnant, taxes are being raised, benefits are under assault, and jobs are being lost.

Second jobs often become the only job, because the main jobs have been lost to downsizing, or have been transferred elsewhere. That's what people are dreaming about. Their anxiety is real, not imagined.

American workers used to be in control of their own financial destinies. Hard work, loyalty, and ingenuity were rewarded and appreciated by American businesses. The result? Americans realized and lived the American dream, as generation after generation witnessed an increased standard of living. But younger generations do not believe they will have it better than their parents. For these days, hard work and loyalty are being rewarded with pink slips and unemployment checks.

Before Pat Buchanan enlightened America to the plight of the American worker, the issue of jobs and the state of the American economy was not a part of the political discussion. In the worlds of Democratic leader, RICHARD GEPHARDT, Pat "has, at the very least, recognized the crisis of falling wages and incomes. He has acknowledged what hard-working families go through to raise their children and put food on the table." And the New York Times stated that "until Patrick J. Buchanan made the issue part of the Presidential campaign, it seldom surfaced in political debate."

Pat pointed out the falling wages of the American worker. According to the Bureau of Labor Statistics, average hourly pay has fallen 11 percent since 1979. Why? Because of greedy corporations and the failed trade policy of the United States.

First, let me talk about the trade imbalance in America. For years I have been fighting to balance the playing field by introducing legislation to impose restrictions on imported steel and automobile. Not because foreign steel and cars are better than their American counterparts, but because foreign countries are restricting imports of American steel and cars. It is not fair to the American worker to allow foreign products to generously flow into this country without opening foreign markets to the same American products. And now the North American Free Trade Agreement [NAFTA], and the General Agreement on Tariffs and

Trade [GATT], two deals I vociferously opposed, are only making things worse for Americans.

By Trade Representative Mickey Kantor's own figures, each \$1 billion in exports equals 20,000 jobs.

In 1995 the U.S. merchandise trade deficit was over \$175 billion. That means 3.5 million jobs were lost to foreign countries. And what is contributing to this deficit? NAFTA. In 2 years, we've gone from a trade surplus with Mexico of \$1.35 billion to a trade deficit of \$15.39 billion last year. In addition, in 1995 the United States trade deficit with Canada was also over \$15 billion. That is 600,000 jobs lost because of NAFTA.

Many of our own companies have in effect thrown up their hands in surrender to low-wage countries and decided to ship their operations abroad to take advantage of minuscule labor costs. In Indiana, the Whirlpool Corp. has announced it is moving 265 positions to a plant in Monterey, Mexico in order to strengthen the plant and improve job security. Aided by NAFTA, Whirlpool has improved job security to such a degree that over 5,000 jobs have been lost at its plant in Indiana in the course of the last 10 years.

But this is not a unique case. In my own district, General Motors has slowly but steadily been decommissioning its Electro-Motive plant for the last 10 to 15 years and sending the same work down to a subsidiary in Mexico.

But Mexican and Canadian workers aren't any better off than American workers, and neither is our environment. Because of NAFTA, American roads may soon open to Mexican trucks—trucks that often weigh more than double the 80,000 pound United States limit. These trucks are lax in safety standards, and with only 1 in 700 trucks being inspected at the border, American roads will be filled with mammoth, unsafe trucks carrying materials to points throughout the United States.

And not only is the American worker paying for these bad trade agreements in lost jobs and extra peril to the environment, but a trade deficit also represents a liability on our national balance sheet—a loan that must be financed. If the trade deficit remains constant, by 2010 the United States will be paying the equivalent of 2.5 percent of our GDP in interest payments and capital outflows to foreign countries.

I agree with Pat Buchanan that global free trade should be judged by three simple rules: First, they maintain U.S. sovereignty; second, they protect vital American economic interests, and third, they ensure a rising standard of living for all American workers. It is clear that trade agreements like NAFTA and GATT are not following these rules and looking out for the welfare of working Americans, but are looking out for the interests of large multinational corporations whose sole loyalty is to the bottom line.

For too long, we have engaged in trade deals and foreign policy that

serve foreign countries. The \$50 billion loan bailout to Mexico, which I opposed, only proves that NAFTA is a failure. And GATT, which often places the settlements of trade disputes in the hands of the World Trade Organization and representatives of small, Third World countries, compromises our sovereignty. Moreover, we rebuilt Europe and Japan after the Second World War—we still provide for their security—but it's time to use our powerful resources to rebuild the American dream and rebuild security for American families. Not just through Government programs—but through a partnership where Government can set fair and compassionate rules. Where Government can be an impartial referee, and where Government helps provide the tools.

That leads me to the plight of the American worker. In the 1980's, mostly young, male, blue-collar workers dominated layoffs. Wages of the principal breadwinner were declining and families were making up for that by sending more family members into the workplace, and they worked longer hours. By the end of the decade, families were running out of hours, with both parents working at several different jobs.

In 1988, I joined other colleagues in passing legislation that would prevent employers from blindsiding blue collar workers with sudden layoffs. This legislation, the Worker Adjustment and Retraining Notification Act, requires the employers to notify three bodies—workers, State dislocated worker units and local governments—of impending major mass layoffs, plant closings, or plant relocations. Unfortunately, while this legislation prepares American workers and communities for what lies ahead, it does not stop employers from firing workers en masse and causing sleepless nights of worry.

But now, white collar people with college degrees, a large number of women included, are also being laid off, or downsized, as corporations like to call it. Large corporations account for many of the layoffs, and a large percentage of the jobs are lost to outsourcing—contracting out work to another company. While these outsourcing jobs contribute to the 8 million jobs that President Clinton claims have been added to the work force since 1992, these jobs are often with small companies that offer little benefits and low pay, and many are part-time positions with no benefits at all. Often, the laid off only get temporary work, tackling the tasks once performed by full timers. Even though I am happy that jobs have been created, the statistics don't show that these are part-time jobs that do not pay living wages. In fact, the country's largest employer is Manpower Inc., a temporary-help agency that rents out 767,000 workers a year.

A person who is dependent all of his life on low wages is a slave. This economic stagnation and loss of oppor-

tunity is sapping America of its boundless confidence and freedom. Clearly, the dignity of labor has been replaced by the slavery of insecurity. You can't do that to American workers and expect America to stay strong.

Often, in order to allay this insecurity, these low-paid or temporary workers try to join a union in hopes of raising pay or improving benefits. At a recent congressional hearing, a \$5.50 per hour employee of a small business with annual sales of over \$150 million testified that management told the employees that they would put a padlock on the door and move the business to another town if the employees formed a union. This is not an isolated case, for throughout the landscape of the American office, warehouse, and factory there are widespread fears of joining a union and expressing one's views.

The fear of job loss and anxiety about the future coupled with falling wages of Americans does not equate with America's economic figures. Profits of corporations are 50 percent higher than a decade ago, the gross domestic product is growing, and unemployment is lower. Then where is the money going? To fat cat corporations. The growing divide between Wall Street and mainstreet is causing a widening rift between the rich and the poor.

In 1974, U.S. CEO's were paid an average of 35 times the average worker. Today, that ratio has ballooned to 187 to 1. Comparably, in Germany that ratio is 21 to 1. In Japan the ratio is 16 to 1. There are great effects that result from the greed of these corporate CEO's. In 1979, the top 1 percent of earners in America held 22 percent of the wealth. Today, the top 1 percent hold 42 percent of the wealth. We even surpass Britain, long seen as the snooty example of a class structured society, in income disparity.

It is clear that multimillionaire CEO's are keeping more of the money for themselves. Workers once received compensation increases equal to 80 percent of productivity gains. Since 1979, workers have only received a 25-percent increase in compensation compared to their productivity gains. This is not fair, nor is it right. Workers who produce more and better products are being forced to labor longer for less compensation.

Furthermore, it is not secret that when a company announces a layoff that its stock soars. On the day of the announcement that 40,000 jobs would be cut, AT&T's stock when up 4 percent and Bob Allen, the CEO of AT&T, saw his stock increase by \$1.6 million, in that 1 day alone. The day Sears announced that 50,000 jobs would be downsized, its stock climbed 4 percent. When Xerox said it would trim 10,000 jobs, its stock surged 7 percent. The list goes on and on.

Fortunately, not all corporations view their employees in simple terms of stock market statistics. Anheuser-Busch, Malden Mills, Inland Copper,

and United Technologies have all respected their workers and treated them like assets. For, instance, United Technologies reeducates its workers and gives stock incentives to employees who go back to school, no matter if the studies are related to United Technologies or not. This is the kind of social contract that is needed in America between corporations and its workers. Even financial forecasters have foreseen that companies which invest in their employees are better investments in the long term than companies that recklessly fire workers for the benefit of the quick buck.

But currently, Wall Street is not reacting well to the news of employment gains. When on March 8, the Labor Department announced that 705,000 workers had been added to payrolls, the Dow Jones industrial average fell 171 points. The next day's headline in the Washington Post screamed, "Job Gains Send Markets Plunging." There is no doubt that the short sighted interests of Wall Street investors conflict with the long-term interests of working Americans. Less jobs, more profits, that is what Wall Street wants. As White House Press Secretary Mike McCurry said about the markets' response to job gains, "Sometimes there's a disconnect between Wall Street and Main Street." No, Mr. McCurry, not sometimes. It happens more often than we care to admit.

Sure, change and some turnover was inevitable as the American economy evolved past the industrial age. Technological innovations now allow a corporation to do more work with less manpower. But as of late, the economy has been driven by a policy that transformed labor markets. Incentives increased on Wall Street to break the social contracts between corporations and workers. Capitalism and greed ran rampant without regulations, injuring the working man and woman and losing sight of a vision for America's economic future. Yes, I do believe in capitalism, but I hold democracy and the welfare of the working men and women of this country in higher regard. While I respect the right of the individual, this society cannot be one that lives by the rule of survival of the fittest.

There are solutions to the plight of the American worker. We must change trade policies, modify corporate behavior, strengthen workers' rights, and provide for a more effective social safety net for the unemployed.

I also believe in free trade, because America has the most productive work force and best minds in the world. But most often, the countries that we trade with, do not have open markets and are not playing by the same rules that we hold to ourselves. They do not believe in free trade and therefore take advantage of America's willingness to play at a disadvantage. The time has come for a comprehensive U.S. trade policy that emphasizes reciprocity and stems America's hemorrhage of jobs and incomes. Future trade deals should not

be made with foreign countries until they open their closed markets. Current trade agreements, such as NAFTA, should be amended or repealed unless certain conditions are met.

To this end, I am a member of a bipartisan coalition of Members in the House and Senate that have introduced the NAFTA Accountability Act. This act would incorporate a comprehensive set of benchmarks against which to measure NAFTA's promises in regard to trade balances, net job growth, democracy, reduction of illicit drug activity, crime, and increased public health standards. If any of the benchmarks of a prudent trade policy are not met, Congress would instruct the President to withdraw from NAFTA. The American people themselves are clamoring for legislation of this kind, as recent polls indicate that 52 percent of the public in March 1994 believed that NAFTA would help the job situation here. By November 1995, only 36 percent of the public still held that belief, while 55 percent of the people believed that NAFTA is causing jobs to go to foreign countries.

Changing bad trade deals goes hand in hand with changing corporate behavior, since these corporations are taking advantage of agreements by using cheap foreign labor while CEOs reap the profits. Moreover, multinational corporations often escape from paying U.S. income taxes while retaining the rights of citizenship. These tax loopholes must be closed, and corporations that receive tax breaks only to subsequently downsize should have their tax breaks eliminated.

But eliminating corporate tax loopholes will not solve the whole problem. I propose going one step further and creating tax rates that reward those corporations which create higher quality and better paying jobs in America. A new social contract should be adopted between the Government, the business community, and the working people of America. Tax rates would be reduced for corporations if they pay living wages for their workers, maintain or add jobs, give good benefits, and train or upgrade skills.

Corporate America is constantly clamoring for tax breaks, as the Republican Contract With America proposed to do. But tax breaks have been given in the past to these corporations only to see jobs go to foreign nations, the American work force downsized, CEO's reap huge profits, and the budget deficit balloon out of control. So let's give corporate America what they want: A tax break. But let's hold them accountable for the welfare of the American worker.

Corporate America is not the only entity that can help the middle class. Unions, as the vanguard of the workers, also have a role to play. They ensure a stable economy. To quote from Ray Abernathy of the AFL-CIO, "When organized labor and minimum wage laws were passed during the Depres-

sion, it wasn't only to prevent the exploitation of workers, it was also because big business understood the need to ensure the buying power of its customers."

That statement makes sense, because in modern economies, wealth is created when labor, capital, skills, and natural resources are continuously recycled as profits, wages, operating costs, taxes, or social welfare payments within the society that produced them. Unions, in effect, promote a healthy society by making sure that a fair percentage of the wealth is recycled in the form of wages. But distributing too much wealth as welfare undermines the work ethic, and distributing too much as profits to a relatively few top executives, as has been happening in America in the last two decades, concentrates wealth in the hands of a few.

Therefore, this has undermined support for the community and has led to a weakened public school system, unsafe streets, a declining morale, and an anxiety about the future across America.

At the very least, Government can ease the pain of down sized workers by passing health insurance reforms currently before Congress that allows those who lose their jobs to keep their health insurance. It is not fair, nor is it right, to have health and other social benefits for the very poor while Americans who have worked all their lives and contributed to the U.S. economy cannot have the same peace of mind. Mechanisms such as health insurance portability need to be instituted so that working Americans will not have to spend all of their savings on health care bills and subsequently fall to a level of poverty where the only means of living is provided for by the Government. But this is just a minimal step. Much more can and should be done to ease the real anxiety and worries that Americans are now feeling.

We must all work together to not only reinforce America's place in the global economy, but to return the American worker and the American family to a prosperous place in society. Then we can progress on our course at the greatest industrial democracy in the world.

Mr. Speaker, tonight I have presented the problem and a few potential solutions to the economic quandary America faces. But I would like everyone within the sound of my voice to send me their solutions. And in a few weeks I will present those solutions and give a vision of what America can be.

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A VICTORY FOR THE AMERICAN PEOPLE

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