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Senate

Mr. TSONGAS. Mr. President, today I was scheduled to address the 25th annual convention of the Massachusetts State Labor Council, AFL-CIO. However, the Senate is expected to vote today on legislation that is critically important to the labor movement. One amendment being offered by Senator HELMS, to the continuing resolution would restrict the use of union dues for any political purposes. The other being offered by Senator METZENBAUM, attempts to rectify the situation involving unemployment compensation inadequacies.

After conferring with the State and national AFL-CIO labor leaders, I decided that staying in the Senate to vote against the Helms' amendment would better serve the important labor agenda which we all are committed to continuing.

I ask that a copy of my speech be printed in the RECORD.

The speech follows:

STATEMENT OF SENATOR PAUL E. TSONGAS

These are tough times in American. Our Labor Day this month, the 100th anniversary of the nation's tribute to its working men and women, unemployment stood at a disgraceful 9.8 percent. Next month the rate may reach double digits for the first time since World War II, meaning that more than 11 million Americans will be out of work.

The victims are disproportionately blue-collar workers. Among them are auto workers in Detroit, steelworkers in Pennsylvania and construction workers in Massachusetts. Workers in virtually every industry have been hard hit.

Every day brings news of another grim economic reality. Hard times have produced a new generation of American wanderer: jobless workers crisscrossing the nation futilely in search of work. Right now the number of United States citizens living below the poverty line is the highest in 15 years. The persistence of sky-high interest rates is dashing the hopes of millions of Americans to own their own homes or send their children to college. Federal budget deficits are soaring at record-high levels—an estimated \$155 billion next year alone.

Why is the economy on the skids?

The economists will tell you the reasons are various; no single factor is entirely responsible. They remind me of the story about Harry Truman. He would ask his economists for advice. They would reply, "Well, Mr. President, on the one hand you could do this. On the other hand you could do that." He finally got so mad he said, "All right, dammit, bring me a one-armed economist."

There is no denying that we Democrats are responsible for part of the nation's difficulties. We should recognize that. We have not always been sensitive enough to the importance of reinvestment, productivity and quality in the products we manufacture. But, as bad as the Democrats have been on the economy, Reaganomics has been even worse. Talking about the Administration's foreign policy the other day, Ed Muskie asked, "If we are not going to hell, then where the hell are we going?" Muskie could have been talking just as well about the current economic policy. It combines larger budgets with tax cuts, producing huge deficits. The result is a mess, and it is showing little sign of getting better.

There is a bright side to the picture, however. Reaganomics has proven to be one of the best salesmen the Democratic Party has ever had. Many of those who strayed from

the party have taken a hard look at Reaganomics and come hurrying back. This is especially true of organized labor.

Public opinion polls show that union members are returning home to the Democratic Party. In 1980 only 47 percent of union members voted for the Democratic presidential ticket. Recent polls have found that at least 62 percent of the labor vote is likely to go to Democratic congressional candidates this fall.

Furthermore, union endorsements have been falling more consistently in the Democratic column. And organized labor, more than ever, has been putting its money where its mouth is. Last year the AFL-CIO began funneling more dollars through the Democratic National Committee. The new financial pipeline into Democratic headquarters is strengthening the bonds between labor and the party.

The heightened partisanship is evident, too, in the AFL-CIO plan to vote in December 1983 on endorsing a Democratic presidential candidate. By taking such an early and intense interest in the selection of the Democratic nominee, the AFL-CIO is showing emphatically behind which party's banner it stands.

Clearly, labor is coming home to the Democratic Party—and not a moment too soon. Many Democratic candidates now find the odds stacked against them because of money.

Money has become the nuclear weaponry of American elections. The cost of running a closely contested congressional campaign can consume millions of dollars. To wage a respectable campaign demands heavy investment in television and radio advertising. A well-heeled candidate has the obvious edge.

Republicans in this country, and especially right-wing Republicans, have developed campaign fund-raising into a fine-tuned, high-technology science. The main tools are computers and direct-mail appeals. The latter are often coordinated by political action committees, PACs. A particularly important new source of Republican funds are the corporate and trade association PACs, which are expected to collect more than \$65 million for this year's elections.

Dollars are flowing into Republican coffers as never before. The Republican National Committee is sinking \$146 million into this year's congressional campaigns, while the Democratic National Committee lags far behind with only \$19 million to spend. A number of conservative PACs have

raised millions of additional dollars that will bankroll GOP candidates this year. For example, Senator Jesse Helms' National Congressional Club has \$8 million to spread among right-wing candidates for Congress. Another PAC, the National Conservative Political Action Committee, has more than \$7 million for the same purpose. A third, Fund for a Conservative Majority, has \$2 million.

Happily, organized labor is rising to the challenge. Like the conservative fund-raisers, labor is modernizing its campaign apparatus. The AFL-CIO, for example, has computerized its voter lists for a major registration drive. Unions are now using direct-mail and television as campaign devices to maximum effect. Union PACs have been contributing steadily larger sums to congressional candidates. This year the figure is expected to top \$14 million.

Of course, money by itself is never decisive. The appeal of the candidates, issues and grass-roots organizing are all important. In these areas I believe the Democratic Party, with the full support of labor, can have the advantage.

Now let me turn to the issue that I think ought to concern the Democratic Party this year. The issue is jobs. That must be the number one item on our agenda. It is a political cliché to say that we must get America back to work. Cliché or not, the proposition holds more than ever: the nation is failing its people, and failing badly, unless it does everything possible to assure that there is a job for every American willing to work. Nothing is more basic. It is part of the covenant that brought my father to this land from Greece and brought your father or forefathers here from some other country.

How can we honor this covenant that is what America is all about?

First, the federal government must commit itself to the vital task of rebuilding the nation's infrastructure. More than two of five bridges in the United States need replacing. More than half of all our roads are in disrepair. The need for water and sewer treatment facilities has exceeded localities' capacity to finance them.

If we permit the public infrastructure to decay, the nation will be the poorer for it—literally. Roads, bridges, water and other public services are essential to our economic well-being.

To keep out infrastructure in good repair will be costly. The tab just to fix what now needs fixing would amount to something be-

tween \$600 billion and \$3 trillion, depending on which estimate you believe. It is an effort that will require a massive Federal involvement. Slogans, stopgaps, and voodoo remedies are no answer. A proposal I offered in the Senate this year could help point the nation toward the kind of long-term commitment that is necessary. Under the proposal, Congress would create a separate Federal budget for capital items like highways, port facilities and subway systems. Once capital items are set apart, they can be financed more rationally over the long haul.

One way or another, the Federal government must act to end the neglect of our infrastructure. By doing so, we not only buttress the economy, we also will put millions of Americans back to work.

Second, we must redirect money into economic growth by scaling down our bloated military budget. The current Administration is calling for a Pentagon budget over the next five years of \$1.5 trillion. This staggering figure is twice as much as we spent over the last 10 years and means that the United States will be expanding defense spending at twice the Soviet rate. Expansion at this clip is more than the military can efficiently digest, even as Murray Weidenbaum, the recently departed economic chief in the Reagan Administration, concedes. By matching the Soviets on military spending, we can adequately safeguard American security.

No less than nuclear warheads and submarines, a strong economy is a bulwark of national security. It is not the Soviets who are

costing us jobs, but the Japanese. They are beating us in the global competition to produce cars, cameras, motorcycles and a host of other things. In effect, we are fighting on two fronts, the Soviet Union and Japan. Putting all our resources into the first guarantees our demise on the second. The next time you hear someone in the Reagan Administration saber-rattling against the Soviets, ask yourself how that helps put an unemployed auto worker back on the job.

Admittedly, money spent on the military boosts employment. But military dollars create fewer jobs than most other kinds of public spending. Figures compiled by Representative Les Aspin of Washington show that the Department of Defense creates 40,000 jobs per \$1 billion at its disposal. However, an extra \$1 billion in the public sector would create 76,000 jobs if spent on housing, 100,000 jobs if spent on teachers

and 151,000 if spent on retraining youths through the Job Corps.

These figures are revealing. They illustrate how the oversized military budget is robbing the nation of the job-creating investment the economy needs. It is time we fixed this wrong-headed policy.

Third, the nation must do more to guarantee workers full opportunity for retraining. Obviously, a worker whose skills are no longer in demand is a loss to the economy.

We must have financial incentives to assist labor unions and private employers in covering the costs of retraining workers. Rapid technological change may contribute to national output, but it also causes a gap between workers' skills and the employment needs of industry. I believe the Federal government must help in bridging that gap.

In recent months, as the economy has gone from bad to worse, hardship, fear and self-doubt have been chipping away at the American spirit. I understand what hard times can do to a worker, a family, a community. I grew up in Lowell during the forties and fifties, when a proud mill city slid into economic distress. I vividly remember those dark days and want to do everything in my power to keep them from returning again.

Lowell rebounded when new initiatives brought jobs. Jobs are again of the highest priority. With your help we can see to it that there are enough jobs in America for everyone willing to work.