and religious persecution. That is why this special order is so important. In addition to reminding the American people of their roots to the cradle of democracy in Greece, we need to continue raising the public's awareness of the constant threat Greeks live under in Eastern Europe.

The Greek Cypriots in occupied northern Cyprus live under intolerable inhuman conditions since their land was occupied by a military force. Tensions continue to rise around Cyprus and I urge the administration to apply the same degree of commitment to finding a peaceful solution to the Cyprus crisis that it applied to the Bosnian crisis.

I introduced legislation last Congress to help relieve the suffering of the enclaved Greek Cypriots and am considering similar legislation in this Congress. We must end the senseless persecution of these brave people. I just hope that the administration does not allow this situation to continue to fester hoping it will go away.

Mr. Speaker, the link between the United States and Greece is a strong bond and I believe the United States should thank the Greek people for not just being a good ally to America but for their gifts of our heritage of democracy and individual liberty. I am happy to join my colleagues in celebrating this joyous anniversary.

Again, I thank my friends Congressman BILIRAKIS and Congresswoman MALONEY for calling this special order and for their leadership on Hellenic issues.

Mrs. MALONEY of New York. Mr. Speaker, I first of all want to thank the gentleman from Florida [Mr. BILIRAKIS] for organizing this special order to celebrate Greek Independence Day.

I am very fortunate and very pleased and privileged to represent Astoria, NY—one of the largest and most vibrant communities of Greek and Cypriot Americans in this country.

It is truly one of my greatest pleasures as a Member of Congress to be able to participate in the life of this community, and the wonderful and vital Greek-American friends that I have come to know are one of its greatest rewards.

I have also had the pleasure of establishing the Congressional Caucus on Hellenic Issues with the gentleman from Florida. This caucus allows Members of the House to join together to find ways to work toward better United States-Greek and Cypriot relations.

March 25, 1997, will mark the 176th anniversary of the day when Greece declared her independence, beginning an 8-year struggle for freedom.

From the fall of Constantinople in 1453, until the Declaration of Independence in 1821, almost 400 years, Greece remained under the heel of the Ottoman Empire. During that time, the people were deprived of all civil rights. Schools and churches.

One hundred seventy-six years ago, the Greek people were able to resume their rightful place as an ideal of democracy for the rest of the Western world.

The ancient Greek paradigm of democracy and individual liberties inspired our country to seek its own independence, and in that sense, as the American philosopher Will Durant observed, ''Greece is the bright morning star of that Western civilization which is our nourishment and life.''

Yet half a century later, the American Revolution became one of the ideals of the Greeks as they fought for their own independence. Since their independence, Greece has become one of the most trusted partners allied with the United States in every major international conflict in this century.

In light of this special and longstanding relationship, some recent actions taken by the administration are particularly troubling. The proposed sale of Seahawk naval helicopters sends the wrong signal to Turkey, particularly given the tense situation on Cyprus.

The Hellenic Caucus responded by sending a letter condemning this sale to President Clinton that was signed by over 80 Members of Congress. I believe that it is time for the administration to reach the same conclusion and end unfortunate weapons sales until certain actions are halted. We need a rational policy that does not encourage aggressive actions and attitudes. There can be no middle or neutral position between those who uphold the rules of law and those who violate it.

Mr. Speaker, I am proud to join in celebrating Greek independence and the indomitable, life-giving spirit of its people.

FAIR LABOR STANDARDS ACT TO BE CHANGED BY H.R. 1

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS. I want to alert everybody to the fact that we are going to be considering H.R. 1, the bill which deals with the denial of cash payments for overtime pay work to workers.

H.R. 1 is called, rightly by the Democrats, the Paycheck Reduction Act, or some of us call it the Employer Cash Enhancement Act.

I will have an amendment on the floor tomorrow in connection with H.R. 1. That amendment deals with two-thirds of the American work force, two-thirds of the people out there in the work force making $10 an hour or less, and my amendment deals with trying to protect their interests.

I have been given the grand sum of 10 minutes to debate my amendment. That is 5 minutes for the opposition and 5 minutes for myself to debate an amendment which impacts on two-thirds of the work force.

We are going into the session tomorrow with the most important bill that we have considered thus far in this session. It is called H.R. 1 because the majority party, the majority Republicans, consider it to be so important as to give it that distinction of being H.R. 1.

It is first in priority, and it deals with changing the Fair Labor Standards Act, which has existed since Franklin Roosevelt and the New Deal. The Fair Labor Standards Act will now be changed to remove from it the mandate that when workers work more than 40 hours a week, they must be paid at a rate of time and a half. If an individual is making $10 an hour and they work over 40 hours a week, every hour over 40 hours must be paid at the rate of $15 an hour. It is that simple.

This bill did not fall from heaven. The act did not fall from heaven. It was the result of exploitation of workers by employers in large numbers, exploitation in terms of low payment of wages in general and working workers around the clock, late hours each day, weekends, Sundays, Saturdays. There was great exploitation at the time this New Deal legislation came into being.

It did two things: It made the workers fortunate to have jobs get better treatment and better pay; and it also made employers employ more workers. If employers were going to have to pay time and a half rate to people who were employed, instead of driving the work force that they have incessantly, they are likely to want to hire people, more people, and pay them at the regular rate.

So it had both effects, that more people got jobs, and those who had the jobs had better working conditions.

Now we are about to make a drastic change. It is a revolutionary change in labor law. This is no small item. It is a revolutionary change in labor law. It is an extreme measure, an extreme step to take. It is an extreme step to take and it does not have to be that way. If we want flexibility in the law, and no law is written in stone, it does not have to be forever. Things change. Each generation has the right to look at the laws that it might be bound by and change those laws. There is nothing sacred about laws made by mankind.

□ 2030

So we can change it. But why take a great step which just happens to be a step on the backs of the people at the bottom of the economic structure? The lowest income people will suffer the most. Why do that when you do not have to? You could take some steps toward changing the law, making the law more flexible, without hurting so many people.

The statistics show that two-thirds of the people who are working, fortunate enough to have a job, are earning less than $10 an hour. I propose that if you have to go forward and change the labor law, the Fair Labor Standards Act, and it looks as if the votes are there, the majority Republicans have the vote in the House of Representatives. In the other body, in the Senate, they are steam rolling forward. They have the votes. So the likelihood is that this Republican-controlled Congress will come out with a bill that they both agree on, and it will have to be negotiated with the White House.

The White House is saying that they will not sign such a bill, they will veto the bill as it is. But when the White House says it will veto a bill as it is, that is a clear statement even to a sophomore in high school that what they are saying is we will negotiate.

What will the negotiations be? What I am saying is that it is likely that this revolutionary change in labor law which is rolling forward, it is likely that it is going to pass, it is likely that we are going to have some change in

the next couple of years. Before this session is out, something is going to change.

I hope that nothing changes. I am in the same position as those who say just vote no, but I see the change coming. Just vote no is a beginning position. I will vote no. But I realize that just voting no is not enough. One of the reasons that just voting no is not enough is that there is a great deal of sentiment in certain quarters in this Nation, and I have said this before, I do not want to be redundant, there is sentiment among upper income, middle-income folks to have more flexibility in the way their employers treat them. They would like to have time off instead of having the employer being bound by the labor law to pay them in cash. There is no reason why we cannot accomplish that and relieve the anxiety or the bind that certain upper income people find themselves in without hurting those at the very bottom.

The compromise that I have proposed in the spirit of this bipartisan Congress is that let us go forward and make the changes and give the flexibility to the people at the very top of the wage structure, that one-third of the work force that is above the $10 an hour. Let us have an experiment, let us do it for 2 years, 5 years.

I understand that the bill the Republican majority will have on the floor tomorrow will modify the bill to say we shall have a sunset provision in the bill and in 5 years reconsider it. OK, let us reconsider it in 5 years. In the meantime, have a bill which exempts the two-thirds of the work force making $10 an hour or less and go forward with the experiment for those people at the top who want this so badly. It is a win-win situation.

I did not go to the Democratic-Republican retreat. We had a bipartisan retreat, and part of the retreat's purpose was to see to it that we work together in a more civil manner, that we work together in this session of Congress in a more productive manner, that we avoid gridlock, that we avoid ideological locks just for the sake of defending positions.

I am all in favor of reason prevailing. So I offer this reasonable proposal and I will offer the amendment on the floor tomorrow to take care of those people at the very bottom of the work force, those folks who make 2.5 times the minimum wage, and that formula is used in order to make certain that as wages rise we are still protecting the people at the very bottom.

I say this as a repetition of what I have said before in the last 10 days. I will not go any further in that vein. I just want to spin from that, the fact that this bill will be on the floor tomorrow, to the larger issue. The larger issue is that H.R. 1 is a bill which hurts workers as it is now. What this Republican-controlled 105th Congress has done is laid on the table its battle plan for the destruction of working families. We are going to pursue a course of action very similar to the one pursued in the 104th Congress, and in many ways the signals have come clear to us that this is going to be a different Congress. Certainly in the area of education, we are going to cooperate and have some productive, forward movement on the improvement of education in America. But the signal that is being sent now for working people and the laws and regulations that govern the lives of working people, the signal is also clear, nothing is different from last year.

The Speaker said that politics is war without blood, and with respect to organized labor and the things that affect working people, that still holds. Politics is war without blood, and war has been declared on working people. War has been declared on those laws. What will be on the floor tomorrow, H.R. 1, is just the beginning.

There is also a TEAM Act that is in the works. The TEAM Act is similar to the TEAM Act that was on the floor last session. There is also a move to curtail the participation of labor unions in politics, the ability of labor unions to support candidates that are supporting their interests. There are also other efforts going forward to curb the Davis-Bacon law. Across the board there are things occurring which make it clear that war is still the modus operandi of the Republican Party in respect to things that affect working people. If they were happening one by one, I would not be as alarmed as I am, but they are not happening one by one. There is a clear battle plan. Part of the battle plan also extends to the failure of the other body to move forward to confirm Alexis Herman as the Secretary of the Department of Labor. The Department of Labor is without a head, no direction, no general. The troops are there, the functions of the agency cannot go forward. It is in limbo in respect to the Secretary of Labor. The denial of the Secretary of Labor's immediate confirmation sort of demoralizes the people who are in organized labor, the people who are workers. It is all psychological warfare, too.

So the warfare is there, and we should take it very seriously. I am here again to talk about this because it needs to be seen in the broader perspective. I also talked last week about the fact that everybody is not paying their taxes in the way which the Internal Revenue Code defines they should be paying their taxes. Corporations are not paying their taxes in accordance with the code. The Tax Code says that corporations cannot do certain things and on a wholesale basis they are doing them.

As we approach April 15, every taxpayer ought to stop and think about the fact, they try to obey the law and our society is based on the rule of law and any group that does not obey the law is automatically a threat to society. Every time the law is systematically downgraded, held in contempt, ignored, then the whole rule of law concept is in jeopardy.

I want to link that up with what is happening with organized labor. On the one hand, you have this brutal scrutiny of everything related to organized labor, a brutal scrutiny. There was a hearing this morning related to the contributions that labor unions give to political candidates for political education purposes. The other party, the majority party, is very alarmed about the fact that large sums of money were spent last year by the AFL–CIO on political education that they thought hurt some of their Members, unduly criticized them, and they are waging this vendetta against organized labor by developing legislation which will curtail their use of their own dues. The dues paid by the members are now being subjected to more regulations. Labor unions already are the most regulated institution in our society. You do not find corporations being regulated in the same way. You do not find educational organizations. There are a number of other bodies, the Red Cross, all kinds of groups that exist in our society that collect money and have money, wield influence, and they are not as regulated as labor unions. But they are going to enforce, try to add to that another layer of regulation. The majority party in this House is determined to get rid of regulations.

What I am saying is there is a linkage between the fact that we have this series of moves being taken against working families and any kinds of laws, regulations, rules that affect working families or help them, and on the other hand we have certain Tax Code laws being ignored, and big corporations and rich people are the ones who are ignoring those tax laws. I made the speech about the need to have the Tax Code enforced last week. I just want to link these two items up.

What I said last week is there is a provision in the Internal Revenue Code which says that corporations cannot buy back their own stock. They cannot buy back their stock except if it in some way relates to their capital needs. That is, any business has a right to take parts of its profits and put those profits into taking care of certain capital needs. They have a right to put the profits into certain options for the executives. There are certain things they can do. But once they have used their profits for that purpose, they have to justify any additional purchase of their own stock and show that they are not doing that in order to, first, prevent the payment of taxes by their shareholders, and, second, they are not manipulating the stock market. The IRS is not concerned about the manipulation of the stock market. That is the SEC. But the IRS is concerned about having corporations buy back their own stock in large quantities that are not needed for legitimate purposes and their shareholders do not pay any taxes then because they do not get those shares distributed among themselves and the corporations end up hoarding large

amounts of money that it should not be hoarding, it should distribute them. It is not fair to the shareholders, first. Some shareholders may not want to have their shares distributed to them because they do not want to pay the extra taxes that year, but most shareholders probably do want any profits that they have received, any dividends that have been accrued, to be distributed. The law is very clear. It has existed since 1913. It says a corporation may not do this.

It is not against the law, by the way. It is interesting that the Tax Code does not make this illegal. Nobody will go to jail. What the Tax Code says at this point, sections 533 to 537 of the Tax Code, Internal Revenue Code, it says you will have to pay a 39.6-percent penalty if you do this. That is a pretty stiff penalty; 39.6-percent of what you did not handle properly, you must pay in penalties. You can see if you have $1 billion that you use to buy back stock improperly, a 39.6 percent penalty on that is a considerable penalty. That is in the code, since 1913.

For a long time corporations and other people tried to misinterpret that to mean only closely held corporations, family corporations. But in 1984 the Congress, the Ways and Means Committee, made it crystal clear that this provision shall apply to all corporations. It is not being enforced. The buyback phenomenon has been taking place for the last 10 years, large amounts of stock being bought back by corporations, and it has accelerated and escalated.

So what I am saying is that when it comes to the rich, nobody is looking. When it comes to corporations and their power, nobody wants the law enforced. When it comes to labor unions, on the other hand, with much smaller amounts of money, and they are operating within the regulations, they are under intense scrutiny.

Now, one might say, well, the problem is that labor unions made large contributions to Democrats during the last election and they spent a large amount of money on what you call political education. They asked for trouble.

I have a chart here which shows that labor unions were little spenders compared to what other groups spent on the last election, labor unions were small fry. The biggest spenders were in the area of finances, corporations, financial institutions of various kinds.

□ 2045

This chart shows that across the board, when you look at the various sectors of our economy, if you look at agriculture, construction, defense, energy, health, law, transport, miscellaneous business, labor, you look at all of them, they all spent large amounts of money. But the one thing that stands out about labor, the labor contributions were the only ones where the contributions to the Democrats exceeded the contributions to the Republicans. All of these other categories in great amounts exceeded—the contributions to the Republicans exceeded the contributions to the Democrats right across the board.

So you can see from this chart why it is that the Republicans spent seven times more money in the last election than the Democrats, seven times more, and yet we are scrutinizing, focusing a microscope only on this sector, labor, at present. We are not looking at the kinds of activities that took place in respect to corporations, financial institutions, et cetera. Are we examining their practices? Are we saying to them did you get the permission of your shareholders? Did you ask them who to support in the election?

That is what we are asking labor unions. You did not get the permission of the people. They had the right to decide who their money was going to support, you should not be using their dues to support anybody that they do not agree with, that they do not themselves, each one of the members. If a union has a million members, you have got to have agreement among—all million have to support somebody. Otherwise give the people their money back.

No other institution in America operates that way, but that is what is being proposed in my committee, the Committee on Education and the Workforce. The Subcommittee on Employer-Employee Relations had a hearing this morning where the Republican Members in the majority were saying in essence, ''You have committed a gross unethical violation by not asking your members who you should support,'' and the answer of the union members who were testifying, and there were not many of them, there were only two of them, and seven of the people there were brought in to testify against the unions, but at least they did allow us to have two witnesses in defense of union policy. What they said was, unions are democratic organizations and as democratic organizations what the majority decides the minority must go along with.

I mean that is the way America operates. The majority elected the Members of this House of Representatives. They happen to give the majority to the Republicans. So the Republicans are in the majority of the House of Representatives. They rule. We have certain rights; sometimes they are violated wholesale, but we do have—we pretend to have rights in the minority and that is across America. The minority is supposed to have certain rights; the majority rules. So why are we asking unions to behave differently and allow the minority to determine what the union does or does not do?

There is a set of myths that we went through this morning relating to this whole matter, how unions operate. I am not going to go a great deal, but it is called ''Separating Myth from Fact Regarding Beck.'' There was a Beck decision of the Supreme Court, the Communications Workers of America versus Beck, and it dealt with this whole problem of how unions can spend the dues of members and what kinds of activities it cannot engage in, and that is what is back on the table. The Republican majority wants to interpret Beck, the Beck decision, to mean that unions should be almost paralyzed.

I am not going to read all of it because this is not really the primary topic of discussion. I would like to submit a statement called ''Separating Myth from Fact Regarding Beck.'' I ask unanimous consent to submit this statement in its entirety. It is just two pages, and I think it is illuminating at this point.

The SPEAKER pro tempore. (Mr. GIBBONS). Is there objection to the request of the gentleman from New York?

There was no objection.

SEPARATING MYTH FROM FACT REGARDING BECK

Fact: Unions are voluntary organizations. A union exists only where a majority of the employees democratically decide to form a union.

Fact: No one can be forced to join a union. The ''closed shop'' is illegal. Where a union exists, it is up to each individual employee to decide whether to join a union.

Fact: Unions are democratic organizations and union members control their activities, including spending decisions, by voting at union meetings and conventions and by electing their union officers.

Fact: Under Federal law, union membership dues levels are set by the members themselves; any dues increase must be approved by majority vote.

Fact: As with other voluntary membership organizations, those who do choose to join a union and enjoy full membership rights are expected to pay the organizations' regular dues.

Fact: Unlike other kinds of organizations, however, unions must represent all employees in a bargaining unit including those who do not choose to join the union, equally and without discrimination. All employees—members and non-members alike—receive the benefits the union negotiates with the employer. And all employees—members and non-members alike—can use the union's grievance procedures.

Fact: In many states, unions and employers may agree to require non-members who are represented by the union to pay an ''agency fee'' to the union for the representation provided by the union. But under the National Labor Relations Act, as it currently exists, those who object to paying an amount equal to union dues cannot be required to pay more than their pro rata share of the union's cost of ''activities germane to collective bargaining, contract administration, and grievance adjustment.'' That is the precise holding in the Supreme Court case, *Communications Workers of America* v. *Beck*, 487 U.S. 735 (1988).

Fact: The NLRA, as definitively construed by the Supreme Court in Beck, thus already assures that no employee can be required, over objection, to contribute to a union's political communications to union members, a union's voter registration and ''get-out-the-vote'' campaigns, or to any other expenditures by a union for political and ideological purposes unrelated to collective bargaining.

Fact: To assure that no employee is compelled to support union's political or ideological activities, the National Labor Relations Board has held that a union which

seeks to collect agency fees must notify non-members of their right to object to paying for such activities and their right to pay a reduced fee based upon the union's cost of activities germane to the cost of collective bargaining. The NLRB has further held that the union must provide non-members with sufficient information about the union's activities to enable the non-member to decide whether to object. This, too, is already the law.

Fact: There are approximately 50,000 local unions in United States, thousands of state regional unions, and over 75 national and international unions. These unions range in size from a handful of members to over 1,000,000 members, and differ greatly from each other in terms of accounting systems, methods of communication, and the like. Procedures that work in one union will not work in another, and Washington should not impose a straitjacket on what varying unions do to meet their obligations under Beck.

Fact: Any nonmember who believes that he or she is being required to support union activities unrelated to collective bargaining or who believes that the union's the right either to file a complaint with the NLRB or to go directly to court. In such cases, the NLRB and the Federal courts will decide whether particular procedures the individual union has developed are legally adequate.

Mr. OWENS. But what I am trying to show is that on the one hand we have labor unions under attack. This Beck decision and its interpretation is just one of the ways that labor unions and working people and laws that benefit working people are under attack, just one of the ways they are under attack.

Another way is the TEAM Act. The TEAM Act allows union employers to select groups of employees that they want to form a TEAM committee with, and those employees are empowered to work with the management in order to do the things that management wants done. Well, you will never be able to organize an independent union if the labor law is pushed aside and you can have employers and management selecting people that they want to bond with among the employees. Unions are supposed to be independent; that is the whole thrust of labor law. And yet the TEAM Act would eliminate that independence by allowing the management to select who they are going to bargain with, who they going to work with and negotiate with in the plan. That is another problem.

The other problem that I mentioned before is Davis-Bacon is being attacked. Of course comp time, and you know NLRB is under attack, National Labor Relations Board, being attacked. All of these institutions that were set up under Franklin Roosevelt, the New Deal, under attack now.

You know, here we have a situation in America where when Franklin Roosevelt became President, there were people saying that you can never make America work if you have things like Social Security. You can never—America will never work if you have a National Labor Relations Board. If workers can organize and they can confront management, our whole society is going to collapse.

It did not happen. We had the great sit-down strikes and the plants in Detroit, we had organized labor all over the country getting together, and they created a situation where the workers were paid decent wages, some of the best wages in the world for a long time, and because they were paid the best wages in the world they created the biggest consumer market in the world. That consumer market is still the biggest in the world. Despite the fact that we have less population than many nations, our consumer market is the biggest in the world. We are the engine for capitalism all over the world.

The Chinese have a booming economy only because they have a place to sell the products. Unfortunately, I wish they were not selling their products here. I wish we had our own workers manufacturing the products that they are making in China and not having the Chinese workers making products there at very low wages and bring them here and sell them at high prices so that the people who own the factories, they make a killing. They get things produced at a very low price, they bring them here and sell them at a high price, and they are making a killing, and they are destroying our labor force and eventually they will destroy the consumers. That great body of consumers that makes the world go is here in America. The great overwhelming part of our gross national product is consumer spending.

Now these are not conjectures or these are not theories of MAJOR OWENS. These are facts. Consumer spending drives our economy still, despite the fact that you have a lot of other things happening, you know, with the age of information, electronics, and you have a lot of investment in equipment and capital. All kinds of things are happening. Consumer spending still drives the economy.

If you destroy the great consumer base, the masses of consumers in America—there are some people in the rest of the world that think the closest they will ever get to heaven is if they come to America, but we have it here already. Normal, ordinary people live better, eat better, have better accommodation in terms of housing. We have better clothing, drive cars. Nothing else like this has ever happened on the face of the Earth.

Why do we want to destroy it? Why do we want to destroy the workers and the work force which becomes the consumers, which establishes the wealth and drives the economy of capitalism all over the world? Is there a danger of destroying it, or is this some farfetched set of assumptions that I am making here? Is there any danger if we let corporations and people with power not obey the law? We are back to the taxes. If they do not obey the law in one respect, and they do not obey it in another respect, and they have it galloping on, they buy influence either in the Senate or the House, or they buy influence in the White House, and they are able to run roughshod over certain laws and certain regulations and get things done outside of the channels of our democratic processes. Then you will have a situation where you may have a threat to this engine that drives capitalism all over the world. You may have a lopsided situation created where to facilitate the short term gains of making money in the corporations, we destroy the labor unions, we destroy the capacity of our working class to demand good wages, and we destroy our consumer market. You know, we can have that if we have a lopsided situation, if we wipe out the Government's involvement and the Government's protection of workers.

One of the people who testified this morning was a professor from somewhere in Texas, and his proposal was that we follow the example of New Zealand, that New Zealand has almost wiped out all of their laws with respect to labor. It is up to the management and the unions to negotiate, and they do not have any guidelines and any parameters that are set by government, and he wants America to become that way.

That would be a risky experiment indeed. That would be an extreme experiment. It would be a revolutionary experiment.

We should not become so complacent that we think our great American society is not susceptible to great collapses. We have not looked at it closely enough, but we ought to take a look at the savings and loan swindle. The savings and loan swindle was a partial collapse of our economy that never has been really recognized because the forces that control that situation were so great until most Americans do not realize what happened to them.

You know, about $500 billion in taxpayers' money will go down the drain as a result of the savings and loan swindle. Five hundred billion. Most people cannot comprehend that. You know it is very hard, you know. An aircraft carrier costs $3 billion. You can comprehend that maybe if you stretch your mind; an aircraft carrier costs $3 billion. But when you get up to 500 billion, it is just hard to comprehend, but when you add all the money that went down the drain in the savings and loan association that the taxpayers have to put back in because fortunately for the economy, fortunately for our system, we had a Federal Deposit Insurance Corporation. Government regulation was in place so that people whose money was jeopardized by the savings and loan swindle, which was a massive swindle that spread across the whole Nation—never before has anything in the history of the world happened on the scale that the swindle of the savings and loan association demonstrated to us.

We really do not understand yet what happened. Part of the reason we do not understand is because this country is so rich. There is so much wealth here until you can have a massive swindle

like that take place, and resources and money were moved in mainly from the American taxpayers to cover it so that you did not have any massive dislocation.

What if we had been in the position of Albania? Now little Albania is tiny, but I am going to use Albania as an example because it is a recent development. Most people I am certain will listen to me are not concerned with Albania. People are concerned about what is happening in Africa where the disruptions and the collapse of societies in certain places means that people get massacred. The Hutus and the Tutsis, the fight there, people massacred in large numbers, bodies floating down the rivers; it is very dramatic, and rightly so we should be concerned.

People are concerned about, you know, other kinds of upheavals that have happened. In Cambodia you had the killing fields where millions were murdered in Cambodia by political forces, the Pol Pot Red Army. You know we should be excited about those kinds of collapses, and of course, the collapse that took place in Nazi Germany, the collapse of society where some people said German society did not collapse, the subways are running on time. You know, they were very efficient. You know, some of the most educated people in the world were in Germany. The German army was the most efficient army ever created in the field. All kinds of things, civilization. The German army troops sometimes sang Beethoven and Bach as they marched. So there was no collapse of society. But when you have a situation where millions of people within that Nation were massacred, and then millions of people in the surrounding Nation were massacred, and you had a barbarous war perpetrated on a scale never before seen, there was a collapse in the German society. It was a collapse. It was a failed society, and that failed society dragged a whole lot of other innocent human beings and the surrounding societies down with them.

So societies can collapse that are very sophisticated. Societies can collapse that are very educated. Societies can collapse. Society of Tojo in Japan, they went like savages through China massacring people; you know, very educated, sophisticated people, very high degree of science, very high degree of education. But it collapsed.

Albania is not a jungle. Albania has been suffering for years, almost 50 years, as a result of the overwhelming domination of the Soviet Union; isolated, forced to operate under the Communist hammer, but they have educated people, they have scientists, they have a structure. But Albania in the transition into capitalism has suffered a gross collapse. You know what has happened there is outrageous.

□ 2100

The Albanians happily embrace capitalism. The government did not protect the citizens who invested their money in certain investment schemes. There was deregulation on a scale of the kind that is requested here often on this floor: Just get out of it; the government should get out of it. So the people of Albania had no government protection.

They had hopes. They believed in capitalism coming to their rescue after so many years of communism. They put their savings into various investment schemes, and most of them have lost them completely. The investment schemes have blown up. Those that had some basis have just collapsed because they were unreal; others were complete swindles, and the people who took the money have disappeared.

So what is Albania? Albania is now a collapsed, failed society, a collapsed society, a society that has subways, buses, government structure, parliament, that a few months ago looked like a civilized place but now there is complete anarchy.

Let me just read to my colleagues from one of the items related to Albania. This is March 18, that is today's Washington Post:

> In Albania, the army and the police have ceased to exist and the navy and air force have relocated themselves to Italy or Greece. One leaking ship or decrepit airplane has gone at a time. The prisons have been emptied. That fellow on the corner with the newly liberated AK–47 may be your neighborhood grocer or he may be a murderer who recently liberated himself. U.S. ships are plucking desperate refugees from choppy, open seas.
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> The anarchy that has descended on the impoverished Balkan nation just north of Greece and across the Adriatic from Italy should make us appreciate the relatively smooth transitions that most of the other nations of the formerly communist world have managed to accomplish. Albania was one of the most isolated of all of those nations, sealed off for decades by a lunatic regime that expected attack from anywhere and everywhere. It remains the most impoverished of European nations.
>
> People have risen up now with an anger that is more primal than political, a rebellion against not only 45 years of Communist rule, but also the past 6 years of disappointment and disillusion. It was only 6 years ago, after all, that 300,000 jubilant Albanians jammed their capital's central square to see visiting Secretary of State James Baker and the arrival of democracy, free markets and the West. What they have gotten instead is corruption and Mafia politics. Because the government refused to regulate the financial sector, massive numbers of people have been defrauded and total anarchy has broken out in Albania.

A civilized society in the civilized sense that we usually mean, a society with educated people, a society with structure, et cetera, has completely collapsed. Let it be a warning that we are not above the same thing happening.

What would have happened if the savings and loan swindle had taken place? Billions of dollars, people losing their money and when they went to the bank, the Federal Deposit Insurance Corporation of America was not standing behind every deposit up to $100,000. People would have gone crazy, mad in the street. They would have good reason to. But the government was regulated. The government was not only regulated, it was standing behind these banks, ensuring that people who had deposits of $100,000 or less would not lose their money.

The government had resources. Massive amounts of dollars were poured into the savings and loan swindle, so we did not have any collapse of that sector of our society. In fact, there were very liberal policies put forward to save the banks because certain people felt it would lead to a collapse of the economy or a great deal of strain and dislocation in the economy, and that was the reason they gave for being so generous of the people who had stolen so much money.

Mr. Speaker, if my colleagues want to know about the continuation of the savings and loan scandal, recently one of the most celebrated crooks, the most celebrated, most heinous criminals in the savings and loan swindle was released from jail. Charles Keating was told that due to technicalities he does not have to stay in jail any more, although his savings and loan association was guilty of swindling the American people out of more than $2 billion. Two billion dollars. Now, that is almost an aircraft carrier; that is a submarine; $2 billion, $2 billion by one savings and loan association.

Mr. Charles Keating was responsible for that, and he went to jail originally in California because after he had gotten through swindling people via that route, he went a little further and went out, had his workers go out in the lobby and sell securities that did not have the FDIC standing behind them, had no government insurance behind them, and lots of elderly people lost their savings and they did not have any insurance by the FDIC to back up the bank failure. And on and on it goes.

There have been Members of Congress involved with savings and loan associations that have gotten away. The Vice President, he was Vice President at the time, Vice President Bush's son was involved with Silverado Bank in Colorado. Silverado in Colorado also was above the $1 billion mark, close to $2 billion.

Silverado was guilty of doing something that was celebrated. They actually loaned a borrower $26 million, and the borrower had come to them asking for $13 million. They told the borrower, ''We will give you twice as much as you are asking for, if you will put the extra back in the bank because the auditors are coming and we need to show we have some more money in the bank.'' So they actually loaned the guy $26 million, he only needed $13 million, and he redeposited the extra $13 million back.

This was revealed as one of many crimes committed by the Silverado Bank, of which a relative of Vice President Bush at that time, and President Bush later, was sitting on the board. It reached to high circles.

The savings and loan swindle; most writers found it defied description. They gave up. Most reporters were told by their editors to just cool it, it is too complicated. But, I think that it is an example of how the media, instead of going to bat to analyze events and to inform the public, obeys some forces that are unseen that control their paychecks.

So the savings and loan swindle is not clearly understood. It would have been like Albania if it had not been for tight government regulation, government insurance. You would have a little bit of Albania, but we are too big to have a total collapse.

But societies do collapse totally when you have a corruption among the leadership where nobody confronts the evils. If we are going to stand still and let the forces of this Government beat upon organized labor, beat upon the working people, and we are going to let a lopsided situation develop where workers have no leverage against employers, we are going to destroy capitalism as we know it. We are going to tilt the scales so much until corporations will be determining what our Government does.

Everybody knows, we learn early in high school or college that we have a doctrine of laissez-faire. Laissez-faire means the Government should leave the private sector alone; that is the usual interpretation. What we need is a two-way laissez-faire. Laissez-faire, leave it alone. The Government should leave the private sector alone as much as possible, and the private sector should leave the Government alone as much as possible.

These furors about contributions to campaigns that are raging now, the furors relate to the fact that people are waking up and for a brief moment we have a snapshot of how much money has gone into politics. This last political race shook everybody up. The Lincoln bedroom was up for sale, coffee in the White House. Nobody is talking about what the Republicans were doing out of sight, without a White House, but they raised 7 times and spent 7 times as much as the Democrats, so sooner or later the spotlight will fall there and we will find some very unusual things happening with the way both parties raise money.

But money is in the driver's seat; money, money, money is in command. Money commands a lot that happens in the world outside of the United States as well as inside the United States. Never before has there been a Nation as rich as this. We are the wealthiest Nation that has ever existed in the history of the world. Rome was just a little colony compared to the imperial power of the United States of America, compared to our wealth that has been accumulated, that exists.

God must be proud of what the American democracy has done. The combination of American democracy and American capitalism has produced something we have never seen before, and the question is, what shall we do next? What good is it all? How does it redound to the good of man, that here we have a vast population of more than 250 million people who have, for the most part, enough to eat, enough clothes to wear, and they enjoy life a great deal.

When the human creatures created by God reach that point, how do they behave? Will they have compassion, and will they use their leisure time and their comfort to look out at the rest of the world, first in their own world, to make sure that there is compassion and sharing? Or do they look out at the rest of the world and say that we cannot sit next to Haiti and see the misery in Haiti without taking some ways to see how we can help?

We cannot sit here because Haiti and the problems of Haiti are partially problems created by the people who live in this part of the hemisphere. We installed a regime in Haiti that endured for many decades. Our Army went in and trained the Haitian army that kept in power a mulatto class that oppressed the great majority of the Haitians, and all movement in that economy was governed by what that grand mulatto group that we protected with our Army and our diplomatic maneuvers and our threats.

So what happens in Haiti now cannot be separated from what happened in the past and what we have made to happen. We recently redeemed ourselves by going in to liberate Haiti from a criminal regime, and that is to our credit.

There is a collapse of government in the Congo, what used to be called the Congo, its called Zaire now. Zaire has a rebel army that is marching through, taking control from the government because the government is so corrupt the people hate the government. What is the government that the people hate so much? It is a government installed by the United States of America, the government of Mobutu. Mobutu was installed by the CIA because at that time they feared that the Congo, as it was called at that time, would fall into the hands of the Communists, under their influence.

There was a poet from the post office who had made a political party and a political movement. His name was Patrice Lumumba. His son was recently in my office. He met with the congressional Black Caucus delegation, his son. Patrice Lumumba was assassinated with the assistance of the CIA, and the CIA took control of that country. Billions of dollars from taxpayers in the United States flowed into the Congo, which later became Zaire, to support Mobutu. I am sure Mobutu got a lot of the money from the American taxpayers that the CIA put in. I am sure that many CIA agents put a lot of money in their pockets. But the criminals were cutting it up.

Under the false notion that Zaire was a strategic country and we must keep it out of the hands of the Communists, we poured billions and billions of dollars in. We made Mobutu the strong man that he is. He has billions of dollars in European banks now.

But Mobutu is mortal, Mobutu is sick, Mobutu is about to die, and all of the people that he oppressed with our help for so many years are rising up to get revenge. And we say the Congo is falling apart and Zaire is falling apart. That is one more example of how African nations cannot govern themselves. Look at what happened in Rwanda, look at what is happening in Zaire. It is proof that Africans cannot govern themselves.

I want to close on a brief review of a book called ''Out of America: A Black Man Confronts Africa,'' by Keith B. Richburg, and it is all about these failed societies, these failed nations in Africa where Mr. Richburg, who was a reporter, a correspondent for the Washington Post, and Mr. Richburg has gotten a lot of attention later because Mr. Richburg is black. ''Out of America: A Black Man Confronts Africa,'' by Keith B. Richburg.

Mr. Richburg is appalled. It is somewhat of a traumatic experience for him to have been a reporter in Africa for several years, because as a reporter he is dispatched and assigned to cover all of the developments that are violent and most gruesome, so if he lived in a state of trauma, we cannot be surprised or shocked. If he had to watch bodies flowing down the river in large numbers as a result of the massacre of the Tutsis by the Hutus in Rwanda, I can understand the trauma of that and how that would impact on him; if he had to be in Liberia and watch the Liberian society fall apart after we had held, we had, America, had kept the regime in power in Liberia, the Tubman regime. Tubman was kept in power by the American Government, so much so that the people began to hate them and an army sergeant named Sergeant Dole took over Liberia.

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And he did not know what he was doing. So following Sergeant Doe was a set of rebellions that destroyed the country completely. The country went down in chaos as a result of a Sergeant Doe taking over from a corrupt regime that had been kept in power by America.

Mr. Keith Richburg has watched all this over a 3-year period in which of the most violent events developed. And he has concluded that the Africans, I will read from one of the reviews where they quote Mr. Richburg and in what is a shocking statement. And I understand his shock, but what he is saying is that Africa is the way it is because the people have not fully evolved as human beings. Africa is the way it is because they have not finished the process of evolution.

I find that statement shocking, that a black man would hate himself so much and hate his people so much that he would subscribe to the theory that

we are inferior beings who have not yet fully evolved. That is a very shocking statement.

Mr. Richburg is a journalist, and journalists are supposed to report what they see and to some degree interpret it. But in his book he becomes a philosopher, and journalists are not automatic philosophers. Most philosophers were not journalists. Plato was not a journalist, Socrates was not a journalist, Jesus was not a journalist. I mean journalists should stay in their place and understand that they are not philosophers and do not try to get too far in your conclusions.

Mr. Richburg concludes that it is fortunate that Africa was raided by the slave traders. The slave traders brought millions of Africans to America. The millions of African Americans who suffered for 232 years under the bonds of slavery, another 100 years in the oppression of discrimination, second class citizenship, they are fortunate. We are fortunate that we were snatched from Africa where people are still evolving and brought into civilization. That is part of his conclusion.

He saw terrible things but he came to the conclusion as a journalist and he did not have the equipment to deal with it. Because if he was a philosopher and a real thinker, he would not conclude that savagery and the failure of a society mean anything about the evolution of a people. If savagery and the killing of large numbers of people, if the bodies floating down the river as a result of the massacres in Rwanda are the result of people not having fully evolved, then what was the Holocaust all about? What was the systematic extermination of 6 million people by the Germans, the Nazis, the gestapo, what was that all about? Were they not fully evolved? When do you stop evolving? They had the world's best science. They invented rockets. We copied our rockets from German advanced science in rocketry and German scientists. The German composers and the German artists are the bedrock of certain parts of our civilization. Did the murder of 6 million Jews in gas chambers, did the burning of bodies in crematoria signify that they had not fully evolved?

What happened in Cambodia in a short period of time, the Pol Pot regime in one of Asia's oldest societies, they had been around much longer than most Western societies. And yet a million people in a short period of time were murdered in the Pol Pot killing fields. Does that mean they have not fully evolved?

What happened in Bosnia, in Croatia? All across the world there are examples of millions of people being slaughtered by various collapsed societies, failed nations. They have failed and been taken over by dictatorial oligopolists or dictatorial individuals, and their aims are not civilized aims and, therefore, terrible things happen.

America, the taxpayers' dollars in this country have been used to support some of that. Certainly in the case of the Congress, we must bear responsibility for the collapse of society, the brutality, corruption that has existed for so many years in Zaire under Mobutu, our CIA had a direct link there. In Haiti, we had a direct link there.

We have a direct responsibility for not taking steps in other places to ameliorate or to end savagery, and we have future responsibilities. Why? Because God has blessed us, we are among all nations the most blessed. We are blessed with high technology, blessed with peace. We did not endure World War I on our soil. We did not have to put up with World War II on our soil. Our cities were not destroyed. Our universities were not destroyed. Yes, we gave a lot in those wars. Some of the greatest examples of bravery that ever have been exhibited by mankind were exhibited by American troops going into World War II. The beaches of Normandy, fantastic in terms of the sacrifices that were made there and the bravery that was exhibited.

America has risen to the occasion to protect the world from a total takeover by savage, well educated, scientific beasts. But we have to do more. And we have to be careful.

The warning here is that we have to be careful that we do not collapse from within. America from within can collapse if we lose our sense of proportion, if we destroy certain segments of society which help balance us off and keep us going. If we destroy our workers and their working class and the workers energy and the workers contribution to the economy, we begin the downhill slope where only one class of people is in charge. We, too, might face some kind of shallow analysis in the future where conclusions are made that we have just not evolved fully as human beings. That is rubbish.

We are what our society is willing to do in terms of taking what is learned from the past, taking the leisure time that we have, the information on the Web sites, the information on the Internet, all kinds of knowledge and information that are flowing to us. Let us use it in ways which expand the compassionate parameters of mankind, in ways that say, we want in our own society, in our own Nation to share as much of the wealth as possible and see to it that nobody goes hungry, that no segment of the population is oppressed unduly by another segment, that no segment of the population is pushed to the point where it is not a part of the economy, that no segment of the population has to bow down politically and not exercise its full rights in this democracy. That is step one.

Step two is to go beyond our own society and say that our richness, our fortunate wealth, the fact that we are fortunately located in this hemisphere, with the right kinds of climates and a number of things that have happened, we had the land to expand on, we had the European background to help in many cases. We relied on, we had the Native Americans to help us through some critical periods and we never thanked them for that or did not treat them very well. Nevertheless, all these fortunate occurrences came together to create a great America.

The great America should go forward never to take the position where they never will allow a Zaire to happen where our forces were used to oppose people. We will never allow another Haiti to happen. And we will see to it that our institutions are constantly working to improve the world without condemning the world. And never should we come to the conclusion Mr. Richburg has come to, that certain people are in certain kinds of positions and they are having trouble because they have not fully evolved.

All human beings are guilty of unspeakable atrocities, and we must work to make certain that that does not prevail. Our civilization, our structures, our patterns of government, our mores, everything must operate to make sure that the best comes out in mankind and not the worst.

ISSUES OF IMPORTANCE TO THE 105TH CONGRESS

The SPEAKER pro tempore (Mr. GIBBONS). Under the Speaker's announced policy of January 7, 1997, the gentleman from Pennsylvania [Mr. FOX] is recognized for 60 minutes.

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate the opportunity to address my colleagues tonight on a number of issues that are of importance not only to the 105th Congress in the House, but to the Senate and the American people as well. I asked that the opportunity be given to the gentleman from Michigan [Mr. HOEKSTRA] to join me in this dialog, and we will be discussing a number of topics, not the least of which, Mr. Speaker, is one important to everyone in each State, and that would be the balanced budget.

By what we have seen in the last 12 to 24 months, Mr. Speaker, is no longer are we just talking about whether we are going to balance the budget. Now it is going to be, how we do it? And one realizes that there are great advantages to balancing the budget.

We know the State governments have to balance their budgets. Home budgets are balanced. Local governments are balanced, school districts, small townships, boroughs, cities all across America have to balance the budget. Only in the U.S. Federal Government do we not balance our budget. That is how we have acquired a $5 trillion debt.

So, hopefully, in a continuing dialog with the American people, we can make those kinds of meaningful changes where valuable and important government programs continue but those best left to the private sector will be maintained. And we can have the kind of economy that is going to thrive, because with lower interest rates that will be the direct result of a balanced budget, we will be able to reduce home mortgage costs for each