

H.R. 187 would require a rulemaking on the part of the Federal Communications Commission, after consultation with the National Telecommunications and Information Administration, on ways to surmount barriers to market access, such as undercapitalization, that continue to constrain small businesses, minority, women-owned, and nonprofit organizations in their attempts to take part in all telecommunications industries. Underlying this amendment is the obvious fact that diversity of ownership remains a key to the competitiveness of the U.S. telecommunications marketplace.

H.R. 503, which is intended to increase the availability of venture capital and research and development funding for both new and existing small, women, and minority-owned companies, would require all telecommunications providers to annually submit to the FCC their clear and detailed company policies for increasing procurement from business enterprises that are owned by minorities and women in all categories of procurement in which these entities are under-represented. The FCC would then report to Congress on the progress of these activities and recommend legislative solutions as needed.

Mr. Speaker, last year Congress fell short in its attempts to pave the roads of the information superhighway with increased competition and, thereby, assist in promoting greater economic opportunities for more Americans as we head into the 21st century. This year we can ill afford to repeat our past mistakes.

While my measures do not completely solve the long-standing problems that confront so many forgotten entities and enterprises in our communities, their passage will ensure that minorities and women will have a strong role in the fantastic industries of the future as both users and providers of services. Because of this, we all stand to benefit.

I strongly urge my colleagues to support both H.R. 187 and H.R. 503.

STOP ABUSES OF CHARITIES' TAX EXEMPTIONS

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, January 20, 1995

Mr. MENENDEZ. Mr. Speaker, Americans are the most generous people in the world, yet charlatans abuse tax exemptions designed to support worthy charities. Today, I am introducing a bill to stop such abuse of American generosity.

The Tax Exemption Accountability Act would stop self-dealing by the managers of tax exempt organizations and put teeth into requirements that they file accurate annual returns with the IRS and make them readily available to the public. It also creates a national clearinghouse offering copies of returns for a reasonable fee.

The bill also would cap the compensation of officers and directors at the level of U.S. Cabinet members. Churches would continue to be exempt from filing IRS returns and from caps on pastors' salaries, and hospitals could still pay high-cost professionals.

We need greater accountability by tax exempt organizations because they control substantial public wealth that offers a temptation some have been unable to resist.

The share of national revenues going to tax exempts has nearly doubled in the past 15 years, growing at 8 percent per year in constant dollars. The IRS reports that the revenues of tax-exempts rose from 5.9 to 10.4 percent of U.S. gross domestic product from 1975 to 1990. Revenues totaled \$578 billion in 1990.

These are substantial revenues. To put them into context, in 1990, taxable service industries had receipts of \$1,174 billion. The tax exempts had revenues of just half that amount.

The assets of tax exempt organizations totaled nearly \$740 billion in 1990, with real growth at an average annual rate of 7.7 percent over the previous 8 years. These assets accounted for 4.5 percent of private net worth in the United States in 1990, up from 2.9 percent in 1979.

INCOME EQUITY ACT OF 1995 AND MINIMUM WAGE ENHANCEMENT ACT OF 1995

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, January 20, 1995

Mr. SABO. Mr. Speaker, I believe that an increase in the minimum wage is needed to restore equality to salaries for millions of Americans. For that reason, today I am introducing the Minimum Wage Amendments Act of 1995. This legislation will increase the Federal minimum wage to \$6.50 an hour—an increase that will help nearly 5 million Americans better provide for themselves and their families.

In today's economy, minimum-wage workers are often unable to support themselves for one simple reason—the minimum wage has not kept up with the cost of living. In the 1960's and 1970's, for example, a full-time year-round worker making the minimum wage earned enough to keep a family of three above the poverty line. Today that same worker falls nearly \$3,500 below the poverty line. To supplement their minimum wage, workers are often forced to seek assistance from taxpayer-financed Government programs such as food stamps, housing subsidies, and medical assistance.

Congress has tried to help. In June 1989, Congress passed legislation increasing the minimum wage. Under that legislation, The 1989 Fair Labor Standards Act, the minimum wage was raised from \$3.35 to \$4.25 per hour.

Still, the minimum wage has not kept pace with the rising cost of living. In fact, the current \$4.25 per hour falls almost \$2.25 short of the real value of the minimum wage in 1968. This failure to increase the minimum wage to a level that provides a living puts enormous pressure on social programs. In my judgment, all full-time workers should make enough money to live off their wages.

From the time of President Roosevelt, a fair minimum wage helped ensure a responsible relationship between workers and management. Today, a fair minimum wage is critical to millions of working Americans. More than two-thirds of minimum-wage workers are adults, and it is estimated that one in five minimum-wage workers live below the poverty line.

When working Americans are unable to support themselves and their families, they are left scrambling to pay their bills and put food on their tables. Today's minimum wage is too much minimum and not enough wage. We can not be content with an economy that helps those at the top of the economic ladder climb further up while those at the bottom slip further down.

Mr. Speaker, today I am also introducing the Income Equity Act of 1995.

One of the most disturbing trends of the past decade has been the increasing polarization of income in this country. To use a familiar phrase: "The rich have gotten richer and the poor poorer." In fact, the gap between rich and poor families is now larger than at any time since the Government began compiling those statistics.

Put another way, average income of the poorest fifth of the population has fallen from 93 percent of the poverty line in 1973 to 83 percent in 1987. The next poorest fifth has an average income of twice the poverty line. On the other end of the spectrum, the richest fifth has an income that is almost nine times higher than the poverty line. Clearly, the income gap continues to widen.

More single-parent, female-headed households are stuck in the bottom end of the wage scale. Wages for low-income and young workers have been stagnant. These trends have helped contribute to a growing class of working individuals who are having a tough time making ends meet. This poverty is especially damaging because it hits children so hard. Today, an alarming one in five children live in poor families. Poverty and the problems associated with it—malnutrition, inadequate health care, disadvantages at school, and crime—impair a child's ability to perform later in life. Those basic problems erect barriers that make it tough for children to ever achieve. We need to reverse the trend toward growing income inequities.

My bill, the Income Equity Act, would not only raise the minimum wage to \$6.50 an hour, but it would also limit the tax deductibility of executive compensation to 25 times that of the lowest paid worker in the same firm. For example, if the lowest paid worker of a business is the clerk who makes \$10,000 a year, the business will only be allowed to deduct \$250,000 in salary and bonuses for senior employees. This provision simply draws attention to the incredible income gap present in most businesses. Business owners will be forced to take a long, hard look at how they compensate both those at the bottom and those at the top of the income ladder.

The bottom line is that Americans who work full time should be able to provide for themselves and their families without turning to the Federal Government for assistance. Both Democrats and Republicans alike want to see individuals excel in the workplace. We want to see families living well and doing so independent of Government intervention. A liveable minimum wage is an essential extension of the work ethic—it tells individuals that work is important and should be rewarded appropriately.

Mr. Speaker and Members of the House, I hope you will join me in supporting an increase in wages for working Americans.