calling your nation to arms and sending men and now young women into harm's way. What an insult it would be to have a President who never wore the uniform, when he had the obligation and the opportunity, if he was healthy. That is God's call. 4–F is nobody's fault. Or being a woman that is not subject to the draft or being alive not during a voluntary period. I mean when the obligation was there and you were healthy, to ask a young man to go in your place, and then to aspire to the mantle of the presidency, asking young men and women to die for their country or for some other country that truly needs us when that person refused to do the same when it was asked of him.

□ 2015

We have got to sort this out. This job of president is different than any governorship. It is different than any other role in our Nation because of this aspect of commander in chief.

Further, I have always felt, Mr. Speaker, that principled leadership also means self-control. What right does any man have to claim authority to govern the lives of others when he cannot control his own behavior? Fortunately, I do not see that problem with any of the nine candidates that are out before the people at the end of this month. Principled leadership sifts through the pack rather quickly.

I serve here in the House of Representatives, in my 11th year from Orange County and a very exciting six years from West Los Angeles in the late 1970's and early 1980's. I serve here because I want to help restore America to its former greatness and its promised future.

My last sentence, Mr. Speaker, is this, America's future will remain in jeopardy as long as leaders lack the guts and convictions to move the revolution. The first 100 days was important, but the second, third and fourth and fifth 100 days will reveal the character of this body.

We either stand for liberty and virtue or we cower toward a seemingly safe island of moral isolation. I stand for liberty and for virtue.

ON THE EFFECTS OF THE CONTRACT WITH AMERICA

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

Mr. SANDERS. Mr. Speaker, let me begin by quoting from an article that appeared on the front page of the New York Times today and what the article does is analyzes a poll that was done by the New York Times and CBS News. Let me read, if I might, the second paragraph on the front page. It goes as follows:

''Despite the best efforts of the Republicans to publicize and promote what they call their legislative revolution, the survey,'' i.e., the poll that CBS and the New York Times did, ''suggested that much of the public remains largely disengaged. Only 38 percent said they had read or heard anything about the Contract With America, the Republican policy agenda that has driven the House in these first three months. Forty-seven percent said they were 'mostly disappointed' with the first 100 days compared with 39 percent who said they were pleased, and Mr. GINGRICH's personal ratings remain remarkably negative.''

What I find disturbing about the results of the poll is not really whether people cared about Mr. GINGRICH or how much they liked or disliked the Contract With America, what I find absolutely incredible is that only 38 percent of the people contacted said they had read or heard anything about the Contract With America.

Now, how can that be? Every single day on the front pages of newspapers there are discussions about the Contract With America. Turn on the television tonight, every news program will be discussing the Contract With America, and only 38 percent of the people had heard anything about the Contract With America. What is that about?

It suggests to me a very serious problem in America. And that is, by the tens of millions of people, ordinary Americans are tuning out and not paying attention, ignoring the politics that goes on in this country. This phenomenon was certainly reflected in the November 8 election that brought the Republicans power in both the House and the Senate. In that ''mandate,'' 38 percent of the American people voted; 62 percent of the people did not vote at all.

The question, therefore, is, what is going on with American democracy? And the deeper question that I think we must ask ourselves is, to what degree are we, in fact, today a democracy, when the vast majority of the people do not vote and when tens of millions of people are not aware of what is going on in our society and within our political system?

Mr. Speaker, I would argue that perhaps, and I am not quite sure of the full reasons as to why so many people have given up on the political process. I do not really know why when Sweden holds an election, 90 percent of the people come out to vote. France is now in the middle of a major campaign. The guess is that over 70 percent of the people will vote there. And in Canada, our neighbor, over 70 percent of the people vote. I cannot tell you why it is that so few people in America have faith in the political system and no longer participate, no longer vote, no longer care about what goes on here in Washington.

Here every day people are yelling and screaming, but it does not mean much to the folks out there. I would argue that perhaps the major reason is that the average American today is hurting very, very badly. The average American family is in a lot of pain. We are becoming a poorer nation. Our standard of living is in decline. The gap between the rich and the poor is growing wider. Millions of Americans are fearful that their jobs are going to go to Mexico. They are going to go to China. Millions of Americans are working longer hours. They are afraid to stand up on the job and protect their rights and fight for their rights because they are going to get fired.

And I think with people in pain they look to Washington, they turn on the television and they do not see the reality of their lives reflected in the debate that takes place here in Congress. They listen to corporate America on the media. They do not see that reality reflected. And they say, Hey, I am in trouble. I am in pain. My standard of living is going down. My kids are going to have a lower standard of living than I am. I cannot afford health care. My job is going to Mexico. Who is talking for me? Certainly not the politicians. Why should I pay any attention?

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

Mr. SANDERS. I yield to the gentleman from Oregon.

Mr. DEFAZIO. In response to that, I think that part of what breeds the disenfranchisement, the fact that people are turned off, is things like the bill that was passed here in the wee hours last night.

Funny thing, when Mr. GINGRICH had things in his contract and he wanted to trump it, we always stopped about the middle of the evening and then brought them up the next day so they could play it prime time. But two bills, term limits and now tax breaks, were voted on very, very late at night.

They are very cynically named. This was a bill to provide middle income tax relief. The gentleman touched on this very well. The only group of people who are consistently paying higher taxes in 1995 than in 1980 are middle-income wage earners, small business owners and people who work for hourly wages or a salary. They are paying more, because Congress jacked up the FICA tax, Social Security, dramatically, a regressive flat tax which is capped at $64,000 a year of income, and also what has happened with bracket creep and other things.

The wealthy, those who earn over 200,000 a year, they were yelling and screaming like stuck pigs over the Clinton budget which put them in the normal 39 percent tax bracket, which is down from the 70 percent tax bracket that they were in in 1979. And, of course, they only paid the 7 percent FICA tax on the first $60,000 of their earnings.

But then what people see, they tune in. And some of them would have voted for the new majority who were disenchanted with what had happened to them. They saw their standard of living declined, and they asked for help and reached out for change and help. And they brought in a group of people who turned back the clock to the point

where there is not going to be middle-class tax relief from the bill that was passed last evening, but what there will be is tremendous court relief.

They did not talk much about those parts of the bill on the floor. They talked about some of the smaller portions.

Just the repeal of the corporate alternative minimum tax, your eyes glaze over when you hear that. But it is so significant.

Mr. SANDERS. Let me jump in, if I might. Some Americans, Mr. Speaker, will remember, as I am sure my colleague from Oregon will remember, that in the early 1980s, after Reagan was elected president, there was an enormous scandal that many people were discussing in America.

What they were discussing is that at the time when middle-income people were paying more and more in Federal, State and local taxes, lo and behold, as a result of a variety of loopholes, it appeared that some of the largest and most profitable corporations in America, primarily owned by the wealthiest people in America, were paying what in taxes, Mr. DEFAZIO?

Mr. DEFAZIO. I brought the list, just so we could review a few. 1982 to 1985, 42 major corporations paying zero or less.

Mr. SANDERS. These must be small businesses with marginal profits, I would suspect. Is that the case?

Mr. DEFAZIO. Sure. Let us start at the top. American Telephone and Telegraph, profit, $24,898,000,000 from 1982 to 1985 in profits. And guess how much they paid in taxes?

Mr. SANDERS. Six billion dollars? I would guess that would be a fair——

Mr. DEFAZIO. They had 24 billion in profits. Would you think, if they were working for wages, they would have paid even a little more than 6 billion? They would have paid 28 percent? No, try one more time.

Mr. SANDERS. Well, 4 billion maybe 4. Am I wrong again?

Mr. DEFAZIO. A reasonable guess. But guess what? This is sort of a miracle. This is a miracle of supply side economics, which we brought back to America last night.

They did not pay any taxes. In fact, they not only did not pay any taxes, with 26,898,000,000 in profits. Guess what? Working stiffs in this country gave them a $635.5 million tax credit. They did not pay any taxes, and they got a credit for the taxes they did not pay. So their tax rate was minus 2.6 percent. Not bad.

Mr. SANDERS. We have been a little bit facetious about this. I think this deserves analysis and serious look.

What we are talking about is some of the largest corporations in America, owned by the wealthiest people in America, making huge profits and paying less in taxes, zero, than the average working stiff who makes $20,000 or $30,000 a year.

You mentioned AT&T. What other corporations were involved?

Mr. DEFAZIO. Let me list a couple of others. This is serious. And we do not want to be facetious. I will jump down to, say, the middle of the list. Xerox Corporation, over that three-year period, $670,300,000 in profits. And they received a tax credit of $42.8 million. So their tax rate was minus 6.5 percent.

Mr. SANDERS. That means——

Mr. DEFAZIO. One more. Let us pick a high tech company, Tectronics—they have not been doing so well lately but back then they did better—$163,300,000 profits over three years, and they got a $13,800,000 tax rebate for a negative 8.5 percent rate of taxation.

Just last night we repealed the law that did away with this scandal. That was part of the contract on America, to do away with the corporate alternative minimum tax. That means that an American who works in a factory job for 10 bucks an hour, if Mr. GINGRICH'S dream bill here goes through, the crown jewel, will pay absolutely, not in rates, but will pay absolutely more in taxes than some of these largest corporations in the world.

Mr. SANDERS. Let us back up a little bit.

What Mr. DEFAZIO is talking about is that in the early 1980s, if my memory is correct, a majority of the major corporations in America paid zero, not a penny in taxes, and, as Mr. DEFAZIO indicates, some of them actually got a credit. That is how absurd and corrupt the tax system was.

Well, both the Democrats and the Republicans became a little bit embarassed by this scandalous situation where we have working people making $20- or $30,000 a year paying more in taxes than all of AT&T and General Electric and the other large corporations.

□ 2030

So what they passed in 1986 was called the minimum corporate tax. Basically, what that said, it said large multinational corporations with all of your fancy lawyers and your tax accountants and everybody else, after you go through all of the tax loopholes and after you avoid paying taxes on this, that and the other thing and you end up with zero, well, guess what, we think you should at least pay a minimal tax, a minimal tax. And that is what was passed in 1986, mandating the corporations at least paid something.

What Mr. DEFAZIO is describing is that yesterday, as part of the Republican tax bill, that minimal corporate tax was repealed, and we are rapidly moving back to the time when the largest corporations in America will pay zero in taxes.

Now, some people will say, well, so what? So what does it matter that AT&T and General Electric and duPont and all these corporations do not pay anything in taxes? What does it have to do with me?

Mr. DEFAZIO, what does it have to do with the average working person?

Mr. DEFAZIO. Well, if it gets as bad as it did in the 1980', working people will pay taxes in order to give tax credits to corporations that did not pay any taxes at all, which they then passed through to their shareholders who are also hiring the same accountants to avoid taxes and now will be allowed with the new 14-percent tax bracket for capital gains or 18 percent established by the Republican bill, will be able to pay a lower rate of taxes than someone earning $25,000 or $30,000 a year through the capital gains loophole.

So what we are doing is asking people who are struggling to make ends meet, people who are struggling to figure out desperately some way to save a few bucks for their kids' education or just for their clothes are going to be asked to send money to the Federal Government so it can be handed back to large, profitable corporations so they can distribute it to shareholders who will not pay very much tax on it.

Mr. SANDERS. What it also means, it seems to me, is that if the major corporations in America are paying nothing in taxes there will be less money available for Federal aid to education, Federal aid for environmental protection, Federal aid for the handicapped, Federal aid for Head Start, and so forth and so on. So, in essence, what will happen is the tax burden will be passed on back to the State and local level.

Now, I do not know about Oregon. I am not familiar with Oregon's local tax situation. But in my State of Vermont we are highly dependent for education and municipal services on the property tax, which is an extremely regressive tax.

To the degree that the Federal Government cuts back on Federal aid to education because corporations are not paying any taxes, who is going to make up the difference? In the State of Vermont it will be family farmers, it will be senior citizens, it will be working people who are not making a lot of money who will have to pay higher and higher property taxes, higher and higher State taxes because the AT&T's and the GE's primarily owned by wealthy people are not paying their fair share of taxes.

Mr. DEFAZIO. If I can interject again. Another interesting historical note, in 1960 the corporations in America paid about 20 percent of the tax bill. This year, before the Republicans repealed the corporate alternative minimum tax, the corporations will pay about 10 percent of the tax bill in this country.

So someone else has had to pick up the slack. And guess what? It is not the people who earn over $200,000 a year who just got also some very generous tax breaks last night; it is average working families.

There was some move on the part of the Republican Party, and I have got to give credit to the 106 Republicans who signed a letter to the Speaker saying they could not go home with a

straight face and say they were providing middle-income tax relief when it went up to $200,000 a year, and they asked to take it down to $100,000 a year.

Well, I cannot go home with a straight face to Oregon and talk about $100,000 as middle income, but if we were talking $30,000, $40,000 a year, that would be in the ball park. And those people are being asked to pick up the additional share of the burden or finding that the programs on which they depend, that is people who have incomes at that level and who are retired now, Medicare, are being cut back, seniors with even lower incomes, Medicaid is being cut back, younger people with kids who are growing up are finding that Pell grants and other things are going to be cut back, both in the rescission bill earlier passed in this House by Mr. GINGRICH and in the budget which Mr. KASICH will put forward shortly.

So not only are we asking the middle-income people to pay more, the few programs from which they and their families have been able to benefit and the few sorts of things they had to depend upon are being gutted. I mean, it is a very bitter reality.

So I can understand why a lot of these people are turned off to politics and not voting. But I mean my solution is they should all get out and vote. Because the people who earned over $200,000 a year who got these very generous tax breaks last night probably voted at a rate of 90 percent, and the people in the $30,000 tax bracket who are going to end up picking up the tab probably voted at the rate of 37 percent.

Mr. SANDERS. Let me jump in and just pick up on that point. Let's talk for a moment about something which, amazingly enough, I do not know how it happened, but the Contract With America just ignored or I missed it, it must have been by accident, and that is the role of money in politics and campaign finance reform.

Now, I find it extremely interesting that within the last several months, and, by the way, as the only independent in the Congress I will say the same things about the Democratic Party here, but within the last couple of months after the Republican victory huge amounts of corporate money has been flowing into the Republican National Committee, campaign contributions.

Several months ago, as you will recall, the Republicans had a fundraiser, and on one night, one night, they raised $11 million from some of the wealthiest people in America and large corporations.

Furthermore, at about the same time, Speaker GINGRICH attended a fundraiser in order to raise money for a conservative television network. And the deductions to that fundraiser, by the way, were tax deductible. Interestingly enough, that fundraiser cost a mere $50,000 a plate, $50,000 a plate. My understanding is that extra coffee was served free of charge, and that included gratuities. In fact, I would have loved to have been the waiter getting a 15 percent tip on that. But $50,000 a plate. Huge amount of money.

Mr. DEFAZIO, it would seem to me that there is a direct correlation between this huge amount of corporate money and money from the wealthy flowing into the Republican party and what happened yesterday. Do you see that relationship?

Mr. DEFAZIO. Well, not only what happened in the tax bill yesterday, certainly. More than 50 percent of the individual benefits in this tax bill will go to people earning over $100,000 a year. And, of course, the corporate benefits will not go to small businesses. They are going to go to these largest corporations, again those who are subject to the alternative minimum tax.

I do not know any small businesses in my district who have to pay the alternative minimum tax, but the large corporations, multinational corporations certainly do. So that is one thing.

But there was something else going on yesterday, and I don't want to get too far afield, but we were marking up over about a 30-hour period in the Committee on Transportation and Infrastructure a revision of the Clean Water Act, and I will say also that the corporate payoff was going on there, too. Because we saw amendment after amendment offered on the Republican side to remove restrictions from industry to allow direct discharge of toxics into the Great Lakes and other bodies of water in this country, to reduce the list of chemicals restricted from direct discharge into our drinking water from 70,000 to 5. That was an amendment.

These amendments, I saw after the Great Lakes were removed from Federal control, the Great Lakes bordering some 10 States and a foreign nation have been removed from Federal control for toxic discharge because that was an undue burden. It has now become a voluntary program.

I saw some paper company and other lobbyists hugging and jumping up and down outside. They had just won this tremendous victory. You can bet that they have been writing checks.

Then we saw, one of the most outrageous things I have seen, I have been around a while, this is my ninth year in Congress, but I have never seen anything so blatant as what I saw a couple of weeks ago when a number of new Republican freshmen members were quoted as saying they are telling lobbyists if they did not contribute to their campaigns or contributed to their opponents, they had better make up for that. I mean, this is the most blatant squeezing of corporate America I have ever seen. It is unbelievable.

Mr. SANDERS. Now, I have not witnessed this with my own eyes, but I have read and I have heard from other Members that the lobbyists themselves are now writing the legislation and giving it to Members to present. Have you heard that?

Mr. DEFAZIO. Well, there were amendments in the Committee on Transportation and Infrastructure yesterday being presented which favored polluters over public interests which could not be satisfactorily explained by the Republicans offering them on the other side. And at one point I was tempted to say why don't we just bring the lobbyist up to the dais, they can at least explain it, and then we will go forward with the vote.

You know, clean water. I mean, there were things like allowing industries to discharge whatever they wanted into municipal sewers and requiring the local taxpayers to pick up the tab. No more pretreatment requirements for toxics or extraordinarily difficult things that are difficult to deal with.

I am not saying the Clean Water Act is perfect the way it is, but a reading by an impartial person of what went through that committee yesterday will say, whoa, are we going back to 1955 when the Cuyahoga River was flammable? Are we going back to the days in Oregon when the Willamette River was an open sewer?

And the unfunded mandates, we offered an amendment to say that, you know, the bill should identify unfunded mandates because what this does substantially is move burdens from industry to public taxpayers and people who pay sewer bills and people who pay property taxes and bonds for municipal sewer systems.

Of course, the Republicans would not let an unfunded mandate provision through that related to private interests. It is okay that these large corporations who are also contributing to the Republican party can now just dump their stuff in the river and then it is up to the people in the local city to try and clean it up.

Mr. SANDERS. We have been trying to understand in this discussion not just the outrageous nature of the recent Republican tax plan in which half of the benefits go to people earning $100,000, 25 percent of the benefits go to those people earning $200,000 a year or more, where the largest, the wealthiest 1 percent of earners get more benefits than the bottom 60 percent.

All of that is important, but it takes place within the context and I think helps us understand why so many people out there shrug their shoulders and say why should I vote, why should I participate. It does not really matter, the game is rigged, the people who have the money call the shots. Nobody cares about me. I am just a plain working person.

Mr. DEFAZIO. If I could interject a story at that point. I, in my first term went to stand with some men and women who were on strike at a lumber mill in my district. I stood there with them and caused some disruption and dismay by the management and ownership of this very large company, and I was asked by a reporter how can you do

this? You are dealing with one of the most powerful corporations in America, privately held, one of the 500 richest men in America.

I said, you know, on election day he gets one vote and all these people get one vote each, and that is the thing. People have to come back to the ballot box. They do not have to be a Democrat or a Republican. They can be an Independent, I mean nonaffiliated. They can form a third party. It does not matter. This country is not going to be healed until we get turnouts in the 70s, 80s, 90s. I do not think I will ever live to see the day when we get close to 100 percent.

Mr. SANDERS. We should ask ourselves why it is in the Scandinavian countries, many of the European countries turnouts are 70, 80, 90 percent; and we just had an election in which 38 percent of the people came out to vote. That turnout is directly related to what we have been talking about in terms of huge tax breaks for large corporations and wealthy people and cutbacks that will be coming in Medicaid, Medicare, student loans for those young people who today are having a hard time getting into college, WIC, Head Start, you name it. Every program that every working person, elderly person and kid in this country needs is on the chopping block.

What is going on, and Mr. DEFAZIO stated it well, if you have only 38 percent of the people who are voting and if the vast majority of low income and working people do not vote, those people are invisible.

□ 2045

You don't have any health insurance, so what? Who cares? Your pain is not reflected on the floor of this House.

You can't afford to send your kid to college? So what? No one is going to pay attention to you unless you make your concerns known by getting involved politically.

What goes on is that the vast majority of poor people and working people don't vote. Therefore, they are politically invisible. But there are some people who understand the political system very well. It is not just that the upper income people vote in very high percentages, but they contribute huge amounts of money to political campaigns. If a corporation like Amway or some other large corporation contributes hundreds and hundreds of thousands of dollars to the Republican Party, don't you think that maybe the leadership of the Republican Party is going to sit down and listen to their concerns? If wealthy people contribute thousands and thousands of dollars to the party of their choice, they have enormous power in shaping the agenda.

The gentleman from Oregon [Mr. DEFAZIO] was suggesting that on his subcommittee, lobbyists paid a major role in writing the legislation. That is what is going on. The only way to change that situation is when working people and low-income people say, ''Wait a minute. This country belongs to all of us, not just the wealthy and the powerful.'' One person-one vote. It is not how much you contribute. It is not a $10,000 contribution gives me power. That is not what it is supposed to be about. One person-one vote.

I absolutely agree with the gentleman from Oregon [Mr. DEFAZIO] that we are not going to change the priorities and the agenda of the Congress so that it begins to pay attention to ordinary Americans, working people, unless we make radical changes in who participates, who votes.

If you are not happy with what is going on, you can ignore everything and not vote. The people who own America are delighted. That is exactly what they want. They want you to think that politics is a joke, that it is irrelevant. They don't think it is irrelevant. They contribute huge amounts of money. They help determine the agenda. So if you want to have some input, you have got to participate politically, you have got to vote, you have got to get involved.

Mr. DEFAZIO. If the gentleman would yield, I am going to have to leave shortly, I would just like to change the subject for a moment but it bears on the whole discussion, again, why people are so cynical about what is going on in Washington. It goes to the subject that we have spent some time on, on the floor earlier this year, which is the bailout of Mexico.

There is an article, a very interesting article from yesterday's Los Angeles Times. It says it more succinctly than I could.

Thus far, the United States has put up $20 billion of our taxpayer dollars through a rather secretive fund controlled by the Federal Reserve and the Treasury and Mexico has spent slightly more than $4 billion of the funds. There is some discussion, we heard certainly from Speaker GINGRICH and Majority Leader DOLE in the Senate who were avid supporters of the Mexico bailout who are not trying to sort of cover that up, but they were there, they signed on with the administration, the President and Robert Rubin. They were all together. This is again why people are cynical because they saw a Democratic President and a newly elected House Speaker and a newly elected majority leader, both Republicans, in the House and the Senate signing on to the same $40 billion bailout of Mexico.

Here is what the Los Angeles Times says about the first $4 billion of our money that has gone to this bailout:

> Much of the money never left New York. It was paid out by the Federal Reserve in New York, where it was used to redeem the high profit bonds held primarily by major U.S. institutions, Wall Street speculators, and wealthy Mexicans who bought the securities largely through non-taxable offshore corporations according to investment sources and market analysts.

So here it is. We are supposedly saving our neighbors to the south in a gesture of good will and the money changes hands from our tax deposits with the Treasury and the Federal Reserve in New York directly into the bank vaults of the speculators and the wealthy investment banks in New York City. This kind of outrage is again part of what brings people to cynicism. At the same time as that is going on, we see in yesterday's Washington Post a little headline saying power to boost dollar doubted. Dollar hits a record low 3 days in row against the Japanese yen. We are basically heading to one dollar and one yen the way we are going here and the United States cannot do anything about it.

Why? In great part because we are too involved in attempting to prop up the failing government of Mexico and the crashing peso and as soon as we became associated dollar with peso like a Eurocurrency, the dollar started plummeting. This is a good part of the problem.

Mr. SANDERS. If the gentleman will yield, I am very glad he raised this issue because that in fact is the issue I wanted to get to next. When we talk about why people are cynical about the political process, the gentleman is absolutely right in suggesting that this multi, multibillion-dollar bailout of Mexico is precisely the reason why people shrug their shoulders and they say, ''Government doesn't represent me.''

Let's start off with a couple of facts. You made the right point. Who is supporting the bailout? We have presumably 2 political parties, right? And theoretically they are supposed to be really different, big basic philosophical differences.

Well, you have President Clinton and some of the leadership of the Democratic Party are supporting the bailout. One would therefore expect that the opposition in terms of the Republican Party would obviously be strongly opposed, right? That is what one might expect. But lo and behold, surprise of all surprises, there is the gentleman from Georgia [Mr. GINGRICH] and the leadership of the Republican Party supporting the bailout. The truth of the matter is there are a number of people in the Democratic party, the gentleman from Oregon [Mr. DEFAZIO], the gentlewoman from Ohio [Ms. KAPTUR], some of the leaders there, a number of people in the Republican Party, the gentleman from Texas [Mr. STOCKMAN], the gentleman from California [Mr. ROHRABACHER], and others in strong opposition as well.

When we talk about cynicism, this really gets to me. We are talking about a bailout which puts at risk the possibility of losing over $20 billion of American taxpayers' money at the same time as we have a $200 billion deficit and at the same time we are cutting back on a wide variety of programs for the most vulnerable people in this country.

I ask the gentleman from Oregon [Mr. DEFAZIO], help me out, what was the vote on the floor of the House after that vigorous debate on this bailout?

Do you recall what the vote was after we discussed that issue thoroughly on the House?

Mr. DEFAZIO. We attempted to bring a privileged resolution to the floor of the House about 2 months ago on this issue, the secretive rendering of funds from the Federal Reserve and from the Treasury accounts that are supposed to be there to prop up the dollar, and obviously they are not there to prop up the dollar anymore. My recollection is we were able to get 14 Republican votes who were all threatened with punishment the next day if they ever would vote that way again, and obviously we got more votes on the Democratic side. I do not recall the total number.

Mr. SANDERS. I was being a little facetious. There has never been a vote of course on the floor of the House.

Mr. DEFAZIO. That was on an extraordinary attempt to bring the issue to the floor.

Mr. SANDERS. Right.

Mr. DEFAZIO. No, we have not been allowed to directly bring the issue to the floor, although there was some language attached to today's Department of Defense conference report.

Mr. SANDERS. In other words, the point is that with over $20 billion of taxpayers' money at risk, Speaker GINGRICH and the Republican leadership in conjunction with a number of Democrats are prepared not to allow that debate on the floor of the House, not to allow that vote.

Mr. DEFAZIO. The gentleman is on the Banking Committee. Has there been a vote in the Banking Committee on this issue?

Mr. SANDERS. There certainly has not. I have introduced legislation which would not allow any more funding from the Exchange Stabilization Fund to go to the bailout of Mexico without the appropriation and the authority of a vote from the Congress. But we have not been able to get that legislation on the floor of the House.

When we talk about cynicism, let's talk a little bit about Mexico, let's talk a little bit about NAFTA, and I know that my friend from Oregon has introduced legislation to repeal NAFTA.

What really gets to me is that a year and a half ago when there was a vigorous debate on the floor of the House, we had the Clinton administration fighting terribly hard for the NAFTA agreement, we had the leadership of the Republican Party fighting very, very hard for the NAFTA agreement, we had virtually every multinational corporation in America telling us just what a wonderful thing NAFTA would be for American workers and Mexican workers. We had the corporate media, every, underlined, every major newspaper in the America editorialized in favor of NAFTA. That is the Wall Street Journal, the New York Times, the Boston Globe, the L.A. Times, you name it. All of the establishment and the money interests said, ''Boy, NAFTA is just what we need.''

I ask the gentleman from Oregon [Mr. DEFAZIO] why he introduced legislation to repeal NAFTA. Has it not been quite the success that these corporate giants and pundits told us it would be?

Mr. DEFAZIO. It is kind of extraordinary, actually. What we are doing now with the Mexico bailout is we are paying billions of dollars to speculators to attempt to prop up the Mexico peso and the Mexican economy because we are linked to them through the NAFTA agreement. We are losing jobs to Mexico, where wages and the standard of living have been reduced by 35 percent because of the devaluation of the peso.

The situation is the workers of Mexico, everyone outside of Mexico's 24 billionaires and a few hundred millionaires, have seen their standard of living go down by 35 percent in direct relation to NAFTA. Thousands at this point, over 20,000 American workers have been approved for unemployment benefits because their job loss was linked directly to the movement of their plant to Mexico.

We ran in January the first trade deficit with Mexico in 12 years, $863 million, 1-month trade deficit with Mexico, and it is predicted by next year we will run a $20 billion trade deficit with Mexico, which means, according to the Commerce Department, for every billion dollars of net on our trade balance, we create 20,000 jobs in America.

So if we run a $20 billion trade deficit with Mexico, we are ceding $400,000 to Mexico and we are paying $40 billion to do it. Absurdity on absurdity on mistake.

Mr. SANDERS. If the gentleman will yield, a year and a half ago we were told by every major corporate newspaper in America that NAFTA was a good deal. The multinational corporations put big ads in the newspapers saying, NAFTA is a good deal. Working people and their unions fought back against NAFTA. Environmentalists understood the terrible environmental impact that NAFTA would have. Consumer groups fought against NAFTA. But we could not defeat the enormous amount of power and money that was arrayed against us.

Since NAFTA has gone into effect, the figures that I have seen indicate that we have lost some 50,000 American jobs.

As the gentleman from Oregon [Mr. DEFAZIO] just indicated, at a time that historically we have always had a trade surplus with Mexico, we have a terrible trade deficit internationally, but we have always had a surplus with Mexico, for the first time now, we are running a significant trade deficit.

The gentleman is right, in January the deficit was $800 million in 1 month, and it is predicted that the trade deficit will mushroom and grow. The standard of living of Mexican workers is plummeting with the devaluation of the peso.

And now, atop of all of that, American workers who have lost their jobs because of NAFTA are being asked to bail out American speculators and billionaires in Mexico because the peso was devalued and the L.A. Times appropriately I think correctly indicates that most of our bailout money is going back to Wall Street and to wealthy Mexicans.

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Mr. SANDERS. Now, on top of all of that, if that is not enough for you, during the debate over NAFTA, some of us were concerned that we were merging our economies with an authoritarian and corrupt government.

Mr. DEFAZIO, maybe you want to share with the public, and I have some of the information here, what has recently taken place in Mexico that I have a feeling some people may have known before the NAFTA debate. What about Mr. Salinas' brother? Where is that gentleman sitting right now? Former President Salinas' brother is now in jail.

Mr. DEFAZIO. He is in jail, that is right.

Mr. SANDERS. Now, this gentleman, Mr. Salinas, was President of that country. His brother is in jail under arrest for masterminding a political assassination. Furthermore, the former Deputy Attorney General of their country who had the responsibility for cracking down on the very serious drug problem in Mexico and the exporting of drugs from Mexico to the United States. Surprise, surprise. Where is that Deputy Attorney General today, who was their drug czar? My goodness, he is also in jail. He is in jail under charge that he has taken millions and millions of dollars from the Mexican drug cartel.

Mr. DEFAZIO. Do not forget that, of course, President Salinas said his brother was innocent and went back and staged I think it was a 12-hour hunger strike and then fled the country for the United States he was so convinced of his brother's innocence. He is of course somewhere at large in the United States living off of his Swiss back accounts and his investments in New York City and his many residences there.

Mr. SANDERS. So at a time when we continue to have a large deficit, when the government is cutting back in my State, in your State, Oregon, cold weather up there, not as cold as Vermont but it gets cold. We are talking about in the House cutting back and completely eliminating the fuel assistance program by which 5 million low income people get help in the wintertime to heat their homes, including 2 million senior citizens. We cannot afford to do that.

We are cutting back on student loans and grants upon which millions of working class kids depend in order to get their college education. We are cutting back on the WIC program, wonderful program for pregnant women, low income children. We are cutting back, now the debate will begin on the new

budget, major cutbacks in medicare, major cutbacks in medicaid. There are those who seriously want to dismantle the social security system. We just don't have enough money for all of that, but lo and behold, isn't it amazing, just amazing that we have $20 billion to put at risk bailing out another country, in this case Mexico. Much of that money will accrue and go back to investors who originally made a whole lot of money in Mexico lost money and now they want Uncle Same to bail them out.

Mr. DEFAZIO. According to the Los Angeles Times, many of those folks are high stakes American investors who had invested the money through nontaxable offshore corporations, so we cannot even say that they have made a gain or they are going to recoup their funds and pay taxes on it. These are Americans who are not paying taxes on 50 percent interest earnings on failed Mexican bonds which have been propped up by working people's tax dollars, which brings up one other outrageous thing that went on this week. The issue of the billionaires, people amassing huge fortunes in the United States which if they were to dispose of it they would have to pay a capital gains tax on, 28 percent, that is about what your average working person pays or, under the new Republican proposal, 19 percent.

But in any case, a number of those people, and again this is a collusion between the Republicans and Democrats, unfortunately, from my own party between the administration. The Treasury has a list of how many of these billionaires and cente-millionaires have in the last year renounced their United States citizenship which means that they can expatriate all of their holdings and profits to Ireland or Costa Rica and not pay any United States taxes.

On the floor of the House we attempted several times to pass a simple piece of legislation that would have said before these people can expatriate the money, since they enjoyed the fruits of American citizenship, since they made that money as American citizens, since they made that money by employing Americans and selling things to Americans in this country, that they should pay a fair rate of taxes, at least the capital gains rate of 28 percent, before they expatriated and before they renounced their American citizenship. Amazingly, somehow the Republican party stood up and defended that practice.

It is alleged two former members of Congress have been hired by an investment firm out of New York to lobby this issue. How is it that you cannot get 435 people elected to represent citizens of the United States of America and the interests of the citizens of the United States of America to vote to say that people who want to renounce their citizenship, traitors to the United States of America, should not pay some minimum tax before they expatriate the hundreds of millions or billions they made operating businesses in this country? That was one of the most outrageous and one of the lowest points, there are many low points in the first hundred days, but that has to be the lowest because that kind of goes to the heart of everything.

Who do we really work for here? Do we work for the American people? Apparently a majority, since we were voted down by a large majority of Republicans and a few Democrats several times on this issue feel that multi-millionaires and billionaires no matter what their citizenship have a stronger call on their vote than the people who elected them. I think if people who elected the new majority knew about that vote they would be outraged.

Mr. SANDERS. We are running out of time and I just want to conclude by saying this. This is a great country and we are great people, but I think as Mr. DEFAZIO just demonstrated, time after time what ends up happening in Congress is that the decisions that are made here are not made in the best interests of ordinary Americans. They are made in the best interests of the wealthy and the powerful, very often the same people who contribute heavily to the political parties, who hire lobbyists and lawyers to get things done for those people.

In this country, we can, if we put our minds to it and we work together, develop a new trade policy which stops corporate America from taking our jobs to Third World countries. We can have those corporations reinvest in America and create decent paying jobs for our people. That is not utopian.

In this country, we can raise the minimum wage. We do not need to continue a minimum wage of $4.25 an hour in which people work long, hard hours and they end up deeper in poverty. We can raise the minimum wage to $5.50 an hour. We have legislation in to do that.

In this country, if you had a Congress that represented ordinary people rather than the big money interests, we could joint he rest of the industrialized world and pass a national health care system that guarantees health care to all people. We do not need to continue the most expensive, wasteful bureaucratic system in the world in which 40 million Americans today have no health insurance.

We can do better. we can have a tax system which is fair, which asks those people who have the money to pay their fair share of taxes so we can lower taxes for middle income and working people.

We can put more money into education so that we do not have so many of our kids dropping out of high school and have a situation where so many of our kids cannot afford to go to college. Throughout Europe, in Canada, in Scandinavia, their governments put more money into higher education, enabling their working people to be better able to send their kids to college.

Those things are not magical. They are not utopian. They can happen, but they will not happen until the American people wake up and reclaim this government from the millionaires and the billionaires who today control it.

Mr. DEFAZIO. In conclusion, I could say we can do all those things and, in my opinion, with the proper priorities, we can balance the Federal budget.

Mr. SANDERS. I would certainly agree. Let me conclude by thanking my friend, Mr. DEFAZIO from Oregon, for joining me.

I think we depart by saying to the American people, please stand up, fight back and take back your country.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GEPHARDT (at the request of Mr. FROST), for Thursday, April 6 and Friday, April 7, on account of death of his father.

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. FARR) to revise and extend their remarks and include extraneous material:)

Mr. WYNN, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. KLINK, for 5 minutes, today.

Mrs. SCHROEDER, for 5 minutes, today.

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

Mr. OBERSTAR, for 5 minutes, today.

Ms. SLAUGHTER, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. LIPINSKI, for 5 minutes, today.

Mr. UNDERWOOD, for 5 minutes, today.

Mr. WISE, for 5 minutes, today.

Mr. SPRATT, for 5 minutes, today.

Mr. FARR, for 5 minutes, today.

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

Mr. MICA, for 5 minutes, today.

Mr. KINGSTON, for 5 minutes, today.

Mr. FOX of Pennsylvania, for 5 minutes, today.

Mr. HOKE, for 5 minutes, today.

EXTENSION OF REMARKS

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

Mr. MOAKLEY, during debate of House Resolution 130.

Mr. THOMAS and to include extraneous material on H.R. 483 in the Committee of the Whole today.