

suffered the losses of their homes, their property, and eventually, their lives.

By 1923, only one in three Armenians had survived the genocide; 1.5 million Armenians were killed and half a million were deported. But to this day, the Turkish Government denies the genocide took place on Turkish soil.

Mr. Speaker, I would like to add my name to the list of those who will not forget the genocide and will work to make sure that future generations remember as well.

Thank you, Mr. Speaker.

CONGRESS MUST DEBATE THE FED'S DECISION TO CUT BACK ON GROWTH

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1997

Mr. FRANK of Massachusetts. Mr. Speaker, I believe Congress is delinquent in paying too little attention to the most significant set of public policy decisions now being made in this country: namely the decision by Chairman Alan Greenspan and the rest of the Federal Open Market Committee to increase interest rates because they believe that this country has been growing too fast economically, and that we must therefore cut back on growth and job creation so as to avoid any possible increase in inflation. I should note that they maintain this even though by their own admission there is no sign of inflation currently, and even though many of them, including Chairman Greenspan, have been unduly pessimistic in the past about the impact of reduced unemployment on inflation.

Twenty-five of the twenty-six Democratic and Independent members of the Banking Committee have urged the chairman of the committee to convene a full committee hearing on the important issues raised by the Fed's decision. He has declined. I have now turned to my Republican colleagues to ask them to join in this request for a hearing. Under committee rules, if 4 of the 30 Republicans were to join us, we would have the requisite number to require that a hearing be held.

It seems to many of us essential that we convene public hearings in the Congress in which Mr. Greenspan and his colleagues can defend their decision, and in which representatives of business, organized labor, citizens groups, and others can voice their agreement or disagreement. The scope of the issues involved here was recently made very clear in a cogent article Lester Thurow, former dean of the MIT Sloan School of Management, and currently a professor of economics at the school. Because this is the single most important set of decisions now being made about the American economy, and therefore about such related issues as how we can reduce the budget deficit to zero in a socially responsible way, how we can absorb hundreds of thousands of welfare recipients into the economy, and how we can accommodate growing internationalization of our economy without increased inequity. I am inserting Professor Thurow's article here:

Alan Greenspan's move to higher interest rates in March was in and of itself unimportant—after all what can a one-quarter of 1 percent increase in interest rates do to an

economy as big as that of the United States. The real issue isn't the increase but Greenspan's history. He believes in salami tactics. In 1994 and 1995 he raised interest rates 7 times in 12 months. Each increase was small, but in the end those 7 increases doubled interest rates.

Based upon his history, financial markets know Greenspan does not like big jumps in interest rates and a small rate increase is apt to signal that a sequence of small increases has begun and that in the end those small increases will end up being a big jump in rates. Given this belief, it is not surprising the stock market started to fall in the aftermath of Greenspan's announcement.

But the issues are far more important than the ups and downs of Wall Street. Greenspan has indirectly signaled he believes that the bottom two-thirds of the American work force should continue to get the small annual real wage reductions that they have gotten over the past quarter of a century—reductions that now amount to a 20 percent fall in real wages over the past 23 years. In the most recent year for which we have complete data, 1995, real wages once again fell for both fully employed male and female workers. Median family income rose slightly, but only because both men and women worked more hours per year.

In a market economy, wages rise for only one reason—demand has to be rising faster than supply. In the past 16 years, a 2.6 percent growth rate has led to falling wages. If the economy continues on that pace, no one should expect anything different to occur in the future. Nothing has happened to change demand; nothing has happened to change supply. Yet this is precisely what Greenspan is suggesting should happen with this recent hike in interest rates.

In his view the American economy must be limited to a 2 to 2½ percent rate of growth on the grounds that this is all the economy can achieve without rekindling inflation. In this environment, the pattern of falling wages for the bottom two thirds of the American work force has to continue. Americans cannot break out of this pattern without a different growth path.

The bottom part of the American work force also needs to be reskilled and re-educated, but these programs cannot work without faster growth. With today's growth rate, real wages are falling for males at all educational levels and for women at all educational levels except those with university degrees. With today's growth rates, there is no shortage of skilled workers. To increase the supply of skilled workers and do nothing about demand would simply reduce wages faster.

If inflation were visible, perhaps one could justify drafting the bottom two thirds of the American work force to be "Inflation fighters for the U.S. of A." It would not be fair (why should they suffer all of the costs of stopping inflation), but perhaps it might be necessary. But there is no sign of inflation in any of the indexes. Greenspan and the Fed can point to none—and they do not even try to do so. Greenspan has also testified to Congress that he believes the Boskin Commission is right and that today's price indexes include at least 1.1 percentage points of exaggeration. With this correction, the lack of inflation becomes even stronger.

Nor is there any data showing that higher wages are about to lead to higher prices. The preliminary data for 1996 show a small gain in average real wages—0.2 percent—but 1996's productivity gain was five times as big. There is no economic theory under which such small wage gains far below the rate of growth of productivity can be labeled inflationary. Yet Greenspan is saying with his interest rate hike that those 1996 wage increases are too large.

Only the modern Delphic Oracle, Greenspan and the Federal Reserve Board Open Market Committee, can see the inflation in our future. Only they can see why most Americans must prepare for a future of falling wages and diminishing expectations. Ordinary mortals who must rely on real world data cannot see what they see, but then we are only mortals—not gods.

To put it bluntly and simply, such decisions ought to be unacceptable in a democracy. Decisions to lower the real wages for a majority of American voters must be decided in a democratic context. It is popular to talk about maintaining the independence of central bankers from the influence of politics, but that only makes sense if the central bankers are making sensible decisions that can be supported with hard real world data. When they ask us to believe them simply because they are wiser than we are and can see things that we cannot see, they are going beyond the appropriate bounds of any government agency in a democracy.

HONORING 100 YEARS OF EXCELLENCE—JOHNSON SENIOR HIGH SCHOOL, ST. PAUL, MN

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1997

Mr. VENTO. Mr. Speaker, I rise today to celebrate the 100-year anniversary of my alma mater, Johnson Senior High School in St. Paul, MN along with the graduating class of 1997. I am proud to be an alumnus of Johnson High School, the "spirit of the East Side," as it's referred to in St. Paul. Johnson High School has been a respected institution of learning in St. Paul for the past century.

Over the years, the staff and teachers of Johnson High School have shared the gift of learning with countless thousands of students, hundreds of whom are immigrants and new Americans. Johnson High School has continued to generate pride and a sense of belonging in each new generation. The mission of Johnson High School is to be relentless in promoting education for the common good. Certainly, my interest in public service was encouraged and guided by the educators at Johnson High as well as the St. Paul community.

Johnson High School has had a close association with the community and maintains a thriving identity throughout the neighborhoods of St. Paul's East Side where many of Johnson's sons and daughters still reside, work, and participate. The success of current students at Johnson in both scholastic and athletic achievements continues to reflect a positive learning experience. This year's wrestling team was a runner-up in State competition and the Johnson team was the top academically of all State wrestling teams.

Johnson High School has had many distinguished graduates throughout the Nation and the world. Warren E. Burger, Chief Justice of the U.S. Supreme Court and Wendell Anderson, former U.S. Senator and former Governor of the State of Minnesota are both Johnson alumni. Countless other graduates have made unique contributions to the city of St. Paul, the State of Minnesota, and to the Nation as a whole.

Johnson High School has earned the right to be recognized for the contribution it has

made. I am sure my colleagues will join me and thousands of Johnson alumni, in sharing the excitement of 100 years of history. May 17, 1997, Johnson High School Centennial Day, will be proclaimed and celebrated throughout St. Paul.

**MEDICARE ANTI-FRAUD
AMENDMENTS ACT OF 1997**

HON. KAREN L. THURMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1997

Mrs. THURMAN. Mr. Speaker, today, I am pleased to join with the ranking member of the Health Subcommittee, Mr. STARK, and Messrs. SHAW and DAVIS in introducing the Medicare Anti-Fraud Amendments Act of 1997. We are offering this legislation to weed out unscrupulous providers in Medicare. This bill will not only protect beneficiaries and respectable providers, but also prevent the funneling of needed health care dollars into the hands of health care scam artists.

In the State of Florida, we have had tremendous success in fighting fraud in the Medicaid Program by requiring service providers such as Durable Medical Equipment suppliers, private transportation companies, non-physician-owned clinics, and home health agencies, to post a \$50,000 surety bond in order to participate in Medicaid. The bonding requirement is no obstacle to legitimate providers, but presents a serious roadblock to Medicaid scam artists. Through the bond requirement, Florida has decreased the number of DME providers 62 percent, from 4,146 to 1,565 and home health agencies have decreased 41 percent from 738 to 441; these reductions have had no impact on patient care. In fact, the surety bond requirement helped Florida to identify 49 DME providers who were using post office box numbers to bilk the Medicaid Program.

The problems Florida has identified are not unique to Medicaid. Medicare can clearly benefit from Florida's experience. Our bill requires Medicare to institute the same bonding requirement, a \$50,000 surety bond for DME providers, private transportation companies, clinics that furnish nonphysician services, and home health agencies. In addition, it requires providers to disclose all officers, directors, physicians, and principal partners owning 5 percent or more of the service.

Every Medicare dollar gained by fraudulent providers is a dollar lost for our senior citizens. We must end these scams, and surety bonds are an essential step in this fight.

**INTRODUCTION OF EUROPEAN
SECURITY ACT OF 1997, H.R. 1431**

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1997

Mr. GILMAN. Mr. Speaker, I am pleased to introduce today the European Security Act of 1997, H.R. 1431.

The purpose of this bill is twofold. First, it is designed to carry forward the work we began

2 years ago in the Contract With America advancing two of our top national security priorities: NATO enlargement and ballistic missile defense.

Second, it is intended to show that, contrary to the conventional wisdom, both of these important objectives can be achieved without disrupting relations with Russia.

NATO enlargement is a project near and dear to my heart. This is the fourth bill I have introduced on the subject in as many years, and I am pleased to say that the three previous ones were all enacted into law. I hope that our record of congressional support bodes well for the bill we are introducing today.

I believe that the work we have done in Congress has brought the administration and NATO to where they are today on enlargement. The Atlantic Alliance will begin the first round of enlargement this July. The countries we focused on in last year's NATO enlargement legislation—Poland, Hungary, the Czech Republic, and Slovenia—are considered the front runners for selection in July.

The bill I am introducing today identifies two problems with the way NATO enlargement is proceeding.

First, we are concerned about the countries that may be left out of the first round of enlargement. We think it is critical that such countries not be left in any security vacuum. These countries must be reassured that they will not be forgotten; that the door to NATO will remain open to them.

Second, we worry that in the rush to mollify Russia, concessions may be made that could jeopardize European security and the integrity and effectiveness of NATO. We are concerned, for example, that new NATO members could be relegated to second-class status. We worry that concessions might be made that could make it impossible for NATO to defend these countries effectively. We must not allow NATO's decision-making structure to be compromised.

To reassure the countries that are not currently front runners for admission, this bill directs the President to designate additional countries to receive NATO enlargement assistance under the NATO Participation Act. Such designation would give them the same status under United States law as Poland, Hungary, the Czech Republic, and Slovenia. The bill gives the President 180 days in which to do this.

The bill goes on to express the sense of Congress that Romania, Estonia, Latvia, and Lithuania would make good NATO members and should be invited to join as soon as they satisfy all relevant criteria.

Regarding Russia, the bill spells out concessions that we would consider unacceptable. But then it goes on to recognize that, in principle, we should go about enlarging NATO in a manner sensitive to Russia's interests. Accordingly, we approve in concept such undertakings as the NATO-Russia Charter and adaptation of the Conventional Armed Forces in Europe [CFE] Treaty.

To make clear that the purpose of NATO enlargement is not to emasculate Russia—as many in Moscow appear to believe—this bill provides the President the legal authority he has requested to implement the so-called CFE Flank Agreement.

We do this because we know of no better way to demonstrate to Russia that our objec-

tive is not renewed military confrontation between our countries, but friendship. We genuinely believe that NATO enlargement will enhance the security of all countries in Europe, including Russia.

With regard to ballistic missile defense, we also try to demonstrate that our objectives can be achieved in a manner that enhances Russia's security as much as our own. To this end, the bill authorizes a program of ballistic missile defense cooperation with Russia to be carried out by the Department of Defense. This program is authorized to include United States-Russian cooperation regarding early warning of ballistic missile launches from such rogue states as Iran and North Korea, and cooperative research, development, testing, and production of technology and systems for ballistic missile defense.

In addition, the bill includes provisions designed to protect the constitutional prerogative of Congress to approve arms control agreements with Russia bearing on ballistic missile defense.

I look forward to working with my colleagues and the administration toward the prompt enactment of this measure.

**KILDEE HONORS JUDGE KENNETH
SIEGEL**

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1997

Mr. KILDEE. Mr. Speaker, I rise today to pay tribute to a longtime friend, and lifelong community leader, Judge Kenneth Siegel. On Saturday, April 26, 1997 the Greater Flint Branch of the American Civil Liberties Union will honor Judge Siegel as the "Baltus Civil Libertarian of the Year."

Kenneth Siegel has spent his entire life working on behalf of people who are the most vulnerable in our society. He has spoken out for children and young people, he has helped protect senior citizens, and he made sure that low-income people had equal access and representation in the judicial system.

Kenny Siegel has also consistently defended students rights to protest. When schools try to enforce policies despite student opposition, Kenny Siegel has upheld the student's first amendment rights. It is Ken's deep love and understanding of our country's Constitution that led him to defend the rights of those who are easily forgotten.

Mr. Speaker, Judge Siegel has always tried to ensure that justice was fair for all Americans. That is why every person who appeared before him was treated with dignity and respect. But I believe what always made Kenny such a special judge and person was the time he spent in the community, visiting the churches, meeting with people of all economic, ethnic, and racial backgrounds.

Mr. Speaker, I ask my colleagues in the U.S. House of Representatives to join me in honoring my dear friend Judge Kenneth M. Siegel. He has made my hometown of Flint, MI, a better place to live, and he has made me, a better person.