

are included in the overall proficiency standards. We must help every child realize his or her potential, but these tests are not appropriate for these students. The law simply requires states to use appropriate standards for every child. The Department of Education can, and should, easily make this correction.

The No Child Left Behind Act was intended to ensure high standards for our teachers. However, the law was not intended to interfere with successful state standards, such as we have in New Jersey. The correct interpretation of the bill, as intended by Congress, is to allow teachers, in states with high standards, to continue to be certified by their state. Again, the Federal Department of Education has wrongly implementing the law by demanding that our very best teachers meet a different set of federal standards. At a time of severe teacher shortages, this policy seems driven by an anti-public school bias, designed to discourage advancement in the profession, and to encourage the retirement of our longest serving public school teachers.

The final problem with the No Child Left Behind Act is simply one of dollars and cents. When the law was passed, the Bush Administration agreed to provide adequate funding for education in exchange for strong accountability laws and tough standards. But in 2004, the Administration underfunds our schools by \$8 billion, and then plans to impose strict sanctions on schools that don't meet the strict federal standards. Without adequate federal resources, South Jersey will likely experience an upward pressure on local property taxes, or face a public school system in chaos.

In May, I met with educational leaders from around the State of New Jersey to discuss the problems of funding and federal implementation of the No Child Left Behind Act. Since then, these problems have become even more evident. I have called on the Bush Administration to correct these problems through the regulatory process. If no action is taken by the Department of Education to fix these problems, I am committed to correcting these faults through legislation. I have already spoken with the Chairman of the House Education and the Workforce Committee, and he has acknowledged the problem.

The No Child Left Behind Act has the potential to help students around the country. But unless the Department of Education infuses some badly-needed common sense into its rules, and unless the Bush Administration provides the money it has promised to our local schools, too many children will be left behind.

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#### NATIONAL BREAST CANCER AWARENESS

**HON. MARTIN OLAV SABO**

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 28, 2003*

Mr. SABO. Mr. Speaker, in keeping with National Breast Cancer Awareness Month, I rise to honor Barbra Wiener, the founder of the Women's Cancer Resource Center (WCRC) in Minneapolis, Minnesota.

Barbra founded WCRC in 1993 with the vision of providing free support and advocacy to women affected by cancer and to promote cancer prevention through environmental awareness and activism. Ms. Wiener was inspired to launch WCRC after the loss of both her mother and sister to breast cancer and her own battle with thyroid cancer.

WCRC serves as an information, support, and advocacy center for women with cancer. Information services include treatment referrals, guest speakers, and a comprehensive health library. In addition, WCRC offers support groups, one-on-one support programs, therapeutic massages, and a mentoring service that matches volunteers to clients with a similar cancer diagnosis. WCRC also holds public health forums on environmental issues related to health and facilitates outreach programs that focus on cancer prevention. All of these services are provided free of charge to women with cancer.

Ms. Wiener has been acknowledged for her work with several awards including the Helen Caldecott Leadership Award, an international award recognizing leadership on behalf of women. Further, the Ford Foundation recognized her and her colleagues at WCRC as finalists for the Leadership for a Changing World Award. In addition, Barbra currently serves on the boards of the Headwaters Foundation for Justice, Women's Environmental Institute, and the Minnesota Interplay Community. She is also a member of Alliance for Accountability in Breast Cancer, a national coalition of cancer activists.

Mr. Speaker, it is a privilege and honor to represent a woman who has turned personal tragedy into an invaluable service that helps women affected by all types of cancer. It is during National Breast Cancer Awareness Month that I ask that my House colleagues pay tribute to the life work of Barbra Wiener.

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#### JOBS AND THE ECONOMY

**HON. NICK J. RAHALL, II**

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 28, 2003*

Mr. RAHALL. Mr. Speaker, the deafening silence we hear tonight is the silence of the Republican leadership and its lack of support for unemployment benefits to millions of Americans thrown out of work during the Republican reign of ruinous indifference to families and livelihoods.

Mr. Speaker, where oh where have the jobs gone? A crisis of epic economic proportions is upon us.

Since the Administration has taken control, this Nation has lost 3.2 million private sector jobs, and those are the ones we are able to count. Who knows how many more are out there uncounted? This fact alone is bad enough, but under this Administration it gets much, much worse.

According to a study in the August issue of Current Issues in Economics and Finance reviewed by Charlie Cook in this morning's Congress Daily AM, almost 80% of the jobs that have been lost since the President took office are permanent. A figure that is drastically worse than had been the case in previous economic downturns of the mid-1970's and early 1980's. I include in the record Mr. Cook's thoughtful comments on this important study.

This finding should shock every business and every worker in the Nation, Mr. Speaker.

A NEW KIND OF JOB LOSS

(By Charlie Cook)

When we get the first look Thursday at economic growth numbers for the third quarter of this year, those gross domestic prod-

uct figures may well show impressive economic growth: a sign that President Bush's tax cut-oriented, economic growth package did in fact stimulate the economy. History has shown that economic growth through the second quarter of the election year usually results in re-election for incumbent presidents. But the question today is whether that relationship will remain as strong in 2004 as it has been in the past.

Despite the fact that the economic downturn "officially" began in March 2001 and ended in November 2001, a net loss of 2.6 million jobs has occurred since Bush took office, giving weight to the term "jobless recovery." A recent paper by two economists with the Federal Reserve Board of New York shows quite clearly the most recent economic downturn and recovery are very different from past ones. Furthermore, it suggests economic growth figures in the near term might not be accompanied by the same kind of net job growth in the future.

Writing in the August issue of an FRBNY publication, "Current Issues in Economics and Finance," Erica Groshen and Simon Potter looked at the pattern of layoffs and job creation during and after the past six economic downturns. Observing that "recessions mix cyclical (temporary) and structural (permanent) adjustments," Groshen and Potter found, for example, in the economic downturns of both the mid-1970s and the early 1980s, 49 percent of the job losses were cyclical. These are temporary layoffs, whereby an employer "suspends" an employee's job because of reduced demand for goods or services, then recalls that employee when the economy turns around, fueling fast payroll growth.

In those two downturns, the other 51 percent of job losses were more structural or permanent, as when an employee's job is simply eliminated and the laid-off employee is forced to seek a new job. Given new job creation takes much longer than recalling former workers, structural losses are far more serious than cyclical ones.

That 49 percent-cyclical/51 percent-structural loss mix of the 1970s and 1980s changed to 43 percent-cyclical/57 percent-structural in the economic downturn of the early 1990s, as more jobs were completely eliminated or relocated to other countries. For the most part, this shift went unnoticed.

It became much more pronounced in the current economic downturn and recovery, with Groshen and Potter finding 79 percent of job losses were structural and only 21 percent temporary. During this most recent downturn and recovery, jobs in the fields of electronic equipment securities and commodities brokerage and communications were largely eliminated. Indeed, the only field that has truly prospered through this period is in the standard industrial code "nondepository institutions," a group that notably includes mortgage brokers, who have benefited greatly from historically low interest rates and strong home buying and refinancing.

Equally alarming, but more anecdotal than quantitative, are stories of more and more high-technology or other "knowledge-based" jobs shifting abroad, whether to call centers handling customer service and even technical support or in computer programming and other highly skilled fields I recently heard of some corporate legal departments shifting more rudimentary legal work—drafting contracts and the like—to India, an English-speaking country that uses the same English common-law system as the United States.

No doubt some of these structural job losses are the result of the impressive productivity gains that American corporations have enjoyed in recent years as a result of

automation and more efficient processes. But it is also clear many of these losses were confined largely to relatively low-skilled manufacturing jobs, many thought this was an unfortunate but inevitable shift. Low-skilled jobs like producing pencils could be done abroad more cheaply and efficiently than by higher-paid Americans under more strict environmental and safety standards. But as the job losses have shifted from lower-skilled to higher-skilled—the very jobs that displaced workers were told they should re-train for—this has become a far more serious problem.

While few believe the solution to job losses is to construct trade barriers in this country, it is a far different and greater problem than we experienced in the past. And it isn't just an economic or trade problem; it is also a political problem. Sooner or later, voters will demand solutions from their elected officials or candidates for Congress and president.

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### INCREASING THE MILITARY DEATH GRATUITY

#### HON. MAXINE WATERS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, October 28, 2003*

Ms. WATERS. Mr. Speaker, I rise to urge my colleagues to support and pass Congressman MCGOVERN's bill, HR 3365, which would increase the military death gratuity from \$6,000 to \$12,000 and make the entire benefit tax exempt. I am proud to be a cosponsor of this bill and hope that Congress will act swiftly to pass it.

It is wrong that one-half of the military death benefit is currently subject to taxation. Families of patriots should not be penalized by being taxed on a benefit meant to show the nation's gratitude for their family member's sacrifice. We must restore the original intent of this benefit and not unduly burden families with an unexpected tax bill. The death benefit paid to the survivor of a military member has historically been exempt from taxation. An oversight in the tax code after the gratuity was

increased to \$6,000 in 1991 left half of this payment subject to taxation. Only the passage of H.R. 3566 or H.R. 3019 will remedy this unfair taxation problem for our military families.

Mr. Speaker, as a nation and as Members of Congress, we need to do all that we can for the families of the brave men and women who have made the ultimate sacrifice for our country's freedom.

The death benefit was designed to assist survivors of deceased members of the military with their financial needs during the period following the soldier's death and before other survivor benefits become available. For many families of active duty military personnel, the current benefit is not enough to cover necessary immediate family expenses. This is due, in part, to the payment now being subject to taxation, and to families' financial distress due to longer and longer deployments. The latter is especially true in the case of our National Guard and Reserves, whose military salaries rarely match their civilian incomes. For these reasons, it is essential to provide a substantial increase in the death benefit and return it to its tax-exempt status.

The bill is retroactive to September 11, 2001 because the families of all those who sacrificed their lives in the War on Terrorism deserve these enhanced benefits. H.R. 3566 and H.R. 3019 are retroactive for military deaths occurring on or after September 11, 2001 so that these enhanced benefits are provided to all who have sacrificed their lives in the war on terrorism.

Mr. Speaker, the Republicans recognize that they are on the wrong side of many critical veterans issues. They are now working overtime in order to get back into favor with veterans groups by having Mr. Renzi offer a bill that is identical to the McGovern bill. But Mr. Speaker, the American people will see through these election year ploys. Having a Republican offer a Democratic bill will not obscure the fact that the Republicans in this Congress and this Administration are not meeting the needs of our veterans.

Mr. Speaker, the President campaigned for his office claiming to be a friend of veterans.

In fact, at the beginning of his term, he said "Veterans are a priority for this Administration . . . and that priority is reflected in my budget." Let's look at the record.

This is an Administration that has starved veterans programs—and other domestic programs—in favor of massive tax cuts that few people benefit from.

The Fiscal Year 2004 budget was the highlight of the Republican effort to strip veterans programs in order to make room for tax cuts. During the debate of this bill, the Republicans attempted to cut \$25 billion from veterans programs at a time when the Department of Veterans Affairs was already severely underfunded.

Every facet of the VA would have been affected by these cuts. Funding for healthcare, disability compensation, pension, education and survivors benefits, just to name a few, all would have been reduced. In the face of stiff Democratic opposition, this funding was largely restored, but there is still a significant gap between what the VA needs and what the Republican party is willing to provide.

The Democrats have been fighting to fully fund veterans programs and provide the benefits that they have earned and deserve. H.R. 3365, Congressman MCGOVERN's bill, is the latest in a long line of Democratic efforts to improve the quality of life for our veterans. Whether we are talking about ending the disabled veterans tax, fully funding veterans health care programs, or increasing Montgomery GI Bill educational benefits, Democrats have been at the forefront of helping Veterans.

Mr. Speaker, Congress should have acted long ago to correct the legislative oversight that resulted in subjecting part of the military death benefit to taxes, and to increase the benefit. An enhanced, tax-free death gratuity is a key benefit for the families of soldiers who died fighting on our behalf.

I know that my colleagues will join me in supporting this important bill. It is long overdue. I thank Representative MCGOVERN for introducing this important legislation.