

The massive layoffs at AT&T reminded us again this week that indeed, the American economy is in two very different and often contradictory hands. We are, on the one hand, an extraordinary innovative people. We have the world's most productive workers. Our stock market is booming. We have captured the technological edge in vital and lucrative fields. We are the world's largest exporter. In many ways, the United States is the marvel of the international economy.

But there is another side to our rapidly changing economy. In the last decade there has been a loss of 20 million jobs due to corporate downsizing. One half of all Fortune 500 companies have seen dramatic changes in their employment. In the 1980s, 50 percent of those who lost their jobs and found new employment, did so at reduced wages. Twenty percent found themselves out of the workforce permanently. And a million of these newly unemployed found themselves without health care benefits or pensions.

A slow motion downsizing is taking place in many corporations across America which never makes the headlines. Middle class America hangs by a very thin and precious thread. Few of our families are more than a serious illness, a technological breakthrough, or a corporate downsizing away from losing a standard of life that took generations to earn.

We are becoming a nation of smaller, leaner, and much more competitive corporations. The layoffs at AT&T are the most dramatic expression of a growing phenomenon of corporate restructuring. But unlike General Motors or I.B.M. who were in serious financial crisis, AT&T is strong and profitable. Yet, AT&T has made a prospective decision about a problem it might or might not face in future years.

The impact in New Jersey of the loss of 7,000 jobs will be exacerbated by the loss of work for hundreds of contractors in the community that depend on the health of the company. These layoffs will impact families, communities, and state and local governments.

The question is not whether we can adapt to the changing economy, but whether we can do so fairly, while protecting our families, and remaining consistent with our sense of community. To do so, we must re-examine our responsibilities as corporate citizens, individuals, and government.

Every corporation has the right and the responsibility to control costs, maximize returns to its investors, to survive and to prosper. But, corporate responsibility was never to its sources of capital alone, but also to its employees, its suppliers, and to its community. Today's laid off workers are having a hard time understanding why their companies allow their chief executive to collect 200 times what their average employee makes per year. And community leaders are having a hard time understanding why they provided lucrative tax breaks to corporations to move into their areas, only to see their neighbors thrown out of work with little justification.

There had always been a sense of balance among these interests. Today's CEOs, however, have lost sight of that importance balance, and their responsibility to maintain it. In order to succeed in this new economy, corporations must correct the dangerous imbalance between the interests of financial capital and human capital.

For individual workers, it is increasingly unlikely that the corporation they join early in life will be the same one they end their careers with. The age of freelance workers is upon us. People must now identify less with a corporation and more with their skills. It means constant re-education, flexibility, and mobility. It means greater self-reliance.

And we in the government have a responsibility to adapt our tax incentives and educational culture in order to succeed in the 21st century. That means making innovative changes to our tax code and making education and training programs more accessible. Here's what government can do:

Establish Individual Training Accounts, where employees in good times can save money tax free so they have the resources available to receive retraining and continuing education to keep up with technological advances. Maintaining competitive skills is as important to individuals now as it is to corporations.

Give preferential corporate tax treatment for worker training. Ninety percent of all training of employees in America today is being done by only one percent of our corporations. We need to create incentives to make training American workers a rational business decision again.

Change the way we assess corporate taxes. Our current tax code treats equally: excessive executive bonuses; excessive compensation; and expenses like compensation for workers and retraining of employees. However, these expenses are not of equal value to society, they are not of equal value to the future of this country, and they should not be treated equally by our tax code.

Reduce capital gains taxes, to ensure that the middle class can invest and save, to finally get some security by accumulated savings. Only family savings will afford the American workforce the financial security it needs to change jobs.

Increase the availability of federally-backed student loans, and broaden them to apply to retraining, vocational, and continuing education programs. Universities must become more open to all generations who will need re-education, and their classes must become more relevant to the local economy.

Ensure that workers' pensions and health care plans are portable. Losing a job must not mean losing the security of a pension and health care coverage. Workers should be able to carry their pensions to other companies throughout their careers.

We are all in this new economy together. These are neither good times nor bad times. They are different times. And if we are like all Americans that came before us, we can make them work for our families, our community, and our country. Together we must develop good ideas and make sound decisions that help our people deal with rapid economic change. We must not allow the modernization of America to become the downsizing of America.

ELEANOR VILLARREAL NAMED WOMAN OF THE YEAR

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1996

Ms. LOFGREN. Mr. Speaker, I rise today to salute Eleanor Villarreal, named "Woman of the Year" by the Gilroy Chamber of Commerce in Gilroy, CA. I know Eleanor and have had the pleasure of working with her over the years on matters important to the district I represent in this 104th Congress. Eleanor is being honored for her contributions to our community as a prolific volunteer and strong advocate for children.

Eleanor Villarreal is well known in Gilroy, having served on numerous local boards and for spearheading community events benefiting

Gilroy residents throughout the years. She was the first woman to become president of the Gilroy Hispanic Chamber of Commerce. She is president of the Salvation Army Council and a regular volunteer for the Special Olympics. In addition, Eleanor has lent her skills to volunteer efforts such as the Toys for Tots Campaign, the Gilroy Garlic Festival, the Exchange Club, Gilroy 2000, the Hispanic Cultural Festival and too many others to include in these remarks.

So very significant among Eleanor's contributions is her continuing work with the Odd Fellow-Rebekah Children's Home where she successfully organized a multi-million dollar campaign to fund a 20,000 square foot expansion of facilities. The new facilities allow this dedicated agency to better meet the demands of the troubled youths it serves in a more home-like setting.

Mr. Speaker, on February 2, 1996, the Gilroy Chamber of Commerce will honor Eleanor Villarreal at its 43d annual meeting and awards dinner. I would like to invite my colleagues in the U.S. House of Representatives to join with me in expressing gratitude and appreciation to Eleanor for her efforts.

IN HONOR OF LORI JEAN
MACHARA

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 24, 1996

Mr. GEKAS. Mr. Speaker, it is with great pleasure that I pay tribute to this year's recipient of the J. Robert Ladd Community Service Award, Lori Jean Machara of Mount Gretna. She is a shining example of the volunteer spirit that so exemplifies central Pennsylvania.

In addition to her tireless efforts as the manager of the Cardiac Rehabilitation Department of the Good Samaritan Hospital, Lori has been active in the hospital auxiliary and been involved with the Cornwall Children's Center. She is a member of the board of directors of the American Heart Association and coordinates several activities for the Junior Women's Club.

I congratulate Lori Jean Machara on a lifetime of success and accomplishment. The Lebanon area is profoundly richer because of her work.

ANNOUNCING THE 1995 RECIPIENT OF THE SERVICE TO MANKIND AWARD: LORI JEAN MACHARA

As the oldest of 4 children growing up in Natrona Heights, PA, it seemed that Lori was born into a leadership role. In the words of Lori's mother, "she was and still is a perfect child". Lori's formative years reads very similar to her present life and included activities such as class officer in grade school, high school class vice president, active participation in church youth group and Girl Scouts, and president of junior achievement. She was also an intricate part of a school newspaper and yearbook staff. Duquesne University was Lori's home for the next 5 years, as she received a B.A. degree in Nursing, a profession she chose to pursue to a post graduate level through Penn State University.

Lori and her husband, Lou, were married shortly after she received her undergraduate degree and at that time, the Machara family as a result of Lou's job, established residency