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