I pointed out an interesting fact from what has been suggested by the Tax Foundation, and that relates to the fact that there is unlikely to be a positive return on the money that is paid into Social Security by the employee and the employer. They estimate that anybody that retires after the year 2000 will have a return of between a negative one-half percent and a negative 1½ percent. Another way of saying the serious dilemma of Social Security is that if a worker retires after the year of 2015, then they are going to have to live 26 years after they retire in order to break even and just get back the money they and their employer put in.

Part of the problem is that when we started Social Security as a pay-as-you-go program where existing workers pay in their tax to pay for the benefits of existing retirees, the average age of death in this country in 1935 was 61 years old. That meant most people never lived long enough to collect anything from Social Security, but simply paid in their money.

Now the average age of death is 74 years old for a male and 76 years old for a female. But if Americans are, I will say, lucky enough to live to retirement age, age 65, then on the average they are going to live another 20 years. At the same time, we have more people living longer, we are seeing a larger population that are retired because of the decline in the birth rate after the baby boomers of World War II, and we have a smaller and smaller number of people working.

In 1942 we had 40 people working, paying in Social Security tax for each retiree. By 1950 it got down to 17 people. Today guess what it is. Today, Mr. Speaker, it is three people working, paying in their tax for each retiree, and what has happened is that we keep increasing the Social Security tax on that fewer number of workers.

Since 1971 we have increased the Social Security tax 36 times. More often than once a year, we have increased the rate or the base.

Mr. Speaker, in concluding, I suggest that we face up to the very serious problem that is facing us, both in Social Security, in Medicare, and that we not continue to put off the solutions but start talking about the best possible ways to do it, and we do it as quickly as possible.

URGING THE FEDERAL RESERVE TO LOWER INTEREST RATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HINCHEY) is recognized for 5 minutes.

Mr. HINCHEY. Mr. Speaker, on Tuesday of next week, March 31, the Federal Open Market Committee of the Federal Reserve Board will meet. This is a critically important meeting, for out of this meeting the FOMC will recommend short-term interest rates for the foreseeable future.

There are urgings coming to the Federal Reserve now from monetarists that watch the Federal Reserve Board, and those urgings are that the Federal Reserve should increase interest rates. If they do so, that would be a very serious mistake. It would be a serious mistake if these times were ordinary or normal. But, in fact, they are not ordinary nor normal, for we are beginning to experience the profound negative economic consequences of the financial crisis that is sweeping across east Asia. I say we are ''beginning'' to feel those effects, and we will continue to feel them and the full brunt of those effects will not express themselves on our economy until some time later this year, perhaps within the next 6 months to a year.

The effect of the downturn result from this financial crisis in east Asia is going to be to suppress prices, and it is estimated that it will cost us substantially in terms of our own economic growth.

Our economic growth rate now, which is in excess of 3 percent, could fall by more than 2 percentage points. In other words, we could be experiencing economic growth of only 1 percent or, at worst, our economic growth could fall into the negative range.

We can begin now to buttress our economy from the negative effects of the financial crisis sweeping across east Asia if we act now. One of the ways, one of the most important ways that we can act is for the Federal Reserve now to lower interest rates. Interest rates at this particular moment are high by historical standards, high in real terms; in other words, high in terms of inflation. The inflationary rate currently in our economy is essentially zero. We are experiencing virtually no inflation whatsoever. Nevertheless, real interest rates are abnormally high in that particular context.

Mr. Speaker, people will remember that in 1994 and 1995, the Federal Reserve raised interest rates six times during that period. Back then, that was a mistake and it cost us in terms of our economic growth. We would have recovered from the recession more fully and more quickly if the Federal Reserve had not raised those interest rates. But they did so. And those raised interest rates now stand.

Mr. Speaker, we have interest rates today that are higher than they ought to be, and the Federal Reserve should lower them. They should lower them in any case, but particularly they should lower them in light of the fact that we are going to feel these profound consequences from the economic crisis sweeping across east Asia.

What are those profound consequences? They will be, as I have indicated, a substantial loss in the rate of our economic growth. They will have the effect of depressing prices for goods manufactured in the United States. They will increase our trade deficit.

Mr. Speaker, the trade deficit in goods alone is already increasing markedly, one might say dramatically. The trade deficit, for example in January in goods alone, was $18.8 billion. That is a record for a single month. We have never had a trade deficit for goods alone as high as $18.8 billion ever before. That is up by more than a billion dollars from $17.7 billion in December of last year. So we see already that the trade deficit in goods is going up and going up substantially.

As that trade deficit goes up, as the full effect of the overproduction in East Asia comes into our market, the price of our goods is going to drop. That is going to cost us jobs. It is estimated that the cost in jobs could be as much as 1 million. We could lose as many as 1 million jobs in our economy as a result of the financial crisis in east Asia if we fail to act.

One of the most important ways available to us to act to head off this substantial loss in economic growth, the substantial increase in the trade deficit, and the substantial loss in jobs is through our monetary policy. The Federal Open Market Committee has the ability to control monetary policy, and they can lower interest rates next Tuesday when they meet.

I am now circulating a letter to the Members of the House asking them to join me in this letter to the Chairman of the Federal Reserve Board, Alan Greenspan, asking him to exert his influence in the Federal Reserve and in the Federal Reserve Open Market Committee to lower interest rates. It is critical that we do so in order to head off the dire consequences of this economic crisis.

□ 1830

H–1B PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. KLINK) is recognized for 5 minutes.

Mr. KLINK. Mr. Speaker, several years ago when we were debating on the floor of this House the North American Free Trade Agreement, we were being told by those who were proponents of that agreement that we would lose some low-skill, low-income jobs in this country, but that as we move from an industrial society more toward an information technology society, those people who lost those jobs would receive training, would receive opportunities in jobs that would pay more money in those information technologies.

Well, lo and behold, we have moved to information technologies and now the Information Technology Association of America said we are growing so fast we cannot fill these jobs. And so, under a very little-known program, little known by most legislators and few Americans, it is called the H–1B Program, they now want to import foreign workers into our country to take those jobs.

I simply ask, Mr. Speaker, what kind of jobs are we supposed to give those displaced Americans who have lost their jobs? What jobs are we supposed to give to those kids who are coming

out of college, out of high school, out of career training right now if we are importing workers to take the jobs that are being created in this Nation?

Now, there is a flaw, of course, in this rationale. Even the GAO in a report that they released yesterday said that the Department of Commerce, in agreeing with the industry, and the industry in releasing their information, used flawed data. There is not, apparently, according to many of us, the severe shortage that cannot be filled by retraining Americans and by training Americans to take those jobs.

First of all, let me tell my colleagues, there is no universally accepted definition of what is an information technology worker. There also is no universal definition as to what training is required for those jobs. And, so, the industry in standing up and crying ''wolf'' and crying, like Chicken Little, that ''the sky has fallen,'' that they have got these millions of jobs that they cannot fill, defined very broadly what is an information technology worker and very narrowly what kind of training would be required to fill those jobs. They seem to require right now that if you do not have a Bachelor's degree in computer science or information science you cannot fill those jobs.

Well, that is crazy. Because in 1993, only 25 percent of the workers across this Nation who were working in information technology actually had a BA in computer or in information science. Many of the other workers had degrees, but they had degrees in business, in social science, in math, engineering, psychology, economics, education. They were smart people. They had training and could be retrained to take these jobs in what is a burgeoning industry.

We project between 1996 and the year 2006 we will need 1.3 million workers in information technology; 1.1 million of those workers will be needed because of the growth alone. The wages for information technology workers are increasing, but they are increasing only because the market calls for an increase, and they are increasing no more than the wages for the general public.

Now the ITAA, this Information Technology Association of America that wants to use this little-known program now to import workers to this country to take these new jobs in a growth industry, sent out a sampling to 2,000 industries. Only 14 percent of those industries responded, and on that 14-percent response, they are basing their request to import workers into this country to take those jobs.

Mr. Speaker, it would take a 75-percent response to make a credible extrapolation on a nationwide basis, a nationwide generalization as to how many workers we need and where they have to come from.

Let me tell my colleagues about this program, the origination of the H–1B program. This was established in 1990 to alleviate an anticipated shortage of scientists and engineers, particularly at a Ph.D. level. But by the time this program was in place, the Berlin Wall had fallen, there was an economic downturn, we had gone into a recession, downsizing was rampant in defense and other industries, and we really never needed the program. The people that were proponents of this program were primarily the National Science Foundation and some industry groups.

But the information technology companies have gotten smart. They said, here is a program, we can import workers; and in fact they become indentured servants. We own them. If they complain about the work hours, if they complain about the salary, if they complain about the benefits, we will send them back to the country they came from. And what has happened is, we have seen tremendous numbers of layoffs of American workers while these foreign workers have been brought into this country. This needs to be looked at.

And I would ask, Mr. Speaker, that other Members of this House would look at this program and we can stand up for American workers and get training and retraining for our workers for these jobs.

INFORMATION TECHNOLOGY PARTNERSHIP ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas (Ms. EDDIE BERNICE JOHNSON) is recognized for 5 minutes.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I think my colleague has pointed out a problem, and I think there is at least one other.

There are 346,000 unfilled information technology jobs nationwide. And one of the problems is that the results of the Third International Mathematics and Science Study, called the TIMSS, shows that American high school seniors rank near the bottom in math and science education when compared to their international counterparts.

I am attempting to find a solution, so I have introduced House Resolution 3496 that was heard in committee today, the Information Technology Partnership Act, which creates an additional grant program through the National Science Foundation and the Urban Systemic Initiative Program. The Urban Systemic Initiative Program focuses primarily on math and science by using mentor teachers to help educators introduce an innovative and engaging math and science curriculum to K through 12 students in the inner city.

The IT Partnership, that is, the information technology partnership grant is aimed at improving scientific and mathematical literacy of all students in urban communities while fostering a student's career in the information technology field. This partnership consists of local education agencies and local businesses investing in the educational development of the youth in their districts. Specialized curricula and scholarships would assist students in filling future information technology jobs.

My district is driven by technology; and so we see firsthand not having enough people trained in this country. And, yes, people are being brought in and information is being developed outside this country, but not because of trade and not because of avoiding any other type of barrier. It is simply because we do not have them available right now.

So specifically, the IT Partnership Grant focuses on math and science curricula for students in grades 10 through 12 and offers internships and scholarship opportunity for students majoring in fields relating to information technology. Under this program, eligibility for the IT Partnership Grant is limited to the cities with the largest number of school age children, ages 5 to 17, living in economic poverty as determined by the 1990 census.

The following cities are eligible for this grant: Atlanta; Baltimore; Bayamo; Boston; Chicago; Cincinnati; Cleveland; Columbus, Ohio; Dallas, Texas; Detroit; El Paso; Fresno; Houston; Indianapolis; Jacksonville; Los Angeles; Memphis; Miami; Milwaukee; New Orleans; New York City; Phoenix; Philadelphia; Ponce; San Antonio; San Diego; San Juan; and St. Louis.

The grant awards five local education agencies $300,000 to develop math, science, and technology curricula for grades 10 through 12 and to train teachers in technology. That is a problem we have throughout this Nation.

In order for the local education agencies to win this grant, they must enter into a partnership with businesses in their community. These businesses would commit to provide to the local education agencies a minimum of at least internships, scholarships, and mentoring programs and computer products. Local businesses would promise the local education agencies scholarship money, which would be awarded to high school seniors. You see, because these businesses have a stake, their future depends on having qualified people to do the job, and seniors who would be majoring in these fields associated with information technology, that is, math, computer science, and engineering at 2- and 4-year colleges. The partnership between the local education agencies and local business sponsors would determine the amount and the number of scholarships given.

It is important to note that the local education agencies will have direct responsibility for overseeing the program, and the National Science Foundation's role is limited to determining which 5 cities meet the criteria for eligibility. We would like to award them all, but are trying to think about staying in the budget even though we are not doing what we should for education if we are going to have a cutting-edge Nation in the future.