single one of these bills. This is Americans thinking of not being Republicans first or Democrats first but being Americans first and doing what is best for America. I am excited. I am proud to be a part of it. I really am proud to be a part of it. I cannot say that I was proud to be a part of the 103d Congress. I made no bones about it. I let my constituents know that as well.

Mr. CUNNINGHAM. You should be proud of what you are doing, but being held down and getting beaten down every day makes it kind of tough.

Mr. HOKE. I wonder if I could ask the gentleman from Tennessee and the gentlewoman from Washington and the gentleman from Georgia if there are any final thoughts you wanted to share?

Mr. BRYANT of Tennessee. Well, I had mentioned in my first remarks that I had not had a chance to be home that much because of this hectic pace here. I have gone home every weekend though for short periods of time, and this Contract With America is great. People are still talking about it. They know what are doing up here. They are pleased with what we are doing. They know we are making progress, and what I tell them is that we are in essence simply doing what we said we would do.

□ 2210

Now I got to admit that is unusual for somebody in politics to do that, but that is our motto, we are actually doing what we said we would do. We are holding ourselves out as responsible, as accountable, to the American public.

We put it down in writing. It was published in TV Guide. People out there know what it is, and I am pleased to stand up and say, ''Yes, hold us accountable, make us do what we said we would do, make us bring these bills up onto the floor, have a full and open debate, which we are having,'' and again, as I say, the hidden peril in this is make us all vote up or down on those, and, if you don't like the way we voted on it, then you can bring us home the next time you have a chance, in 2 years.

So, I, too, am pleased to be with all of you. I cannot imagine what it is like to toil in the trench like you have. We are spoiled, and I would not have it any other way.

Mrs. SMITH of Washington. As my colleagues know, I think he started something that makes me think about the word I used so much in the campaign, short as it was, and that was the word commitment. I was actually—I came home from vacation after 3 days of vacation, and people wanted me to run, and so they did a write-in, and I said,

> I tell you what I'll commit to do: the same thing I've always done, and that's smaller government. I'm going to say no a lot, and I'm going to keep my commitments to you as I always have.

Well, that is the word this contract represents to me, and that is keeping my commitment to the American people. People really like that. They do not seem to expect me to dot every i and cross every t, but they want us to try very hard to keep our commitments.

While I have been here a month, and I did serve in the Senate in Washington State for several years, so I have some experience, I have never had the experience of people working so hard to keep their word to the American people. Because I think we all know that in November people said, ''Go do what you said, and, if you don't, we're going to get some others.''

We know that, but we also are driven by the fact that we understand we are servants, we are messengers from the people, and I think most of us understand it, and I got here in a whole bunch of people that have been here before me, and they were just ready to deliver that message, too.

The freshmen have been the steam, again, but the train was going down the track, and we were able to jump on and be a part, and we have not been excluded. I am not LINDA SMITH, a freshman here. I am LINDA SMITH, an integral part of a complete change that is going to be written in history as a turning point of America.

Mr. HOKE. What do you think, Mr. KINGSTON?

Mr. KINGSTON. I say this, Mr. HOKE and Mr. CUNNINGHAM, we heard Mr. BRYANT and Mrs. SMITH talk tonight. As she said many times, they are the team. I would say they are also the fuel and a little more volatile than steam in many respects.

The changes are real though. We are not turning back. America is going to change, I hope, because Congress has changed. We have left the foxhole. We are advancing. We are going to take the hill or we are going to get shot, and that is still up to the American people, but we cannot turn back at this point.

I will caution this:

There is talk, the Senate today. I understand that the balanced budget amendment might not pass. They are against the line-item veto. We are going to be passing a spending cut bill which the Senate has already said they are not going to do.

So I would say to people, let's keep this revolution going, the revolution is alive and well in the House. Let's wake up the folks over in the other body by phone calls and letters. But we're going to keep moving, and I'm proud to be with you, and I'm proud to be serving with people like Mr. BRYANT and Mrs. SMITH.

Mr. HOKE. Well, we are going to keep moving, and I think it is important, and you are absolutely right. We ought to encourage our constituents to do that.

Mr. CUNNINGHAM, do you want to add anything?

Mr. CUNNINGHAM. I would like to say one thing:

I see my distinguished colleague, the gentleman from New York [Mr. OWENS], here, and even though in many of the economic issues we disagree, I want to point out something, that on the floor, when the leadership of his party was blasting Christians, two of the Members of the Black Caucus came up to me, MAJOR, and they grabbed me by the arm and said, ''DUKE, don't you ever lose your Judeo-Christian values,'' and they stick tight, and they believe in those values, and I would like to thank my friend, Mr. OWENS.

Mr. HOKE. Thank you very much. Thanks for participating. I particularly want to thank the gentleman from Tennessee [Mr. BRYANT] and the gentlewoman from Washington [Mrs. SMITH] and the gentleman from Georgia [Mr. KINGSTON] for their participation tonight. This is great, to be able to share with each other our thoughts on these things and to keep track because I think the fact is that we are right on track, we are right on target. We are using this as a roadmap to stay the course and to do exactly what we said we would do.

We said it before, we will say it again, and you know how true it is in terms of how hard we are working, but we are working hard to keep the promises that we have made for real changes. We are going to continue to do that.

It certainly makes for long days, and it is making for some rings under people's eyes, but it is very exciting.

I appreciate your input, and I appreciate your sharing this special order with me tonight.

WILL WE BE BETTER OFF WHEN THE CONTRACT WITH AMERICA HAS BEEN PASSED?

The SPEAKER pro tempore (Mr. QUINN). Under the Speaker's announced policy of January 4, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, jobs, the No. 1 concern of the overwhelming majority of Americans. Jobs are the No. 1 concern of the people, but you do not see that same concern reflected here in Washington around the floor of this House. The question that most Americans are asking is will we be better off when the 100 days are ended and the Contract With America has been passed. Does it matter one way or the other with respect to our concern about jobs and income? Will we be better off, those who have lost wages over the last 10 years? They have jobs, but the jobs are not paying as much as they paid before. So, will they have higher paid jobs after the Contract With America is passed? Will they be better off?

No.

There is a tremendous amount of downsizing that is taking place. Corporations are maximizing their profits. Profits are escalating, getting greater

and greater all the time. The wealth of the country is increasing dramatically. You know, we talk about taxes being too high, regulations being too great, and yet corporations are thriving, great profits are being made.

We are the wealthiest country, the wealthiest Nation, that ever existed in the history of the world, and yet people are worried about losing their jobs. Those who have jobs are not being paid enough. Those who have jobs often fear that downsizing is going to lead to an end to those jobs, and there are large amounts who are unemployed. Unemployment now is officially at 5.7 present. That is the official rate.

If you add those people who have been out of work for a long time and stopped looking, it is even higher than that. If you add those people that are working part time, it is even higher than that. Most people calculate the real unemployment rate as between 9 and 10 percent. Millions of Americans are out of work, about 12 million out of work.

The welfare recipients will have to go to work at the end of 2 years. Most of them would love to have jobs. Most of them would be very willing to take jobs, but when they have to go to work in 2 years they will find there are no jobs out there because we have no policies here which are dedicated to dealing with the primary concern of Government that ought to be to manage and to influence the economy in a way that guarantees that every person can survive, and survival means jobs. If you have a job, when you provide jobs, you feed the hungry. But when you provide jobs, you take care of the sick. When you provide jobs, you take certain that people are not homeless. The highest of our Judeo-Christian values, the highest of our family values, are reflected in the way we deal with the provision of jobs in our society.

But here in Washington you do not hear any talk of any great amount of job creation in the Contract of America or even among the Democrats from the White House. We hear no realistic attempt to provide the kind of jobs that must be provided during this very critical period where Americans have expressed great stress.

□ 2220

We hear no realistic attempt to provide the kind of jobs that must be provided during this very critical period where Americans have expressed great stress. They have great anxiety about losing jobs, about jobs that are not paying well, and about the ongoing increase and escalation in the unemployment rate.

Of course, the unemployment does not bother our official agencies like the Federal Reserve Board. The Federal Reserve Board seems to think unemployment is very good for people, it is good for the economy. So they take steps and promulgate policies which encourage unemployment. Whenever we have a great decrease in the amount of unemployment, they see that as a threat to the economy because it may raise inflation, and they cut off the supply of money so that those who create jobs through investment cannot create more jobs. They will hold down the employment so that labor will not be able to bid up its demand for higher wages, and therefore they will curb inflation.

Mr. Greenspan of the Federal Reserve Board is the author of this. I very much strongly would like to recommend to Mr. Greenspan that if he thinks unemployment is good for the Nation's economy, he should do his patriotic duty and take off 1 month every month. Take his turn unemployed along with the millions of others so our economy can prosper.

There are many other ways in which we show a callous disregard for the need to create employment opportunities for Americans. We have tremendous amounts of money that we are wasting that could be used in job creation.

The previous speakers on the floor talked about what they were going to do to cut the budget of the United States. In several ways, they are going to cut it short-term and cut it long-term through a balanced budget amendment. I welcome the opportunity. I would like to join with them in cutting some of the waste out of our Government.

Let us start with the agribusiness. Let us start with the agribusiness, which gets handouts from the Government of billions of dollars: $149 billion over the last 10 years has been poured into crop subsidies; $149 billion over the last 10 years.

Take the State of Kansas alone: $8 billion in the State of Kansas has been received from the Government. A handout, a dole to the farmers; $20,000 to $40,000 annually goes to the average Kansas family.

I welcome the opportunity to join with my colleagues in those kinds of cuts so the money can be transferred into job-creating programs that are being suggested, that are programs that really do something for the economy and for individuals.

If we had a school building program, billions of dollars being spent for school building, instead of paying farmers not to grow grain, then the benefit received from the school would last for decades, because the school would be there to serve as part of the educational facilities network. You know that kind of benefit would be gained.

If you use the money that you are wasting, giving a way to farmers not to grow grain, then of course you could also build some of the roads and the bridges that we need, which could be used for many decades to come, improving our transportation arteries and helping the economy overall.

So we have a problem in that we refuse to look at the problem that is the real and most important problem. The problem should be the No. 1 priority, and that is the creation of jobs so people have the opportunities to earn income and earn a living.

This evening we would like to talk about the job situation from three basic viewpoints. We would like to show that the economic picture is much bleaker than what it shows on the surface. It is important for us to understand the current Bureau of Labor Standard estimates of the unemployment rate, first of all, are way, way off. They underestimate unemployment at least by 3.3 percent. As I said before, instead of a 5.7 percent unemployment rate, if you looked at all of the people out of work and who stopped working, and the people who are working but working only half-time, then you would get an unemployment rate of 9 percent.

The No. 1 priority in America should be the creation of jobs, because we cannot stand a 9 percent unemployment rate. It hurts us in many ways. One of the ways it hurts us is just automatic common sense will tell you when people are working, they pay income taxes. When people are working, they do not have to be using unemployment insurance, they do not have to be using food stamps, or go on welfare. The Congressional Budget Office estimates for every 1-percent reduction in the amount of unemployment, the Government, the Treasury, will benefit by receiving $40 to $50 billion.

In income tax they take in and the money they do not have to send out, it all adds up to a 1-percent increase in employment equals a $40 to $50 billion gain for the Treasury. That is common sense.

But nobody wants to look at that kind of common sense. We are instead ready to propose to $50 billion increase in defense. We declared there is a military threat at this particular time in the history of America and we must have $50 billion more over the next 5 to 6 years. We must build some more *Seawolf* submarines. I see in the budget the President asked for another *Seawolf*. Who needs that? I see we need more F–22's built at Marietta, GA. They may provide some employment, but for every dollar you spend on military spending, you could create twice as many jobs for the dollars spent on military spending. If you take the dollars you spend on military spending and put it into civilian jobs, you would create twice as many jobs. Study after study confirms that.

We look at the picture, and the fact that the situation is such that it demands we take more aggressive action and make jobs the No. 1 priority.

We are also going to examine how the Republican plan for welfare forces people out of work after a 2-year time limit and creates a situation which is inhumane. Because if there are no jobs there, then we are forcing people into involuntary servitude. It is a form of slavery. Every person of African descent like myself will tell you we all

know that slavery provided jobs for everybody. There was no unemployment. In the state of slavery, everybody had a job. But who wants a job at that cost? That is what we are saying when we say that we are going to provide welfare for people.

The highest benefits are received in my State probably and a few others. A family of three may get $6,000 or $7,000 a year from welfare, versus a farm family in Kansas that gets $20,000 to $40,000 a year for not growing grain from the same Government. But never mind. They will get $6,000 a year and be asked to work 40 hours a week in order to receive $6,000 a year. That is not a form of slavery, when you force that kind of situation on people?

So unless we have jobs, unless the whole job market is dealt with so that not only do you have jobs for welfare recipients, but also for the people who have been unemployed for a long time and for people losing their jobs as a result of the downsizing, we cannot create just a group of jobs for welfare people and say we are going to provide jobs for people coming off welfare. That means everybody will want to get on welfare and will line up and be able to get a job. No, you have to improve the situation for the whole economy by creating thousands of new jobs.

The Republican welfare reform proposal, folks, focuses too much attention on one kind of welfare, as I said before, and we missed the point by focusing in and bullying mothers who are taking care of children who receive aid to dependent children. Yes, that is a high cost; yes, most of them who are able-bodied should go to work. Nobody quarrels with that, and neither do the mothers themselves. They would love to go to work if they had a job that would pay a decent wage and also provide health care.

It is the Medicaid, the health care, that keeps most people tied to the welfare system. There is nothing to be gained by accepting a minimum-wage job and losing the health care benefits for your family, and finding that as soon as someone gets sick, you will have to come back and go on welfare again.

So by focusing on the aid to dependent children, you may save $16.5 billion. If every one of them could miraculously be taken off welfare in 2 years, there would be a huge savings. On the other hand, we have far more costly forms of welfare through the dependent corporations, including the agribusinesses which I mentioned before.

Let us deal with the kind of handouts, the doles that are being received by American corporations, and let us deal with the kind of dole that is being received by the American farmers if we really want to deal with waste in Government. I think if we dealt with it realistically, we would have the money we need to create a jobs program which would have an escalating effect. You provide a job opportunity to people who make salaries, and they go forward from there in order to take care of their own needs.

□ 2230

They will feed themselves or clothe themselves and you will have a much healthier economy and a healthy society.

Mr. Speaker, I yield to my colleague, the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. I thank the gentleman for yielding, and I thank him for his comments. I look forward to engaging the distinguished gentleman from New York [Mr. OWENS] and the gentleman from Vermont [Mr. SANDERS] who was joined us as well in this discussion as it relates to our economy today.

It was that great statesman Yogi Berra who once said that when you come to the fork in the road, you should take it.

Thank you, Mr. BURTON. The gentleman from Indiana [Mr. BURTON] has a great sense of humor. He is on the other side of the aisle. It is 10:30 in the evening, and he is laughing at my jokes. I appreciate it.

Clearly, I think we have come to the fork in the road in this society. We are living through a time of great change, great change in this country. And I think the theme that my friend from New York has talked about this evening is one which is at the heart of what we as Democrats believe in. And that theme is that if you work hard, if you play by the rules, take responsibility for your own personal actions, you should be rewarded. And that belief is really central to what the Democratic Party is all about. You should be rewarded if you work hard.

There are too many working people in this country today who feel like they are part of that old Abbott and Costello routine, where Bud Abbott says to Lou Costello, if you had 50 cents in one pocket and 75 cents in the other pocket, what would you have. And Costello says, somebody else's pants.

I mean, people feel like they are working hard, but they are not being rewarded.

We pointed with pride during this last campaign, I am going to be self-critical here, if I could, for a moment because I think we need to, as a party, that we created 5 million jobs. Well, we did create 5 million jobs in this country, but what kind of jobs were they? They were not the kind of jobs that the American people wanted; 5 million jobs, and yet 60 percent of the people who were interviewed a week after the election said they thought they were in a recession. To some extent they were right. They were in a recession, because their wages had either been frozen or had declined since about 1985.

None of us can be satisfied with the fact that the job leader in this recovery is not IBM. It is not General Motors; it is not Wal-Mart; it is a company called Manpower Services. Ever hear of Manpower Services? It is a company that offers jobs with no benefits, no health insurance, no retirement.

How does that reward work? Economists like to point with pride to the fact that productivity and profits are reaching all time highs. but you cannot talk increased productivity and explain that as long as stockholders are making money, it is OK for them to ignore the rest of America. And that is exactly what is happening today in American society.

When I grew up as a kid in the Detroit area in the 1950's and 1960's, if you went to work for GM or Ford or Chrysler, like many of my friends did, and you helped boost the profits of those companies, you got a piece of the pie. That is the way it worked. You got decent salary increases. You got decent benefits. But not today. Let me illustrate that.

From 1947, right after the Second World War, to 1973, American workers gave their companies almost 90-percent increase in productivity. From 1947 to 1973, 90-percent increase in productivity. And in turn, they got back 99-percent increase in wages. Look at the figures from 1973 to 1982. Workers only got about half as much. From 1982 to 1994, they got about one-third as much.

So what is happening is that workers are working harder. They are working longer. They are as productive and, in many instances, more productive, and yet they are not seeing their standard of living increase.

In fact, if you look at where all the increase in income has come into America in the last 10 years specifically, you will find that 97 percent of income increases in America have gone to the top 20 percent of the population in terms of income-earning ability.

The rest, 80 percent, the rest, 80 percent of America, has either stayed frozen or their wages have decreased.

Despite a bumper last year in terms of jobs in our society, we have the slowest increase in wages since we have historically begun to keep track.

The fact is, hard work has not been rewarded. And yet we give these people $225 billion a year in corporate welfare, as my friend from New York has pointed out.

If we are really going to renew America civilization, we have got to focus on renewing the contract between employers and workers and not just the Contract With America. We have to renew that basic contract that if you put in a good day's work, you should be rewarded for it. There is some reciprocity there.

Mr. OWENS. We heard previous speakers give us a progress report on the Contract With America. Do you see, after that contract is fulfilled at the level of the House of Representatives, and assuming that they pass most of the legislation related to the contract, do you see any impact on the lives of American working people? Will they be better off then than they are now?

Mr. BONIOR. It is interesting, I listened to their special order, and a couple of things that were mentioned. First of all, not to the point that you mentioned—well, I will get to the point that you mentioned, then I will return to my other point.

I do not. I do not know how these process votes, line item veto, balanced budget amendment, which will not spell out where they are going to go with the balanced budget, some of the amendments that we considered in bills that we considered today, how they will have a specific affect on increasing people's living standards and increasing the spiritual awareness and the spirituality of their lives. I do not see any of that really having a direct effect on people's lives.

The other point I wanted to make, in the special order that our colleagues gave this evening, they talked about how we had bottled up a lost of this legislation. Not so. Four of the pieces of legislation that we have passed so far we had on this very floor. We talked about the Congressional Accountability Act. In fact, it was our bill. We passed it. It was killed in the Senate by a Republican right before the end of the session. We brought line item veto to this House floor last year. We brought the balanced budget amendment to the floor last year. It did not pass. Both of them did not pass. So the question that we have been bottling things up is absolutely inaccurate.

One thing that you will not find in the contract is the word ''jobs.'' Another thing you will not find in the contract, two words, ''good wages.'' You will not find that in their contract. Their contract does nothing to mention the question of minimum wage, which my friend from New York talked about a little earlier this evening. The minimum wage is a very important issue for this country, and it is not just teenagers we are talking about, who are trying to earn a few bucks on the side. We are talking about working people.

Most people on minimum wage are over 26 years of age, and the represent in their earnings about 40 percent of the incomes of their families; 60 percent of these people are mothers. Most of them have kids that they are trying to provide for.

If we are really going to renew this American civilization, we have got to get back to the contract between workers and their employers. And one of the first things we can do is increase the minimum wage.

Now, we are not alone. The gentleman from Vermont [Mr. SANDERS], the gentleman from New York [Mr. OWENS], the gentleman from Michigan [Mr. BONIOR], we are not alone in calling for this. We have about 80 percent of the American people think that we should increase the minimum wage. You will not live on $8,600 a year, especially if you have children.

□ 2240

It is virtually impossible. It is below the poverty level. In fact, the poverty level line in this country has been going up steadily as our society expands, but the cost on the minimum wage has been going down, so there is a deepening gap between those who are working and those who are collecting welfare, in many instances. That is not rewarding work. We have to get back to rewarding work. If you work, you are going to be rewarded for it.

It was a Republican, Christine Todd Whitman, who said it best. The day after she delivered the Republican response to the State of the Union, she said, and I quote, ''Obviously, in my State, if you try to live on a national minimum wage you couldn't do it. It is a sustenance wage.'' The minimum wage in her State is $5 an hour. Nationally, it is $4.25, which is about $8,600 a year. The average Member of Congress makes that much in 28 days. The average CEO of a Fortune 500 company makes that much in 28 hours, 28 hours.

Mr. Speaker, these are the people who work in our hospitals, who change our bedpans, who do tough, often dirty, often demanding work, and they ought to be compensated for it.

Mr. Speaker, as I said before, the average minimum-wage worker is not some pimply faced teenager who is trying to earn money for the weekend. Two-thirds of them are adults, and many of them with families. People have to ask themselves, ''Could you keep a family on $9,000 a year?'' These are the people who are working 40 hours a week, sometimes more, yet they are living in poverty today.

What does that say about rewarding work? We are going to be doing welfare reform soon. It seems to me if we are going to be serious about it, we have to face this basic issue. When we raise this issue, some of our friends on the other side of the aisle say ''Well, we will trade you. We will make you a swap.'' It is like you are collecting baseball cards as kids, I will give you a Mickey Mantle for a Ted Williams, or if you are lucky enough to have a Mickey Mantle or a Ted Williams, it is a swap. What they want to trade, BOB DOLE said it last week on one of those Sunday talk shows, he said: ''We will consider it if they give us a reduction in the capital gains tax.'' So basically he wants to swap raising the minimum wage for the people who make the least in our society for a tax cut for those who are making the most in our society. That is what we are dealing with here.

Mr. SANDERS. Mr. Speaker, will the gentleman yield?

Mr. OWENS. I yield to the gentleman from Vermont.

Mr. SANDERS. Mr. Speaker, it is a pleasure to be here with my friend the gentleman from Michigan [Mr. BONIOR], and my friend, the gentleman from New York [Mr. OWENS].

We have heard a whole lot about the November 8 election and the so-called mandate. I would say that the most interesting aspect of the November 8 election is that 62 percent of the American people did not vote. We do not discuss that. Always, it seems to me that the more important the issues are, the less discussion takes place here on the floor of the Congress. With 62 percent of the people not bothering to vote on election day, Mr. Speaker, with poor people virtually not voting at all, many working people not bothering to participate, what that tells me, Mr. Speaker, is that the ordinary American is by and large giving up on the political process, does not have very much faith that the U.S. Government is capable of responding to the terrible pain and to the terrible problems those people have.

What in fact the ordinary people see, I think, is a lot of talk going on here in Congress, the White House, the Senate, and meanwhile the rich get richer and the poor get poorer, and the middle-class shrinks. Forty million Americans continue not to have any health insurance.

As the gentleman from Michigan [Mr. BONIOR] and the gentleman from New York [Mr. OWENS] said, the minimum wage in terms of real purchasing power continues to decline. More and more of our young people are unable to get a college education. We have the dubious distinction of having the highest rate of childhood poverty in the industrialized world. Twenty-two percent of our kids are living in poverty. Five million of our children are hungry. We hear here on the floor of the House, at a time when the richest 1 percent of the population owns more wealth than the bottom 90 percent, what we are hearing here on the floor of the House, we have to cut back on Medicare, we have to cut back on Medicaid, we have to cut back on veterans' programs, we have to cut back on nutrition programs for the elderly and for hungry children. That is what the Republican contract is about.

In the meantime, as the gentleman from Michigan [Mr. BONIOR] and the gentleman from New York [Mr. OWENS] have indicated, it is absolutely imperative that within that context, with the wealthiest 1 percent owning 37 percent of the wealth in America, obviously what we must do is give them more tax breaks. That is only fair. You cut back on nutrition programs for hungry children and you give the wealthiest people in this country more tax breaks, and of course, at the same time as we significantly expand military spending. That obviously makes sense to somebody, I am not sure to whom, but it must make sense to somebody.

Mr. BONIOR. If the gentleman will yield, I have heard that formula before. Could the gentleman from Vermont maybe refresh our history and tell us, where have we seen that defense increase formula, tax cut formula, and what was the result of that?

Mr. SANDERS. Obviously, that is what Reagonomics was about. That is

what the 1980's was about. During the 1980's, the richest one-half of 1 percent owned 55 percent of the total wealth that was created in that period. In the midst of all of this discussion, however, what frightens me the most is that ordinary people look out, and they are hurting very, very badly, as both of you have already talked about. The new jobs that are being created are low wage jobs, part-time jobs, temporary jobs without benefits. Yet, I do not hear a whole lot of discussion about those issues on the floor of the House. We spend weeks and weeks discussing this, and we discuss that, but suddenly, somehow, we do not talk, in my view, about the most important issue. In my humble opinion, the most important issue facing this country is the role of big money. Big money, and I must say, in all due respect to my friends, controls not only the Republican Party, has tremendous influence over the Democratic Party, has tremendous influence over the mass media.

Interestingly enough, when we hear about the Contract With America and how they want a citizen legislature, they forget to talk about campaign finance reform.

To the best of my knowledge, and maybe my friends here can correct me if I am wrong, my understanding is that today, or before the last election, some 20 percent of the Members of Congress were millionaires. Does that sound right to my friends?

Mr. OWENS. I think the gentleman is correct, but the important thing is that on election day, even though there was a turnover, and the 36 percent or 37 percent who went out to vote did vote for a major change, the exit polls, the interviews at the exit polls, indicated that people were voting because of their anxieties and their concern about their own incomes and their jobs.

We have not addressed that, as you said. Millionaires are obviously the favored concern here. We have just gone through a situation where, you know, when Congress refused to consider or indicated that it would not favorably consider a $40 billion bailout for Mexico, a $20 billion bailout was voted from the White House, and millionaires obviously are a great concern here, because we hear much more talk about a capital gains tax cut than we hear about a program to create jobs.

Millionaires are obviously in favor here, because it took some coaxing to get a proposal on the table for a minimum-wage increase. At least we have that and we are going forward. Most Americans agree, over 80 percent agree, that a minimum-wage increase is very much in order, but there seems to be no great deal of enthusiasm in the leadership of our party.

We are in a situation where the people who are controlling the greatest part of the wealth, and getting wealthier at a faster rate all the time, are the people who seem to be of greatest concern to Congress, while those who have the greatest anxieties about their jobs and are worried about losing their jobs and not earning adequate income are being ignored totally.

Mr. SANDERS. If the gentleman will yield, let me just pick up on that perceptive point. We hear over and over again about welfare reform. We all agree that welfare reform is important. What we do not hear a whole lot is corporate welfare, the well over $100 billion in Federal subsidies that are going to large corporations and wealthy people.

We hear about street crime, which is a very serious problem, but we do not hear a whole lot about corporate crime, about price-fixing, about monopoly power in this country.

Right now, at a time when the wages, the real wages of American workers are in decline, interestingly enough, what is happening to the income of the CEO's? The reality is, of course, that the CEO's are earning significant increases in their income, at the same time as they are cutting back on jobs in America's major corporations.

One of the interesting facts, to my mind, that we do not talk about enough is the fact that CEO's in America today, the heads of the largest corporations, are earning 149 times more than the average worker in their company. What about justice? What about family values? What about morality?

□ 2250

In fact, there was an interesting study done recently which showed that some of the highest paid CEO's who received the most significant increases in their incomes were precisely those CEO's who laid off the most workers. They seemed to get more money, they get incentives to lay off workers.

Mr. OWENS. Will the gentleman slow down for a minute and explain what a CEO is, and let the American people understand what we are talking about in terms of the kinds of salaries or the kind of what they call a total remuneration package we are talking about? The average American CEO I understand makes no less than $1 million and some of them make above $20 million. People ought to understand we are talking about $20 million in total compensation packages, salary, pension, et cetera.

Mr. SANDERS. If the gentleman will yield, a recent study showed that the CEO's of 23 of the Nation's 27 top job destroyers, these are the large corporations who are downsizing, who are throwing workers out onto the street, those particular CEO's received raises last year averaging 30 percent. So in other words, it is good for business. We are going to really reward you, give you a major increase for throwing workers out on the street. The more you throw out, the bigger the increase would be.

Mr. OWENS. Thirty percent equals what? Give us some examples in terms of the kind of amounts.

Mr. SANDERS. We are talking about people like Mr. Eisner of Walt Disney earning well over I believe $100 million in income a year.

Let me mention something else, because the problem goes well beyond just the United States. There was a study also done recently, when we talk about the world economy, if you can believe this, that 358 billionaires worldwide have a combined net worth of $760 billion, which is equal to that of the bottom 45 percent of the world's population. That is 358 people who could sit, probably not so comfortably, but we could get them into this room right now, own more wealth than several billion people who constitute the bottom 45 percent of the world's population.

Again, in our country the richest 1 percent of the population owns more wealth than the bottom 90 percent.

Now I have not heard too much in the Contract With America about that. Maybe I missed it, but I do not think I heard that. Did the gentleman hear that?

Mr. OWENS. The Contract With America does not talk about a number of things that ought to be put on the table. It certainly does not talk about the tremendous wealth of this country and how the wealthy are increasing at an escalating rate, increasing their profits while we cannot contemplate an increase in the minimum wage to $5.15 an hour. The contrast is overwhelming. We are the richest country that ever existed in the history of the world, and we take the position, or the position is taken in the contract for America that there is no room in there to provide a job for everybody, there is no room in there to provide health care, there is no room in this Nation and no resources to provide health care. And we do have 12 million people who are unemployed workers. And we said before the official statistics at 5.7 percent would give us 7,498,000 unemployed workers. That is what we admit officially that we have. If you take those part-timers who are looking for full-time work, and you just count half of them because they are only working half time, you have another 2,346,000 people who are out of work. Discouraged workers who have not been looking for work for the past week are 1,783,000. Discouraged workers not looking in the past year, 440,000.

These are figures that come from the Economic Policy Institute and they all add up to about 12 million people who are unemployed in this Nation.

There is work to be done. It is not that there is no work to be done. We do need to build schools. We do need to take care of our infrastructure in terms of roads and highways. We do need to have workers in programs like Head Start and some other programs of the kind that were mentioned in the stimulus package that the administration introduced last year and it was passed on the floor of this House. Those kinds of programs are still needed to put people to work.

It may be that there is some great adjustment taking place in the global

economy and that private enterprise will be able to provide all of the jobs we need by the year 2000. But right now there is a lack of jobs, and there is a need to address the problem of people's anxiety about jobs and those, of course, who are unemployed by the fact that they do not have any jobs. So we need a program right now to deal with the needs of 12 million people.

Mr. SANDERS. I would just like to make a couple of points. Our Republican friends raise important issues and I think good issues and they talk about values, and values, in fact, are a very important part of what human life is. Life is not just dollars and cents; it goes deeper than that. But I have to raise the question about what kind of value system are we operating under when the very wealthiest people become wealthier, when we see a growth of billionaires at exactly the same time as we see more children in America who are hungry. What about those values? I yield to my friend.

Mr. BONIOR. And what about the values of a society that fails to adequately reward work for those who are working and trying to work their way up in our society today? What does that say about a family, for instance, where because both parents might be working, one might be working at a minimum wage job, the other working at a regular, full-time job, perhaps on a different schedule, a different shift, one is working 7 to 3, the other one is working maybe 4 to 11 in the evening and they do not see each other. The husband and wife do not see each other. They do not have a decent relationship because of it, and they do not spend time with their children. I saw a recent study that came out that said that people who are in that particular situation, the mother comes home and she spends 20 minutes with the children. The father comes home, he spends 5 minutes, and the rest of the time the kids are in front of the TV set, 3 or 4 hours a day. And they are not really getting very good quality stuff. I mean, they are tuned in to stuff where the kids are killing kids, and there is violence to an over extent even on the news. It is just not a good environment, and it does not facilitate the values of family, of love, of dignity, of working together as a unit. And it certainly does not speak well of our inability to try to help families like that in terms of their income and making their lives more decent.

Mr. OWENS. I yield to the gentleman from Vermont. We also have been joined by the gentleman from California [Mr. BECERRA], if he would like to take the other mike over here.

Mr. SANDERS. All of us are members of the Progressive caucus, and some of those issues have already been raised, some of the ideas we are bringing forth that we think this Congress must deal with. As both the gentleman from Michigan [Mr. BONIOR] and the gentleman from New York [Mr. OWENS] have said, it is very clear we need to raise the minimum wage; $4.25 does not make it. We need to raise the minimum wage.

The President has come out with a proposal raising it 90 cents over 2 years. I think that is the minimum we should do, but we have to move quickly and raise the minimum wage.

The gentleman from New York [Mr. OWENS] has been talking about a very, very important issue. He points out we have billions of people who are unemployed. We have an infrastructure in this country that is crumbling. It makes no sense at all not to invest in our infrastructure, put over a million people to work rebuilding our physical and human infrastructure through a federally funded jobs program. We need to move in that direction.

I think we four are in agreement that one of the reasons that the standard of living of working people is in decline has to do with our trade policy, which seems to be exporting jobs rather than product. We now have $150 billion in trade deficits this year which could equate to some 3 million jobs. Many of us in Congress are concerned about the impact of the NAFTA, GATT, most-favored-nation status with China. We want a fair trade policy, one that does not force American workers to compete against Chinese workers who make 20 cents an hour or the desperate people of Mexico who make $1 an hour.

□ 2300

Further, at a time when there are some people who are talking about cutbacks in Medicare and Medicaid, most of us believe that it is absolutely insane now that the cold war is over to be talking about a $50 billion increase in military spending. We are now spending $100 billion a year defending Europe and Asia, and many of the countries in Europe are now wealthier than we are. Against whom? Whom? One hundred billion dollars a year. We must cut military spending, reinvest in America.

And I think the last two points that I would make, and this chart deals with one of them, the Republicans have been very successful in making everybody antitax. The real question that we should be asking is, who is paying the taxes, who gets the tax breaks?

Many of us support a tax cut for middle-income people. But we do think that the wealthiest people in this country who have gotten wealthier, we think that in terms of the corporate income tax, what you can see from this chart is that the percentage, the contribution, the corporations are making to the Federal coffers have declined precipitously over the last 50 years, and that means middle-income people are making up the difference. We want to make a progressive tax.

Mr. BONIOR. The chart shows that in 1945 corporate, as a percent of Federal receipts from corporate income tax, was about 35 percent in 1945. In 1985, it looks like from the chart it went down to about 10 percent. Is that correct?

Mr. SANDERS. That is correct.

Mr. BONIOR. That is an amazing decrease. I mean, it is more than double the percent in decrease from 35 to about 10 or 12 percent now, back up to that in 1990. As a result of that, that has to be made up somewhere either in reduced services, which we certainly have had, but also in increased revenues that have been made up by the middle class. That is one of the reasons you have seen the stagnation in living standards of middle-income people.

Mr. OWENS. We need a total overhaul of the tax structure. The personal income tax pits one group of Americans against another. Corporate income tax makes a great deal of sense.

Taxes which are focused on businesses which are accumulating wealth and on individuals accumulating wealth are the taxes that ought to be raised to take care of our needs, and there are many needs that must be met with taxes, but the personal income tax should not bear the bulk of the burden as they are at present.

I think the gentleman from California [Mr. BECERRA] would like to show us a little bit more about taxes and the kind of swindle that is being proposed by the Contract on America.

Mr. BECERRA. I thank the gentleman for yielding to me. I am glad I have a chance to engage in the conversation with the three gentlemen who have spoken eloquently on this issue.

It seems to be absurd. We are talking so much these days about reforming welfare, and we always seem to forget that welfare comes in many shapes and in many sizes and in some cases big sizes.

When you take a look at the fact that welfare, as most people think of it, welfare to a woman and her children who cannot afford to live without some assistance from the Government, we are talking about something in the order of about $16.5 billion is what we give out to people who are poor and who need some assistance.

Contrast that to welfare that we do not think of very often, but welfare that we give to corporations, welfare to the tune of about $225 billion per year, money that we pay out as taxpayers by giving corporations tax breaks, letting them off from paying certain taxes. We have to make that up.

So in this whole discussion that I hear going on about the minimum wage, about welfare reform, about trying to do something for the working man and the working woman, I think it is interesting to note a program that helps 10 million children that are in poverty is being discussed for radical, in many cases, reform, but programs that help corporations to the tune of $225 billion are not touched. In fact, Secretary Reich, from the Department of Labor, was criticized because he recently talked about reforming corporate welfare and the discussion about all of welfare reform.

It seems to me even more difficult to comprehend this whole debate about reform when you look at the Republican Contract With America, and one of its proposals not only of reforming, so-called radical reforming, welfare, but also cutting the capital gains that will go mostly to wealthy Americans.

And there I would refer my colleagues to chart. We want to find out what the Contract with America really does. Well, first, it guts welfare for the 10 million children who are in poverty, and at the same time, of course, the Contract with America says let us cut or let us give a tax break to those who have capital gains. In other words, if you own stock or if you happen to have a stamp collection or priceless art, and you want to sell that, you do not want to pay certain taxes on that capital gain, you want to be able to write some of that off.

Mr. OWENS. I earn wages, and all of the wage earners of America pay taxes on their wages. Do they pay the same, pay taxes at the same rate that are currently on capital gains?

Mr. BECERRA. Not at all.

Mr. OWENS. Capital gains are a form of income also, by the way.

Mr. BECERRA. That is correct.

Mr. OWENS. It is mostly income you do not work for on an hourly basis. Is it presently taxed at the same rate as wages are taxed?

Mr. BECERRA. Drastically differently. Wages are fully taxed. Capital gains are not. The proposal that the Republicans have in their Contract with America says let us give them a further break in their capital gains, but the interesting thing about this is who benefits, and if you look at the charts, you see really who will benefit. As Laura D'Andrea Tyson said, and she is the President's Chief of the Council of Economic Advisers, fully 75 percent of those capital gains will go to the 10 percent richest Americans.

Mr. OWENS. Will the gentleman repeat that? Seventy-five percent?

Mr. BECERRA. Seventy-five percent; the 10 percent of richest Americans in this country will receive 75 percent of the tax cuts in the capital gains proposal in the Contract with America, and you can take a look. If you happen to earn somewhere between $30,000 and $40,000, every American family that has income of about $30,000 to $40,000 stands to get about 2½ percent of those capital gains cuts. That is sharing the wealth under the Contract on America.

Mr. BONIOR. In the Contract on America, also the tax cut package that the Republicans are advocating, I wonder if the American people understand what that will cost in terms of revenue to the Federal Government.

Mr. BECERRA. There are estimates it might be over $250 billion over 5 years. The capital gains program alone will cost about $55 billion the first 5 years. There are some estimates that after 10 years that goes up to about $210 billion.

Mr. BONIOR. On the capital gains portion.

Mr. BECERRA. On the capital gains portion of the proposed tax cuts only.

Mr. SANDERS. Are these the same group of people who are talking about cutting back on nutrition programs for hungry people and senior citizens because we have a terrible deficit? I just wanted to be clear. I was a little bit confused. Are these the same folks?

Mr. BECERRA. That is correct. These are the same folks, too, who are saying we cannot afford to increase the minimum wage from $4.25 an hour.

Mr. BONIOR. Are these the same folks that want to cut back veterans' benefits as well?

Mr. BECERRA. The same ones that would probably cut veterans' benefits. Somehow we are going to have to balance the budget and give these tax cuts and still raise spending for defense, for military, and somehow with what is left in the budget to look at, not cut Social Security, not cut Medicare.

Mr. BONIOR. There is a rumor going around here they also want to cut Medicare as well significantly for the elderly.

Mr. BECERRA. That is right; that is right. You know, we should look at something here. Right now, the capital gains that we have in law right now costs this country between now and the next 5 years about $94 billion. We are already paying $94 billion for that. That, if you think about it, amounts to about $362 for every man, woman, and child in this Nation, $362 that each American has to somehow make up for either through other taxes, personal income taxes or cuts in programs like Social Security, Medicare, Head Start, job training. Somehow we have to make up that $94 billion over 5 years. It does not just come freely.

Either that or you increase the size of the deficit.

So we have to take all of those things into consideration. Then you look at the minimum wage, and it is interesting, over the weekend on some of the TV talk shows, we heard a number of Republicans say that they opposed raising the minimum wage. They thought it was a job killer. They did not want to see it happen.

But then all of a sudden you ask them, well, what happens if you get the capital gains tax cuts in exchange? All of a sudden they change their tune. All of a sudden, well, maybe they are willing to trade. Sure, would you not be willing to trade if you could get a $94 billion tax break and increase that to about $55 billion for the next 5 years, and up to $208 billion for the next 10 years, in exchange for 90 cents an hour more for people who are low income and barely surviving at the poverty level?

Mr. OWENS. I thank the gentleman. I hope at this point each one of you could sort of sum up and show how all of this ties together, when you give the multibillion dollar tax cuts, and you have to go and cut something out of the budget, and what we have here is a display by what I call some high-technology barbarians who are approaching the situation without any heart at all. They want to throw a large part of American humanity overboard and just say we do not care; we do not care whether they have homes, we do not care whether they have food, we do not care whether they have medical care, we are going to help the rich get richer.

It all ties together. They cannot help the rich get richer without committing these atrocities against the poor and atrocities are committed these days in ways where you do not have blood. When you refuse to raise the minimum wage, that is a kind of an atrocity. When you are going to force welfare mothers to get off welfare after 2 years and not bother to try to create an economy which is going to produce jobs for them to step into, those are atrocities without blood.

□ 2310

We have to see how it all holds together and make the American people understand that the Contract With America, which many of us call the Contract on America, is a very deadly approach indeed. We are dealing with a deadly approach to government which runs counter to the whole principle of government and the fact that society exists to take care of everybody, not just a few. The social order is threatened when you refuse to recognize the need to take care of all of the people.

I yield to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. It think maybe we all want to summarize our views, and the fear that I have is that this country increasingly is moving away from our democratic traditions into an oligarchy, and all that those tax breaks for the wealthy do is they make the people on the top that much wealthier, and with that money what they do is buy television networks.

I understand that the Speaker last night was at a fund raiser, a nice little dinner, I guess, and it only cost $50,000 a plate to go to that dinner in order to contribute to a TV network which will further propagate the rich person's point of view.

Mr. BONIOR. And the gentleman should note that those $50,000 contributions to that dinner were tax deductible because they went to a foundation that promoted this program that we have been criticizing.

Mr. SANDERS. And the rich get richer, and meanwhile with that money they can contribute huge amounts of money to both political parties.

This institution itself, 20 percent of the Members at least are millionaires. We expect that with the high cost of elections more and more millionaires will write out their own campaign checks and run for office.

The answer, I think, is that working people, middle income people, low income people all over America, have got

to stand up and say, ''Excuse me. This country belongs to all the people and not just the very wealthy. You can't not vote. You can't not participate in the political process.''

The big money people are here every single day. I say, ''We need your help. Stand up. Fight back.''

Mr. OWENS. I yield to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. I just want to thank my friend, the gentleman from Vermont [Mr. SANDERS], and the distinguished gentleman from New York [Mr. OWENS], and the gentleman from California [Mr. BECERRA] for participating in this hour and for allowing me to share some thoughts with them.

I guess in summation I would say that we live in a society with relatively limited resources with respect to how we operate here at the Federal Government level, and it seems to me, and I think it was demonstrated well by the discussion we have had and the charts that we have seen, that the very wealthy in our society have done extremely well, the most comfortable people in America have done incredibly well, particularly since 1979 when the rest of America had basically held on or their standard of living has decreased.

The question is how do we bring some equity into this equation? How do we deal with bringing people into the middle class who are not there, bringing people off welfare and into a work situation where they can have some pride, dignity and raise their kids with a decent future ahead of them? How do we provide for the middle income people to put money into their pocket with respect to providing tax cuts for them and not for the wealthiest in our society?

I think that is the challenge that we have. The goal in this country often for many people is to have some, to acquire some sort of wealth, and there is nothing wrong with that, but when you are dealing with limited resources, you have to make sure that those who need it the most have the opportunity to share in those resources.

So, I thank my colleagues for yielding, and I look forward to working with them on these issues.

Mr. OWENS. Mr. Speaker, I thank the gentleman from Michigan [Mr. BONIOR].

I yield to the gentleman from California [Mr. BECERRA].

Mr. BECERRA. Mr. Speaker, I will be brief because I think my two colleagues preceding me did a very fine job of summarizing what we are trying to say. All I would like to say is that we should take a little bit of time and think about what we mean by reform regarding welfare. You know, what is it and who really gets it? Then, once we do that, once we think about it, let us reform welfare, let us reform it so that we get people and corporations off of welfare, and let us make sure that our policies reward working people and not continue to lavish very costly tax breaks on the rich, and we should remember that the rich are the only group of people who made off like bandits during the Reagan years when we had exorbitant spending, and now we should come back and look at 1995 and say, ''It's time to reform, but what is reformed, let's do it right.''

Mr. OWENS. I thank the gentleman from California [Mr. BECERRA] for the closing remarks.

Mr. Speaker, I submit two articles, one which appeared in the New York Times on February 6 entitled ''Farmers Brace for Stormy Debate over Subsidies'' which contains many of the facts concerning agribusinesses on the dole, and a second article that appeared on Tuesday, February 7, entitled ''Now, After $36 Billion Run, Coming Soon: 'Star Wars II'—The New G.O.P. Plan Is Smaller but Still Costly.'' It also gives facts about increasing defense expenditures at a time when we are cutting programs for the poor.

The articles referred to are as follows:

NOW, AFTER $36 BILLION RUN, COMING SOON: ''STAR WARS II''—NEW G.O.P. PLAN IS SMALLER, BUT STILL COSTLY

(By Eric Schmitt)

WASHINGTON, February 6.—Twelve years after President Ronald Reagan first proposed his ''Star Wars'' antimissile system that ultimately cost $36 billion, provoked much debate and built nothing, Republicans are pressing to revive it, although in a vastly different form.

Mr. Reagan's dream of erecting an impregnable astrodome to shield the United States against an onslaught of Soviet nuclear-tipped missiles dissolved with the end of the cold war. But in its place has risen a smaller, but still very costly, plan to defend the continental United States against a nuclear, chemical or biological attack from more than a dozen rogue nations like Iraq or an accidental strike from Russia.

''One day, mathematically, something bad can happen and you ought to have a minimum screen on a continentwide basis, and that's do-able,'' Speaker Newt Gingrich of Georgia told reporters last month. ''And I think compared to the loss of one city, it is clearly a very small investment, although it's a lot of money over time.''

Republicans want to more than double what the Clinton Administration is spending to develop a national missile defense, to at least $1 billion a year from $400 million a year now. At a time of exceedingly tight budgets, experts say such a network would cost $5 billion to $35 billion, depending on its coverage and complexity, and could never guarantee complete protection.

The new ''Star Wars'' debate puts Republicans on a collision course with the Administration over how quickly and at what cost the United States should deploy a national system. The Pentagon is developing national defenses, but at a slower pace than Congress wants. Given that senior American intelligence officials say a serious long-range missile threat from countries other than Russia or China is still 10 years away, President Clinton's priority has been to build better defenses for troops overseas to shoot down shorter-range missiles similar to the Scud rockets that Iraq launched against Israel and Saudi Arabia in the Persian Gulf war.

Hanging over the growing debate is a sore reminder of past mistakes: So far, the United States has spent $36 billion on ballistic missile defenses since 1984 without one working system to show for it. Billions were poured into exotic space weapons and laser beams that gave the program its fanciful ''Star Wars'' nickname. Even the most hawkish generals at the Pentagon fear that ratcheting up financing for national defenses will only bleed away dwindling money for training, new barracks and advanced fighter jets and warships.

Representative Curt Weldon, a Pennsylvania Republican on the House National Security Committee, is one of many missile-defense supporters who say the painful debate of the 1980's taught some hard lessons. ''The problem with 'Star Wars' was we gave the program a large blank check without holding the appropriate officials accountable,'' Mr. Weldon said. ''That's not going to happen again. This will not be a black hole.''

While Republicans express general support for a national missile defense, there is no consensus among them on important issues like cost, when to put such a system in place or what technical design it should have.

''There are still a lot of outstanding questions,'' acknowledged Senator Daniel R. Coats, an Indiana Republican on the Armed Services Committee.

Legislation that carried out the Contract With America, the House Republicans' political manifesto, directs the Administration to field ''a highly effective defense'' of the United States ''at the earliest practical date,'' but offers no other details.

''This proposal is broad and vague,'' Representative John M. Spratt, Jr., a South Carolina Democrat who is a leading Congressional authority on missile defenses, said at a hearing of the National Security Committee last week. ''Is it ground-based? Space-based? You haven't defined deployment. I don't think you've laid down a policy here.''

Indeed, the legislation, which the House will most likely approve later this month and send to the Senate, leaves it up to Defense Secretary William J. Perry to draft a deployment plan within 60 days after the bill becomes law.

After the pitched battles between the Reagan and Bush administrations and Congress, the debate over missile defenses died down when Mr. Clinton took office two years ago. Republicans and Democrats alike agreed to improve the country's battlefield, or theater, missile defenses after Iraq fired dozens of Scud rockets in the Persian Gulf war.

Indeed, when Mr. Perry's predecessor, Les Aspin, declared the ''Star Wars'' program dead in 1993, it was already moribund. The Administration merely made it official, and earmarked two-thirds of the $3 billion annual missile-defense budget to battlefield defenses like improved Patriot missiles and the new Theater High-Altitude Area Defense, or Thaad, which intercepts incoming missiles at even higher altitudes and greater distances than the Patriot.

But the Administration did not entirely give up on a national missile defense. The Pentagon scaled it back to a research program that would be developed by the year 2000 and deployed depending on the threat.

''If the decision is made at that time to deploy, the deployment will be made very rapidly, within another few years,'' Mr. Perry said last month. Pentagon officials say the projected threat over the next 10 years does not warrant speedier deployment.

But Republicans have seized on the Central Intelligence Agency's estimate that 15 nations now have ballistic missiles, and perhaps 20 will have them by the end of the decade, to push for a faster timetable to put national antimissile defenses either on the ground or in space.

As Senator Strom Thurmond, the South Carolina Republican who heads the Armed Services Committee, put it, ''Defense of our homeland against direct attack is a priority enshrined in the Constitution, yet it is an aspect of our national defense that has been woefully neglected.''

Mr. Perry has said that one quick option would be to spend $5 billion over next five years to field a ground-based system using existing sensors, radars and missiles to defend against a ''thin attack,'' a relatively small number of missiles fired at once.

Some Republicans, like Senator Jon Kyl of Arizona, favor waiting, as long as the threat is low, to develop the most technologically advanced system possible, one that could include space-based sensors and interceptors.

But most Republicans say their first step will be to revive efforts to deploy 100 missiles at one site—near Grand Forks, N.D.—which is allowed under the 1972 Antiballistic Missile Treaty. The site could protect the United States' midsection, but not the coasts. The Administration had largely abandoned this option.

In 1993 the Ballistic Missile Defense Organization, the successor to the Strategic Defense Initiative Organization, which embodied the ''Star Wars'' program, said it would cost $21.8 billion to develop and build a single site at Grand Forks by the year 2004. To cover the entire 50 states would require building five additional sites for an additional $12.5 billion, the agency estimated.

Ultimately, budget pressures may dictate the size and deployment date of a national system.

''The budget hawks are prevailing,'' said Lawrence F. Di Rita, a senior official at the Heritage Foundation, a conservative research organization in Washington. ''So whatever is proposed has to be technically feasible soon enough so that the cost is bearable. This can't be a science project.''

FARMERS BRACE FOR STORMY DEBATE OVER SUBSIDIES

(By Keith Schneider)

ARLINGTON, KAN., Feb. 1—This wind-bullied land, the center of America's wheat empire since the late 19th century, is bracing for a political fight over farm subsidies like none before.

Of the 73 new Republicans in the House, 33 are from rural agricultural districts and have been at the vanguard of the movement to cut the Federal budget, curb regulations, and limit the Government's authority to interfere in business.

This more conservative Congress is writing a new farm policy law this year, the first since 1990. In every previous law since the first one was written during the Great Depression, the paramount provision has been a contract in which the Government helps to decide how much a farmer can grow in exchange for guaranteeing to pay farmers a set price for their crops.

Now, the central question is: What arguments will farmers and their conservative champions in the House and Senate use to win support for one of the most costly and intrusive Government programs of all?

Here in Reno County and in more than 2,000 other rural counties across the country, perhaps the only thing as enduring as the great vaulted sky is the money that blows out of Washington to support farm incomes. In the last 10 years, $149 billion has been spent on crop subsidies nationwide, nearly $8 billion of that in Kansas alone. Farm economists say Kansas farmers typically gain $20,000 to $40,000 annually, far more than is received by families on welfare.

Those indisputable facts of economic life in Kansas and other farm states are now fueling a battle in Congress that is being sharpened by deepening concern about costs.

Senator Bob Dole, the Kansan who is majority leader, and Representative Pat Roberts, the Kansan who is chairman of the House Agriculture Committee, have both been advocates for cutting the Government, returning more power to the states and balancing the Federal budget. But both lawmakers have protected farm subsidies for years, particularly for growers of wheat, the state's most important crop.

In a speech last month in St. Louis to the American Farm Bureau Federation, Mr. Dole, who has helped shape farm policy since he entered Congress in 1961, was guarded as he discussed the coming debate, saying only that ''some cuts will be made'' in farm programs.

Mr. Roberts has been more voluble. In an interview, Mr. Roberts defended the subsidies, saying that nationwide they had decreased to $10.2 billion last year from $25.8 billion in 1986. Still, Mr. Roberts's 66-county Congressional district, which includes Reno County, received $5.45 billion in farm subsidies over the last decade, more than any other, according to the Environmental Working Group, a policy analysis organization in Washington.

Mr. Roberts vowed to defend those payments and his constituents from being a target for budget cutters. ''Farmers have already given at the office,'' he said. ''I will make sure that if there are additional cuts, they are not disproportionate on farmers.''

Opposing the Kansas lawmakers is Senator Richard G. Lugar, Republican of Indiana and chairman of the Senate Agriculture Committee. He said in an interview that farm subsidies were justifiably seen as a test of Republican resolve.

''We are being taunted with it almost daily,'' said Mr. Lugar, who owns a farm. ''Will we act? I would guess that subsidies will be cut at least in half over the next five years. But I also see phasing out subsidies in five years, if not completely then in such a way that there is only some minimal safety net.''

Here in Reno County, where most of the 1,540 farms receive crop subsidies, growers are nervous even as they acknowledge being somewhat embarrassed about accepting Government handouts.

''It's like insurance,'' said Ronald Jacques, who votes Republican and raises wheat and other crops on a 2,000-acre farm 10 miles west of here. ''It's not all of your income by any stretch, but it's a help. It's something you can count on.''

Budd Fountain, a retired employee of the United States Department of Agriculture who raises 1,100 acres of wheat here and received $14,000 last year in subsidy payments, said: ''If they totally did away with the program, there would be some problems. As long as Government is involved in setting the supply, then the farmer has no choice because he can't make his money from the market. The price is too low.''

Whatever decisions are made by Congress this year, the outcome will have a significant effect in counties like this one, which received $148 million in farm program payments over the last decade, according to the Environmental Working Group.

No policy ever devised by Congress has such power to shape so much land and so many lives. It is a policy that farmers eagerly accept even as they complain about the rules, the bureaucracy and the Government's control of grain markets.

When the Government called for maximum production of grain in the 1970's, farmers here cut down trees that served as wind breaks in order to plant every available acre.

In the 1980's, when storehouses bulged with surpluses, the Government paid farmers to plant grass to conserve topsoil, making a quarter of the flat land here look like it did over a century ago, before the prairie grasses were plowed under.

But taking so much land out of production also reduced the amount of seed, fertilizer and farm equipment being used, and limited the demand for storage space in the big white grain elevator hugging the railroad tracks here. Farm supply stores went out of business, and the grain elevator was sold.

In interviews here this week, farmers said they would gladly give up subsidies if the Government also agreed to withdraw from setting supplies. By controlling the supply, the program controls demand and thereby prices.

Without being able to control supply, they said, farmers have little choice but to take the handouts because the prices they have received at the market for wheat—from $3.02 to $3.72 over the last decade—are below the cost of producing it.

The program for wheat, which is similar to those for corn, feed grains, rice and cotton, pays farmers the difference between the market price for their crop, and a higher ''target'' price that is set by Congress. Last year, the difference was at times as much as 80 cents a bushel. The wheat program cost taxpayers $2 billion, about a fifth of which went to Kansas growers.

As political pressure mounts to dismantle the programs, farmers say, consumers do not recognize the advantages of having stable grain supplies—and therefore stable prices—for such items as meat, bread and milk in the supermarket. If the programs were ended, they add, grain supplies and prices would be much more erratic.

''One thing overlooked by Democrats and Republicans in this debate is that farm programs are really designed to give consumers cheap food,'' said Jim French, who with his wife, Lisa, raises cattle and wheat on a 1,200-acre farm in Partridge, just north of here. ''But we've seen the handwriting on the wall. In the early 1980's, we earned $25,000 one year from the program, the most we've ever had. That was our profit. Last year, our check was a little over $6,000.''

Farmers in this region offer many ideas about how to alter the farm programs to reduce their costs and make them more useful.

Nathan Stillwell, a cattle rancher and wheat farmer who lives just outside town urges the Government to relax the strict rules, and give farmers more flexibility to decide what to plant and how much. That will save money, he says, and produce benefits for the environment because it will allow farmers to rotate crops more easily, a soil-saving practice that the programs have discouraged.

Others, like Mr. Jacques, said that dismantling the programs altogether would be possible as long as other countries also ended the practice of subsidizing their farmers. Grain markets are influenced by international factors and as long as other countries continue to subsidize their farmers, Americans will be at a disadvantage, he said.

Mr. STOKES. Mr. Speaker, I believe in the same basic tenets that the Founders of the Republic believed in. America needs to live up to its pledge of being one nation that will provide every American an opportunity to earn a decent living. In today's society there can be no advancement without a decent job and a decent wage. We live in a nation which has veered away from its creed—from its pledge to all Americans—and is now called to conscience.

President Clinton has submitted to Congress his budget proposal for fiscal year 1996. Unlike the budgets submitted by Presidents Reagan and Bush, which were dead on arrival in Congress, I applaud President Clinton for presenting a budget that demonstrates his continued commitment to improving the lives of working Americans. His proposal would raise the current $4.25 hourly minimum wage to $5.15 over a 2 year period.

I support the President's position that the minimum wage should be increased. At a time when we are considering the reform of our Nation's welfare system, and putting more individuals to work, we need to be able to guaranteed our workers a wage they can live on.

Mr. Speaker, in the United States, we continue to make strides toward full economic recovery, with 1994 noted as the best year for economic growth in 10 years. Yet, we continue to have a permanent class of working poor—individuals who go to work every day but find it impossible to make ends meet. These are the individuals who must choose between health care and day care; food for their children or electricity; warm clothing for their children or mortgage payments. It is these individuals for whom this modest increase in the minimum wage will make a significant difference.

In my home district of Cuyahoga County, the percentage of households living below the poverty level is 20 percent. I therefore realize from firsthand experience why it is so imperative that we support the President's call for a minimum wage increase. I will certainly do all that I can to advance this important effort to improve the conditions of working Americans.

Mr. Speaker, in Dr. Martin Luther King's lifetime, America needed a war on poverty. It is my hope that with this small step we will fulfill Dr. King's mission to end poverty for all Americans.

GENERAL LEAVE

Mr. OWENS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order tonight.

The SPEAKER pro tempore (Mr. QUINN). Is there objection to the request of the gentleman from New York?

There was no objection.

THE CONTRACT WITH AMERICA IS GOOD FOR AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 30 minutes.

Mr. BURTON of Indiana. Mr. Speaker, let me just start off by saying that I have spent the last hour listening to my distinguished colleagues from the Democrat Party talking about the Contract With America and what is wrong with it. Let me start off by saying, before I get into my special order, that the capital gains tax cut that they maligned so viciously over the past hour would end up probably bringing $2 to $3 trillion of investment into the economy which would create jobs, $2 to $3 trillion.

Mr. OWENS. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I am very sorry. I only have a half hour, but I would be happy to have a colloquy with the gentleman at a different time.

But when people sell a farm, when people sell stocks, when people sell a business, that money just does not disappear. That money is reinvested in our society, and we are talking about two to three thousand, thousand, million dollars that would be reinvested in new plants, and equipment, and job expansion in this country. That is one of the things that they discounted.

Now their party had control of this place for the last 40 years, and during those 40 years we saw the great War on Poverty that Lyndon Johnson talked about that was supposed to eradicate poverty in one decade end up being an abject failure, and the people of this country have said, ''Enough welfarism, enough socialism. We want to get back to the free enterprise concepts that made this country great,'' and that is why the Republican Party won the majority in both the House and Senate in the last election.

Now they talked about corporate taxes. ''Let's soak the corporations.''

Corporations do not pay taxes. Those taxes are added to the price of the product. If you raise corporation taxes on the automobile industry, for instance, then they add that to the price of a car. It is the cost of doing business, and when you go to buy a car, you pay more money for that care because the corporation has a fixed profit margin in their books.

So, when you raise corporate taxes, that means the consumer is going to pay more for that car, so they in effect are paying the tax when you raise corporate taxes. The consumer always pays, and the tax and spend policies of the Democrats are the reason for their demise in the last election, and I think that everybody in the country now realizes that, at least a majority.

They talked about the Contract With America being bad for America. The fact of the matter is every one of the 10 items in the Contract With America was approved by more than 70 percent of the American people. In polling data that we got before we came up with the Contract With America, Mr. Speaker, we found the top 10 items that Americans were concerned about, and many of those items were approved or requested by more than 70 percent of the people of this country. The problems is they do not have any ideas. They are attacking our Contract With America, and they are going to lose that battle because the American people simply want the things that we put in that Contract With America to be passed by this Congress.

They want a balanced budget amendment. They want a line-item veto. They want tax fairness for seniors. They want to stop violent criminals. They want welfare reform. They want to protect our kids. They want a strong national defense. They want to roll back government regulations. All these things we are going to bring to the floor for a vote, which they would not do over the past 40 years.

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I think the American people will see the difference very clearly in the weeks and months to come. They are seeing it already, because polling data shows American people support what the Congress of the United States is doing under the new Republican leadership.

Tonight I want to talk briefly about some unethical contacts that have taken place in the Whitewater debacle that has taken place over the last several years we have been talking about in this body and the other body, unethical contracts between the White House and the Treasury Department.

Mr. Speaker, last November 7 members of the Senate Banking Committee asked Independent Counsel Kenneth Starr to investigate possible perjury charges by two high-ranking White House officials, White House senior advisor George Stephanopoulos and deputy chief of staff Harold Ickes.

Members of the committee believe these two men lied under oath to the Banking Committee during hearings last August about Whitewater and unethical contacts between the White House and the Treasury Department. The charges against Mr. Stephanopoulos and Mr. Ickes are a very serious matter. However, this only touches the tip of the iceberg of how improper conduct within the Clinton administration was to slow down and coverup the White House investigation. Tonight I would like to review this whole matter, and the best place to start is at the beginning.

Criminal referrals from the RTC, the Resolution Trust Corporation: When Madison Guarantee Savings & Loan in Little Rock failed, its debts and its assets were inherited by the Government-run Resolution Trust Corporation.

Madison Guarantee was owned by then Gov. Bill Clinton's business partner, James McDougal, and the Governor. In March 1992, the RTC began an investigation of possible criminal activity at Madison after the New York Times broke a major story about the Whitewater Development Corp. In September 1992, the RTC sent a criminal referral, criminal investigation request, to the Justice Department. The RTC urged a thorough investigation of a ''check kiting scheme'' in which over $100,000 in Madison funds were alleged to be illegally funneled into the Whitewater Development Corp. to pay its bills. President and Mrs. Clinton were named as potential beneficiaries of this scheme.

A year later the Resolution Trust Corporation sent a second criminal referral to the Justice Department regarding Madison Guarantee. This referral contained nine specific allegations