

Street speculators who would not listen to us when we debated NAFTA last year. We tried to get provisions in there to protect our people, as well as to have a slower market opening mechanism so we would not have these kinds of dysfunctions as NAFTA kicked in. They wouldn't listen to us then. They have made billions already. We shouldn't pledge the full faith and credit of the taxpayers of our country.

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

[Mr. FRANK of Massachusetts addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

JOB CREATION SHOULD BE THE MANDATE FOR THE 104TH CONGRESS

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, during the exit polling following the last election, one thing that consistently was revealed was that most voters, an overwhelming majority of voters, are concerned about jobs and employment. A large percentage of Americans are concerned about the fact that they are working at jobs at substandard wages, wages below what they were receiving prior to their present job.

Large numbers are concerned about the fact that they may lose their present job in an atmosphere and an environment of downsizing and streamlining corporations. Of course, large numbers have not had any jobs for a long time. They are just dying to get a job and end their long-term unemployment.

So jobs must be the No. 1 priority of the 104th Congress. The message is clear. The exit polls showed it. There have been a number of studies which have showed that the American public is concerned about jobs, and of course the polls show that jobs are a No. 1 priority.

Somehow, the elitist leadership of Washington does not seem to hear the voice of the American people. Somehow the Republicans are not listening. The Democrats are not listening either.

We have Republican jobs through capital gains being proposed. The act that is part of their Republican contract talks about creating jobs through a reduction in the capital gains taxes, and also a reduction in other corporate taxes. We have been that route before. It did not work before under Ronald Reagan.

The trickle-down theory did not produce the jobs that were supposed to be produced at the levels that they were supposed to produce them, so why

go to the trickle-down theory again? But that is what is being proposed. That is all that is being proposed by Republicans.

Democrats' proposals, on the other hand, are also too timid and too small. We are talking about dealing with jobs through more training and more opportunities for education. It is the correct procedure, the correct process, but it does not go far enough. It does not talk about creating jobs. Job creation is what is needed.

The job programs we are talking about in the Progressive caucus, which has introduced and is preparing a jobs bill, a jobs investment, job creation and investment act, will create a million jobs a year. It requires spending—investing large sums of money, but it is a tried and true approach.

It will be the investment of large sums of money in the areas of the economy where we know there is a great need. We know we need jobs. We need infrastructure. We know we need highways. We know we need improvement of our transportation facilities and bridges.

We know there are large numbers of substandard schools out there that could use some repair. There is a need for new school construction. In higher education they have a great need for infrastructure increase there.

There are a number of places where we know there is a need. We know that if you apply investment to these areas, you will stimulate the economy. It is not Big Government because all you do is make big decisions.

Government makes a big decision: Government decides it is going to stimulate the economy in that direction, and the contracts go out to private contractors. The work is done by workers who are not Government workers.

It is not an increase in Big Government. It is an increase in additional jobs. You will create large numbers of jobs in areas that we know jobs are needed, where we know workers need it, and we know we need to make the repairs and take care of improvements in our infrastructure.

Job investments can be made and they can be made without raising taxes. We are not talking about the need to raise taxes. You can make selected cuts in waste. There is still a lot of waste in Government.

We don't agree as to where the waste is. Some people insist in pursuing children who receive welfare, Aid to Families With Dependent Children, and that is going to be the area where they will make the large cuts; or they want to pursue education. There are a number of areas they want to pursue which would be counterproductive. It would decrease the ability of people to take advantage of jobs. It would create more turmoil in our society than necessary.

On the other hand, if you make the cuts in other directions, selected cuts, there are cuts that can be made which total billions of dollars which could then be used for the job investment. I

will talk in more detail about those cuts.

There are cuts in the area of defense. There is a peace dividend we never realized. The cold war is over now. The evil empire of the Soviet Union is gone. We have never realized that dividend that can be realized as a result of all of these things being changed.

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We can make cuts in defense. We can make cuts in the corporate welfare area. Some people estimate there is \$40 billion being given away to corporations and business, others as high as \$50 billion. We can make cuts there. We can make cuts in the CIA, the Central Intelligence Agency, which has no evil empire to spy on anymore, and the most conservative estimates estimate that the Central Intelligence Agency and the other intelligence agencies together have a budget of \$28 billion.

So there are areas where you can make cuts and move that money from those wasteful areas into the area of investment and jobs.

We have two economies and most people will tell you, "Well, the economy is booming, so why are you concerned about creating more jobs?" Well, go and ask the American people. Why are they so anxious? Why are there so many people out there who are concerned about losing the job that they have now? Why are there so many that are angry because they are getting paid so much less than they were being paid for similar work a few years ago? Why are there so many that are desperately seeking jobs that do not exist?

There are two economies, that is the reason. There is one economy that is booming and that is the Wall Street economy. Large profits are being made. Automated industries are very productive. Even some very fortunate workers are getting tremendous amounts of overtime because they are part of that booming economy and the automated economy. So they are very well off.

But the great majority of people, the great majority of wage earners are living in an economy which is not very well off. It is the other economy, the economy of the wage earner.

There is an economy, in other words, for an oppressive minority. They have all the production, the fruit of production, they have the profits and the fruit of all the productivity.

On the other hand, there is a caring majority out there of people who make up the bulk of American citizens and they are not part of that booming economy. They are struggling, they are anxious, and I call them the caring majority.

We have a philosophical clash that is exhibited in the way we approach the question of jobs, the clash between those who are members of the oppressive minority, and they want more and more and they want to rig the economy, change the rules, in order to

make greater profits without providing jobs, and those who would like to see the wealth of America, the productivity, all of the fruits of stable society, all the fruits of peace, they would like to see them divided so that everybody gets part of the benefits. I call those people members of the caring majority.

We do not have to talk in terms of communism anymore versus capitalism, but there is a social contract which has to be assumed. Whenever there is a society, you should assume that the society is going to provide an environment, going to provide a system, going to be managed in a way which guarantees that every individual will have an opportunity to make a living. That is a social contract, where an individual surrenders to the rules, an individual obeys the laws because he gets something back that he could not get as an individual. If an individual is going to abide by the laws and is going to be a part of the society, the society owes it to him to try to operate in a way which allows him to make a living.

The social contract is sort of an assumption we can make, and that social contract requires that if you are going to be in the leadership, if you are going to be in Congress, if you are going to be in the executive branch, you have an obligation to operate in a way which allows people to earn a living. You have an obligation to manage the economy in a way that provides income for all who want to work.

What we have is a grossly mismanaged economy. We have an economy that is very much managed, that very much is bureaucratized, not so much from the Government sector as also from the private sector. We have an economy that has lots of rules and regulations but they do not redound to the benefit of a majority.

We have an economy which tells us, on the one hand, in this last 10-year period that we should spend billions of dollars, and nobody yet knows how many billions we have spent, to bail out the savings and loan banks. We bailed out the savings and loan banks to the tune of billions of dollars. I do not know what the most recent accounting is, but certainly the taxpayers have lost at least \$100 billion already on the savings and loan bailout and it is still going. We ought to call for a report on that and see just where we are, because that is part of the economy that is managed to benefit a handful of people. It is managed to benefit the oppressive minority.

Now we have the same oppressive minority manipulating the economy and the taxpayers' money in ways that will lead to the expenditure of at least \$40 billion for Mexico, to bail out the economy of Mexico. We are being called upon to spend at least \$30 or \$40 billion, they do not give any concrete figure, but it is going to be billions and billions of dollars to bail out the economy of another country.

Why bail out the economy of Mexico? Because large numbers of banks, the same banks that benefited from the bailout of the S&L program, those same banks, many of them are now invested heavily, and the same firms are invested heavily in Mexico and now we are going to go to the aid of Mexico and spend billions of dollars to bail out the economy of Mexico without creating a single job here in this country.

If we have billions of dollars to bail out Mexico, why can we not apply that to an investment in job programs here in this country? Mexico is going to be guilty of a double hit on the wage earners of the United States.

As we clearly explained during the debate on NAFTA, the jobs go where the cheap labor is, and the jobs have moved. Already in the short period of time that NAFTA has been in existence, large numbers of jobs have moved to Mexico. Large numbers of plants are planning to invest in Mexico.

Suddenly there is this bomb that goes off. The bomb goes off and the Mexican economy seems to be in danger and in order now to ensure that this process of draining our economy of jobs is going to keep going, in order to guarantee that nobody in the Wall Street sector of the economy, in the oppressive minority sector of the economy, nobody will lose, we are going to as taxpayers be called upon to bail out Mexico to the tune of billions of dollars. We would like, instead, to see the same kind of attention applied by both the Democratic leadership as well as the Republican leadership to producing jobs here in our own economy.

The Progressive Caucus has a jobs bill that is a well-tested approach. As I said before, it stimulates the economy by providing for basic needs that are there, infrastructure needs, education needs, social service needs, in order to create jobs.

What is happening now is that we have a blind allegiance, a tunnel vision on the Wall Street economy and that tunnel vision is slowly strangling our economy as we follow that. The Wall Street economy is an economy for the minority, it is an economy for the oppressive minority that manipulates the finances of the country and the finances of the private sector in a way as to guarantee greater and greater profits to fewer and fewer people, while more and more people are anxious about their own status and their own employment.

The stakes are very high and the future directions are now being set. As we go toward the new world order, what happens in the next few years must really determine what is going to happen in the next 100 years. It is very important for us to get back on track and fully understand that jobs ought to be the No. 1 priority of the leadership of America. It ought to be the No. 1 priority of the Government. Providing ways for people to make a living ought to still be on the lips of every Member of Congress and of the Government. A

jobs bill now should guarantee that the new world order economy is going to be an economy which provides opportunity for all.

Maybe we will not have a jobs bill that can solve all of the problems overnight, because we do have a new world economy, a global economy. One never knows exactly what is going to work and what is not going to work. There are a lot of unpredictable things in such a volatile situation as the one we have now.

We have China, the largest nation in the world in terms of population, China transforming from a socialist economy to a mixed economy. A large part of that economy is capitalist. One does not know what the impact of that is going to be finally on our own economy. We have the nations of Eastern Europe merging into the capitalistic economies of Eastern Europe, of the rest of Europe and also impacting upon this country. Exports coming from those countries, our imports going there.

One does not know in the final analysis what the overall global economy is going to look like in a few years and what all the different breakouts are going to be. You cannot predict it. But you do know that there is a need to keep the American economy strong, there is a need to buttress and to make certain that the magic of our marketplace is never lost. All of the nations of the world were seeking to get into the economy of the United States, to get in our market. Our market since World War II, our market, our consumers, the purchasing power of our workers, that has been the driving force of the post-World War II economic situation. It helped to create the Japanese success. The Japanese were able to come into our markets and sell their products in our market.

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It helped to revitalize Europe, because Europe does lean very heavily on our market in selling their products. Not only did we give loans that are open and help them with their recovery, but the market that we created through our consumers allowed them also to prosper and to redevelop their economies.

Now that great consumer market is threatened. Who made up that consumer market? The workers of America, the people. For the first time in history you had a large class, millions and millions of people earning a decent living wage, wages high enough to provide for food, clothing, shelter, and other necessities. And after that they had discretionary income, they had money left over that they could spend for many other things.

The fact that that great consumer market was there allowed the nations of the world to feed upon the economy, the marketplace of the United States, and grow prosperous as a result.

Now we are destroying that great consumer market. The workers earn

less and less, they earn less now per hour than they earned just 10 years ago, and certainly much less than they earned 20 years ago. Many of the workers who were working in good paying manufacturing jobs are now in service jobs making one-third of the amount that they made at that time. The jobs that they had before have been now transported to China, to Hong Kong, to Eastern Europe, to Mexico, to other parts of South America, all over, in search of cheaper labor. We are perpetuating a swindle upon the American people because as they pursue the cheap labor, manufactured products at the cheapest possible costs, bring the products back into our economy and sell them at a cost that is comparable to our standard of living, they make huge profits. The manufacturers and the entrepreneurs make huge profits, but in the meantime they are destroying the consumer market. The people who earn the money to buy the products grow fewer and fewer all the time.

Everybody wants to make their killing, however, and if the Government does not do anything about this, certainly private enterprise will not do anything about it. And that is about what is happening. We are ignoring the working economy, the economy of the workers, the economy of the wage earners, and we are looking at the economy of the big entrepreneurs and manufacturers. They can go and make sneakers in China that are \$10 per sneaker, transport them back here and pay the transportation cost, and then sell them for \$100 or \$120 and make a huge profit in the process, and in the process also deny employment to large numbers of American workers.

So we have to get back to an understanding that that is a problem that cannot be ignored much longer. We have to address ourselves to that problem in the 104th Congress. This Congress has to listen.

Yes, tax cuts are very desirable. I have no problem with a middle income tax cut. I hope we go on with a sensible tax cut. Even if it is symbolic, the tax cut is important. The American people deserve to know that after all of the years of waging the Cold War, after the years of the military buildup, much of which was not necessary but some of which was necessary, after all of those years of expending taxpayer dollars to make the world safe from communism, to make the world safe for democracy, after all of those years they deserve some relief.

So we ought to have a tax cut. There is nothing wrong with a tax cut. A tax cut does not mean we cannot also have a job investments bill and cannot have a job creation bill of the magnitude I am talking about.

We have to have some way for people to earn the income necessary to take care of themselves so that we do not have a drain on the Government one way or another.

There is a great deal of talk about getting people off welfare and that is a

great drain on the Government. But take a look at the unemployment insurance and the people who go off unemployment insurance, if they do not get jobs, and you will understand there is another problem. The anger that is out there also leads to many other kinds of problems.

So, in place of a bill which has been proposed by the Republicans, which is basically a bill which calls for the creation of jobs through tax cuts, and we do not hear much about real jobs, in place of that, the Progressive Caucus would like to offer a real bill that talks about physical capital investment. They propose to provide an additional \$10 billion in highway and bridge maintenance spending per year over the next 2 fiscal years. As much funding as possible would come from the surplus that is already there in the transit account of the Highway Trust Fund. We estimate as much as \$4 billion may be in the Highway Trust Fund. That is one place we could get funds without jeopardizing any other programs or any other aspects of the tax relief program being proposed for middle-income taxpayers.

In 1993 the Federal Transit Administration report noted that to maintain the Nation's highways and bridges at the 1991 level would require an additional outlay of \$19.5 billion. To correct overall deficiencies in the highway system would cost \$212 billion.

In addition, there are some 118,000 bridges that are defective or deficient. To repair them would cost \$7 billion.

I mention highways because, as you see, the largest amount of money expenditures, investments that would stimulate the economy would come through a program like this. It also would provide the greatest amount of activity in terms of jobs for men, jobs for contractors. There are a number of different proven benefits that flow out of contracts related to highways and mass transit. We need \$1.6 billion in mass transit investment per year and that is only a small part of what is needed. The American Public Transit Association reports that more than \$7 billion above current spending could be used quickly to improve our Nation's mass transit system. This dollar amount would only eliminate the immediate backlogs of mass transit needs. To restore the system to its pre-1980 levels would require an annual investment of about \$11 billion.

I do not want to overwhelm anyone who is listening with the billions and billions of dollars of figures. The common sense is that you have got some needs in transportation. Whether you are talking about the construction of highways or you are considering the construction of mass transit facilities, there are clear needs there. You may go to airports; there are clear needs there. Some people would say, well, we have more airplanes than we need now. We are overbooked, our capacity is greater than we need for airlines. Maybe our capacity for mass transit is

overbooked. And we certainly do not need railroads. Amtrak is now cutting back.

I think all of this is very shortsighted. It does not understand that one thing that is predicted in the future as far as the global economy is concerned is that in this country there will be one industry that definitely will thrive and will grow no matter what is happening otherwise and that is the industry of tourism. Tourism in New York is the largest industry already, New York City, and it is growing, it is the one industry that is not stagnant. All of the hotels are full right now. They are filled up even before the Chinese middle class starts.

If just for a moment we would think in commonsense terms about the tourism possibilities with respect to people coming into this country who would use our transportation system, they would use a lot of other things besides the transportation system, of course, but those who would use our transportation system in large numbers from outside the country bringing in dollars to spend here in large numbers, think for a moment about the possibilities as we go into the New World Order.

You know China has a population of 1 billion people at least, conservative estimate. If just one-quarter of the Chinese become middle class, and with the thriving economy that they have and the kinds of miracle enterprises that we read about, it is not far-fetched to assume that one-quarter, just one-fourth of the Chinese people could become a Chinese middle class. And let us assume that if just one-tenth, you know one-fourth of a billion is 250 million, if one-tenth of that Chinese middle class decided to travel to America as tourists, that Chinese middle class by itself would produce 25 million more visitors to the United States than we have now, just growth of the middle class in China. Of course the middle class is growing rapidly in other parts of Asia also. We have had the Japanese visitors that are part of the present equation. The largest number of visitors in New York City in terms of tourism, the largest numbers are Germans and Japanese.

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They have been around for a long time. So I am talking about not German and Japanese but just the additional tourists that you would realize from other parts of Asia including China would mean 25-30 million visitors coming to the United States. If you add to that number of visitors the people of Eastern Europe who for a long time have not been allowed to travel and there is a growing middle class in Eastern Europe, if you add to that the fact that everywhere in the developing world, no matter how bad conditions are, there are increasing numbers of people there who want to come to the United States either as students or as tourists, and you have a large number of people in the future

who will be a part of a tourism industry on a scale unseen previously by the United States.

So does it make sense to build an infrastructure now which is second to none? Does it make sense to invest in the infrastructure now? Yes, it does. At the same time that you are investing in an infrastructure that we know will be needed, you also are providing jobs at a time when the economy is undergoing a transformation, and there are a lot of things happening that cannot be explained.

So for that reason people are anxious and out of work. You can provide the work in a sure-fire, sure-shot operation.

We know we are going to need transportation. We know we are going to need an infrastructure. Let us spend the money. Let us invest now and guarantee that we will be ready for the boom when it comes later on.

Environmental cleanup also, we know we need it, because neither tourists nor residents will be able, none of us will be able to enjoy our cities and our suburbs unless we clean up some of the environmental mess that has been made. We are talking about \$25 to \$100 billion which could be spent over a 10-year period. If we begin now, there are large amounts of sound investments, sound expenditures that could be made in the environmental cleanup.

The community development block grant has dealt a number of years with infrastructure problems that exist in the urban centers; extreme hardships faced by communities, very important obvious needs that could be met in building schools and building facilities of various kinds.

Just rehabilitating schools and libraries alone would cost about \$3 billion annually over a 2-year period to repair, to renovate, alter, to construct elementary and secondary school facilities, a worthwhile expenditure, very much consistent with our understanding that in the future only the most educated population will be able to take advantage of the jobs that are available.

The tax cut proposals that are being made by the President and the Secretary of Labor all are built around education and young people. Those young people need more than help from their families in order to be able to go to college. They also need some decent schools right now.

There are large numbers of not only elementary and secondary schools that need repair, need to be rebuilt, but the infrastructure of our colleges and our universities, their laboratories, their computer facilities, their infrastructure that allows them to hook up with all kinds of present-day computer facilities, all of that is decaying and needs to be repaired, and in many cases needs to be built from the ground. It would be an investment consistent with what we want.

Along with the jobs, of course, I very much agree with the present emphasis

of the Secretary of Labor and the President that job training would be necessary. Much of the training that is going to be done will be done in these school facilities, in the colleges, and they need to have the state of the art equipment, state of the art laboratories, and also the supplies necessary.

We have a crisis right now in this country. In some cities the public school systems are rapidly being abandoned. The local government is moving away from the funding of their own schools. State governments are refusing to come to the aid of schools.

Year before last we had three of the largest school systems in the country, New York, Chicago, and Los Angeles, in grave trouble. The Chicago public school system and the New York City public school systems did not even open their doors until 2 weeks after school was normally supposed to be open.

They had crises of various kinds. New York had a crisis with asbestos. Too many schools had asbestos poisoning or the danger of asbestos contamination. That was a dollar problem. They did not have the money to deal with it fast enough, and the schools were delayed 2 weeks in opening.

Chicago had a more direct fiscal problem. They just did not have the money. They did not have a way to guarantee that they could get through the semester, and they had to wait until certain acts were taken at the State government level before they could open their schools. They were 2 weeks late.

We have not had such a drama in the past fall. We did not have that drama last September. But we do have a situation where both of those systems, and in Los Angeles, the other system in crisis, great reductions are taking place. Schools are no longer able to provide any extracurricular activities. They are now telling parents they should help the kids by sending their own supplies, chalk, erasers, very basic kinds of things which are being requested of parents in terms of helping the schools through a very difficult funding situation.

On top of that, the number of youngsters in each classroom has greatly increased. The number of youngsters that teachers have to face now has gone up as high as 40 in New York City classrooms. So we are moving away from and abandoning our public schools in a period of time when we all admit and all advocate that there must be greater and more education.

Those schools need help. If we cannot help in the operating costs, and we know that schools are not the function of the Federal Government; education is primarily a State function. Education still is a State and local function.

In 1995 the Federal Government at this point spends, is responsible for, only about 7 percent of the total expenditure for education in the country. The other 93 percent is the responsibility

of the State government and the local government. So we are not talking about having the Federal Government assume responsibilities of a great magnitude that it does not have responsibility for at the present.

We are talking about one-time expenditures that would help relieve these localities and help relieve our school systems as well as relieve our higher education systems by providing the immediate expenditures for capital equipment, for plant, for the kinds of things that they will not have anything but a one-time expenditure for. It will at the same time provide jobs.

Jobs have to be No. 1. We can talk all we want to about welfare reform. But if we do not accept the responsibility that leaders are supposed to manage the economy so that everybody has an opportunity, leaders have an obligation not to just worry about one sector of the economy or the Wall Street economy, not just to worry about inflation and return on investments and increasing opportunities for people who have higher profits by signing GATT agreements and NAFTA agreements, leadership has to be concerned about what the bottom line is going to be for the people out there who have to go to work every day. We have to be concerned about providing jobs and income first of all.

People solve their own problems. Individuals can solve their own problems. Families can solve their own problems when they have enough income.

You know, a great number of the problems that we face in the areas of crime and the need to help families with children, large numbers of those problems are directly resulting from the fact that there are no income possibilities for the parents.

First, there are no income possibilities for the men, and they leave home. Then there are no income possibilities often for the women who are left to take care of children.

I am 100 percent in favor of welfare reform. There needs to be a change. But the change should be an honest change.

We should recognize and admit from the very beginning that welfare as we know it right now exists in great amount in America because welfare is cheaper than full employment. Welfare is cheaper than providing jobs. Providing jobs that we insist that welfare mothers take, that will cost far more than providing the measly stipend that families receive once a month. Providing a job which is going to cover the costs of food, clothing, and shelter for a family of three will require more than any State presently pays to welfare recipients. Of course, some States pay less than \$200 a month as a survival stipend for a family of three.

We need to look at welfare reform in honest terms and say, first of all, we are going to be diligent. First of all, we are going to set priorities in terms of job creation, and when you say that you want every person on welfare to be

off in 2 years and working, that they can look forward to 2 years or less, of course, the majority of welfare, people on welfare, do not stay on for 2 years in a steady stream. They re not on welfare consistently and consecutively for 2 years.

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Most welfare recipients get jobs and then they go off welfare for a while and then come back on when those jobs are not able to pay for their food, clothing, and health care. That is a great problem with families who have children, talking about aid to dependent children. Those children have no medical coverage once a person leaves welfare. A large number of people who come back on welfare, who have tried the marketplace, come back on welfare because there is no other way to get medical care for their children.

So let us solve that problem. If we make jobs No. 1, then we are able to solve part of the problem by employment. We have to make health care somehow attached to the jobs that poor people receive, and then we will have made great strides toward solving the problems that we say we want to solve.

I am all for reforming the welfare system, all for people working. But in my district, which has a large number of welfare recipients, I assure you that for every job you produce for a welfare recipient, I will have 10 people standing in line waiting to go to work.

We have had situations where there have been announcements of a few jobs at plants, hotels, various places where long lines have formed. Not only do we have an obligation to provide jobs for people who are on welfare but we have an obligation to provide jobs for those people who do not go on welfare, those people who came off the unemployment rolls who can no longer receive unemployment checks but did not go on welfare. They need a job too.

It does not make sense, it is not common sense to say we are going to provide jobs for welfare recipients if we are not going to address the problem of jobs assisting everybody else. When we say if you go on welfare, if you are receiving aid as a welfare recipient, you get in line first to get a job, you deserve a job, we are going to create jobs for you, provide job training for you. But there are millions of Americans who are unemployed or underemployed who are not a welfare burden on the State or the city or the Nation, and they too deserve jobs. Only a jobs program, a comprehensive jobs program like the one we have proposed in the Progressive Caucus, will solve that problem. It is very important that, as we go through these next 100 days, that we raise our voices.

Yes, the other party has the majority. It is not likely we are going to get a progressive jobs bill passed. It is not likely the Democratic leadership at this point is going to listen to a bill which proposes to do what we tried to do 2 years ago in the stimulus package,

when President Clinton first proposed a \$19 billion stimulus package, \$3 billion in tax cuts and \$16 billion in direct expenditures for the same kinds of activities that I am putting forth here. This is nothing new. We do not pretend to have anything creative or innovative in terms of being newly conceived.

Franklin Roosevelt, in the Works Progress Administration [WPA], and later on the other program which went out to private contract, they did the same thing, focusing on obvious needs. They focused on infrastructure, needs that existed everywhere. They paid people to do the work that was there. There was a lot of work to be done, plenty of work.

The problem is work is not a job unless somebody pays you to do it. So our job is to keep the alternative out there. We want the American people to follow us, the taxpayers to follow us. If all the people who went out and told the interviewers at the polls on election day that you were angry about not having a decent job and wages are not decent, follow what we say on the floor of this House, what the Progressive Caucus jobs bill is, and you will hear an answer. You will not hear the answer in the balanced budget amendment. It is not there. The balanced budget amendment, if it were to be changed so that it recognizes, in addition to threats to the security of the country, there are threats that come via warfare, threats to the stability of the country, and recognize that jobs and the need to create jobs is just as important as meeting those threats. So that programs that invest in jobs should be not a part of the whole balanced budget process. We offered an amendment to that effect. We offer an amendment which, in effect, says if unemployment exceeds 4 percent, 4 percent is not a figure that we pulled out of the hat. There is a full employment and gross amendment which was passed in 1978 called the Humphrey-Hawkins bill. The bill does say that the threshold is 4 percent. If we reach a 4-percent unemployment level, the Government should take it seriously and do things to bring down the unemployment and keep it below 4 percent, to never rise above 4 percent. Of course, we have Mr. Greenspan, of the Federal Reserve Board, making his own rules. He considers high employment as an enemy to the economy. As unemployment goes up, he is happy; as employment goes up and unemployment goes down, Mr. Greenspan is unhappy.

We have a part of the Government that was not elected, a part of the Government that nobody can do anything to, they make decisions behind closed doors; they are telling us that high employment is a threat to the economy, high employment is undesirable. As unemployment goes up, Mr. Greenspan wants to raise interest rates so that the activity in the economy which creates jobs is slowed down.

Now, I do not know how you build a civilized society, how you meet the so-

cial contract to provide jobs and opportunity for all, if you are going to have bureaucrats of the nature of Alan Greenspan making new rules which say that you have to bring down the investment in the economy, in the job-creation activity, every time employment goes up. That is not the way to go.

Common sense tells us that employment is always a desirable activity. Whatever produces jobs is desirable. You are going to have to understand, as the American people, that these new, complex statistics and new, complex patterns of reasoning behind the scenes in secret sessions, are what drive our economy. The President is listening, the White House is listening, the leadership of both parties are listening, and we are obeying people who do not live by their own rules. If Mr. Greenspan thinks unemployment is highly desirable, then he and members of the Federal Reserve should volunteer to be unemployed once a month. If you want to help the economy, volunteer to be unemployed once a month. If it is a good, if it is a public good, then let everybody participate and not inflict unemployment on large masses of people and say it is highly desirable that you remain unemployed. That is what is happening.

We want a job-creation program. Mr. Speaker, I yield to the gentlewoman from Ohio.

Ms. KAPTUR. I thank the gentleman.

Mr. Speaker, I was listening to the gentleman from New York [Mr. OWENS] in my office, and I ran back over here because I just received a telephone call, a frantic call from the gentleman's home State of New York that for over 700 workers in Medina, NY, at the Fisher-Price plant, which is owned by the Mattel Corp., this morning were given a notice, yesterday were given a notice to come in to work this morning at 7:30. They all came in to work, and they all were fired.

And where did their jobs go? Lo and behold, the jobs of over 700 Americans, manufacturing workers, went to Mexico. Why are they going to Mexico? In the company's own words, and I quote, "The Medina plant historically has been the higher-cost producer and doesn't have the flexibility of other United States/Mexico manufacturing facilities."

In short, American workers who asked for a more fair wage for the work that they do are punished for it.

I think it is absolutely reprehensible what is going on here, because it is exactly what the critics of NAFTA, like myself, were most afraid to hear, in fact dreaded to hear: Fired by a multinational corporation, Fisher-Price, owned by Mattel, which has been crying the loudest about its investments. Where? In Mexico.

And in the New York Times, on January 5, there was a story on the business page which indicates that Mattel, the Mattel Co., was concerned and wants

us to bail Mexico out because it is not making as much profits in Mexico as it had hoped to make.

So I want to say to my colleague from New York I am so happy he is down here on the floor. I am sorry that I am the bearer of bad tidings from his State, the northern part of the State. But it was so related to what the gentleman is talking about that I had to run over here and get this on the record.

□ 1450

Mr. Speaker, I just want to say to those who are listening with expected United States taxpayer money in their pocket, "If Congress passes this Mexican bailout, then Mattel will be firing—they have already fired those 700 workers in upper New York State, and they are going to move those jobs to Mexico, and then we are going to back up their investment in Mexico. How is that one for late in the day on Wednesday afternoon?"

Mr. OWENS. Mr. Speaker, I thank the gentlewoman from Ohio [Ms. KAPTUR] for her timely announcement. I regret very much it is bad news. We have been receiving a lot of that kind of news lately in New York State and States across the country: The streamlining, these cutbacks and wipeout of total plants in order to move to all places, of all places, Mexico, and now we are being told—listen closely, American voter; listen closely, American taxpayer—we are being told now that your taxpayers' money must be used to bail out the Mexican economy.

As my colleagues know, twice in the last 10 years; we are going to now go to bat to bail out the investments of the banking and investment community. Large numbers of American investors have invested in Mexico, the plants in Mexico, taking the jobs away from our people, destroying our own consumer market, and now we, as taxpayers, will have to dig into our pockets and begin to bail out the Mexican economy to the tune of let us begin with \$40 billion. I do not want to talk about how much it is, and they say, "Well, it's off budget, so don't worry about it."

Nothing is really off budget. That is just nonsense. The Treasury is the same Treasury. Whenever they go off budget, as they did in the savings and loans, it increases the deficit. It is not just in the current budget. I say, "You don't have to take something out to put that in, but it increases the deficit."

As my colleagues know, we spent more than a hundred billion dollars on the savings and loan bailout, a hundred billion dollars to the banks. At least those were American banks and American depositors, most of them. A lot of them were from outside of the country, but now we are talking about \$40 billion, \$40 billion or more, to go to Mexico to bail out the Mexican economy. Those jobs were taken from our economy.

When will it stop, American voter, American taxpayer? Listen closely. We are being manipulated, we are being swindled, twice in a 10-year period.

Ms. KAPTUR. Mr. Speaker, if the gentleman would yield, I am very grateful, and I will not take up much of his time here, but I did want to point out this company, Mattel—that just fired 700 workers this morning in New York State—made \$236 million in profit last year, \$236.6 million, and one of the toys that they make is the Barbie doll.

Most little girls in America own between 8 and 12 Barbie dolls. There is not a single Barbie doll made in the United States of America, not a single one, even though Mattel makes inordinate profits in our market, and is moving our jobs elsewhere and is making egregious profits off the difference between what it charges us because the price of Barbie dolls did not go down in America. They run from \$29.99 all the way up to \$200. I know; I used to buy them when they were made here, and they pay their workers very low wages, not just in Mexico, but in Indonesia, in China, in Malaysia, and then they bring all that stuff back here for us, and they think we do not notice.

But I tell you what: Those 700 workers in New York State, we are here for you because we're going to be your voice, and we are going to continue to be your voice through this tough struggle.

Mr. Speaker, I want to thank MAJOR OWENS of New York who came here in the same year as I did and has been a fighter for the people of this country for as long as we have served together.

Mr. OWENS. Mr. Speaker, I thank the gentlewoman from Ohio [Ms. KAPTUR] for her thorough work. Nobody knows better than she does the details of what is happening in terms of products that are being manufactured in other economies with dirt-cheap labor, with cheapest possible labor, sometimes child labor, sometimes slave labor, sometimes prison labor in China, and we accept all this. The evil empire of "Mere Clichon" is no longer an evil empire when our buyers and manufacturers can go over there and make deals where they manufacture these products at very low cost, and bring them back over here and sell them. The price is comparable for our standard of living.

We must understand this. There was a study conducted recently which reported that the workers are angry. When I say "workers," wage earners, and the vast majority of American people are wage earners. Whether you belong to a union or not, if you are a wage earner, you are part of that great majority out there which is being neglected. You are not part of the minority that is being taken care of by the Wall Street economy which gets great profits, of course, from these deals that are made on a multinational basis.

So, you have to wake up and understand that instead of being angry at the Government, the study shows that

the majority of people are angry at the Government. Yes, it is important to be angry at the Government. We have the power to make the decisions which lead to a large number of the managerial aspects of our economy, sets the rules and regulations. If our Government had not signed GATT, we would not be in more danger than we are—than we were before GATT was signed. If our Government had not pushed us, and the Governments means the Members of Congress, I did not vote for NAFTA, just as the gentlewoman from Ohio did not vote for NAFTA; if that had not been a pass, we would not be locked into the economy of Mexico to the degree that we are.

Mexico, if they want to make Mexico the 51st State, well, let us consider that because then they would have to abide by labor regulations, environmental regulations. They would have to compete on an equal basis with industry here. But they could not undercut the workers of this country. But, no, Mexico has the benefits of not being part of the country, not abiding by the regulations and rules, and yet we are going to take care of their economy.

Listen, taxpayers. Listen, American voters. Listen and understand what you have to be angry at. Do not be broad-based in your anger. Be very specific. The coming bailout of Mexico must be targeted for what it is, and that is a great swindle of the American people to take care of the interests of the investors in Mexico who have made a bad deal, and now, in addition to selling out our workers, they want to sell out the taxpayers further by using taxpayers' money to prop up that economy.

Does the gentlewoman have another statement?

Ms. KAPTUR. Mr. Speaker, I just wanted to mention to the gentleman I was in a meeting this morning with our Secretary of the Treasury, and I very pointedly asked him why we should approve this, why should Congress just go along with the administration and its supporters on both sides of the aisle up here, and he said, "Well, you know, back in 1982 Mexico had financial problems, and they owed 12 commercial banks, and America had to try to help back then." Yes, Mexico had debt then, they have debt now.

And I said, "Of course, who do they owe the money to now? Where is the specific list of the investment banks on Wall Street that took a gamble in Mexico and now had their tail caught in the wringer?" I said, "Could you provide us with that list? What about the big megabanks all over the world that have invested in Mexico and are making huge profits by the way?" This is a good time to be in the banking industry because the profits are so huge. "What about some of these corporations like Mattel Corp. that have their hand out to the Government of Mexico through our taxpayers?"

And he said, "Of course you know it's different now because so much of the investment came through mutual funds."

And I asked him a very pointed question. I said, "Are mutual funds insured deposits where we have the kind of promise that we have made to our own depositors?"

He could not answer "yes" obviously. They are uninsured speculative investments.

So, what responsibility do we have to take the people's money to bail them out?

Mr. OWENS. Capitalism is creative destruction, and all capitalists are proud of that. You destroy what is inefficient in order to lift up what is efficient and keep the economy moving forward in a most efficient and effective way. So, capitalism involves taking great risks, it involves destruction. The people took great risk in Mexico and now are going to be destroyed, should not have us step in with socialism, force the American taxpayers to participate in a socialistic act to bail them out.

We had socialism in the savings-and-loan bailout. That was enough socialism. We do not need to prop up private enterprise which has been inefficient, negligent, made the wrong judgments and moved off on the wrong assumptions, been greedy, because they were pursuing high maximum returns using Mexican cheap labor in order to get richer and richer, and they temporarily have failed. We should make them sweat it out. Maybe the Mexican economy will right itself in the next 10 or 20 years. Let them wait. Let us not apply an injection of \$40 billion more into Mexico at a time when we are saying we do not have the money to invest in jobs here, when we are saying we must cut back the cost of Government drastically.

We have a balanced budget amendment being proposed, but this budget that is coming up right now, Mr. KASICH has promised us there will be gigantic budget cuts. Why are we going to be cutting education, cutting even agricultural subsidies? Some of those make sense. Why are we going to be cutting things that help the American people directly in order to provide more funds to bail out Mexico? It is a form of foreign aid at its worst. It is foreign aid that funnels its way back into the banks of this country.

□ 1500

We do not want to provide socialism for banks. Let the banks stand on their own two feet. Let us not have any more corporate welfare. The New York Times yesterday had an article on corporate welfare and said when are we going to stop the corporate welfare?

Everybody loves to beat up on the mother out there who has a few kids, who has for various reasons to receive help from the Government. That seems to be the target. We are a nation of bullies. Everybody is excited about it.

Get the welfare reformers. They are threatening our economy.

Yet it is a very tiny percentage of the total budget, far less than the corporate welfare, corporate welfare which involves the agribusiness, one of the biggest players in corporate welfare. We are still paying the agribusiness billions of dollars not to grow grain, crop insurance, farm price subsidies, farm home loan mortgages; all kinds of things are being pitched out to the agribusiness.

When I say agribusiness instead of farmers, they are not people. Less than 2 percent of the population of America are now farmers. Those are not human beings we are talking about giving billions of dollars to. The billions of dollars that go into agribusiness go to businesses, agricultural target price programs which means lower price subsidy supports for basic commodities, which is \$11.2 billion. We are spending \$11.2 billion for that aspect of welfare to the agribusiness, agriculture subsidies to wealthy farmers.

Every person that gets welfare is means tested. That means they check and double check and recheck to see if you really are poor, how much income you have, whether you have a car, whether you own anything, et cetera. It is means tested.

We have programs that go to farmers and the agriculture practice businesses and nobody means-tests them. Whether you are rich or poor, and they are all rich mostly because they are big businesses now, they are not the farmers of the kind Franklin Roosevelt was trying to help, the New Deal farmers. These are big businesses; less than 2 percent of the population now around to get jobs in these big businesses. Millions of dollars go to wealthy farmers. If you eliminated just the subsidy payments for individuals with taxable incomes of more than \$120,000, and to business, firms, corporations, with incomes of more than \$5 million, if you eliminated just that, you would save \$1 billion. Just cut them out.

On and on it goes. We have grazing fees out there. The ranchers who have their cattle and livestock on public lands pay a very tiny percentage of what they pay to private enterprise. These are the same people who want to get Government off their back. They make speeches about welfare recipients, mothers on welfare, and the need for them to have 2 years. Let us institute a 2-year policy; everybody gets help for 2 years.

Rural electric subsidies, 2 years; Tennessee Valley beneficiaries, off after 2 years; clean technology, off after 2 years. CIA, let's close the CIA in 2 years. If not close it up, let us have common sense and understand that the CIA, with a \$28 billion-plus budget, does not need to exist anymore. If you add up all of the kinds of savings that you could accumulate from taking away the corporate welfare, making some cuts in the military budget, making some cuts in enormously wasteful

enterprises like the CIA, refusing to bail out Mexico.

I am in favor of foreign aid. It makes sense, but program it so it is going to help people. The worst kind of foreign aid is to pump \$40 billion into Mexico in order to funnel it back to the banks of this country. It is about to happen; it is on the horizon.

As I close, I would like to warn every American, the possibility of creating a jobs program which could create 1 million jobs per year is very real. The money is there. We could save it out of programs that are wasteful, and we could forgo and refuse to expend it in Mexico. Money is there for the investment in jobs. We should not cast a blind eye to the No. 1 concern of the great majority of Americans. They are worried about their jobs, their income; they are worried about the stability of their family life. They are worried about what is going to happen to their children.

The Progressive caucus has put forth legislation to deal with those concerns. You will hear more from us as the year goes on. We understand that jobs are No. 1, jobs are our highest priority today, and jobs will be our highest priority for the rest of the 104th Congress.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YATES (at the request of Mr. GEPHARDT), for today, on account of family illness.

Ms. SLAUGHTER (at the request of Mr. GEPHARDT), for today, on account of family illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MFUME) to revise and extend their remarks and include extraneous material:)

Mr. FALCOMA, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mrs. SCHROEDER, for 5 minutes, today.

Ms. JACKSON-LEE, for 5 minutes, today.

Mr. KLECZKA, for 5 minutes, today.

Mr. VOLKMER, for 5 minutes, today.

(The following Members (at the request of Mr. GOSS) to revise and extend their remarks and include extraneous material:)

Mr. HORN, for 5 minutes, today.

Mr. GOSS, for 5 minutes, on January 19.

Mr. DELAY, for 5 minutes, today.

Mr. KINGSTON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to: