

major exception, that the tax goes away at the end of 2 years.

We are not discouraging investment in securities. We are discouraging speculation in short-term trading in the securities. In our view, the country will be benefited, working families will be benefited, corporate management will be benefited if the owners of the corporations have a community of interests with the corporate management and want to help them by focusing more on the long term.

We would use the revenue from the transfer tax on short-term speculation to create an A fund to create long-term investments in working families. The A fund would be dedicated, first, to funding deductions for higher education and work-skill training. Those higher education deductions—that is the \$10,000 deduction the President has talked about—would be used, the resources would be used, to fund a tax credit for dependent children. They would be used to fund programs to accomplish work force training, school-to-work, efforts to achieve education goals, technology research and development, and export promotion. All of these activities, we believe, do help promote more job creation and more high-wage job creation in this country.

We also recommend a whole range of proposals to reform the securities regulation and accounting area to promote greater attention to long-term investment and performance of business by those who do invest in corporations.

Finally, one of these areas I want to talk about just briefly, Mr. President, is the issue of how we make Government a better ally of America's working families. We propose, as part of this overall package of recommendations, to reduce the tax burden on working families in several very specific ways—to cut in half the payroll tax paid by employees.

I referred earlier to the fact that the adoption of the business activities tax would allow us to cut in half the payroll tax paid by employers. We believe we should also cut in half and can also cut in half the portion of the payroll tax paid by employees. I point out to people that this is not a small item. Something over 70 percent of all taxpayers in this country pay more tax under the payroll tax than they do under the income tax. We are suggesting that the payroll tax, which is the biggest tax burden on most working Americans today, be reduced in half.

Second, we are recommending that we reduce individual income tax by increasing the standard deduction very substantially.

Third, we are suggesting—and I referred to this before—we permit the deduction of up to \$10,000 for investment in postsecondary education and training—this is the President's proposal—and that we provide a \$500 tax credit—a \$500 tax credit—for each dependent child. We believe that all of these actions can be taken. All of them will benefit working families.

In addition to that, we can use some of the funds raised by the shift to the business activities tax and by the establishment of the A fund that will be established with the use of revenues from the securities transfer tax to increase efforts to improve education and training. We would support skill standards and academic standards for students. We would support school-to-work transition. We would support more work force training.

Let me finally say that Government, we also believe, needs to be a better ally for the self-employed worker and for small business. As part of what we recommend here, we would reduce in half the self-employment workers' payroll tax, which is presently 12.4 percent. We reduce that to 6.2 percent. We would exempt all small businesses with less than \$100,000 in annual receipts from Federal business tax. Corporate tax returns today indicate that there are about 24 million people filing some type of corporate tax return.

With this change, with this single change of exempting all businesses with less than \$100,000 in annual receipts, we would reduce the number of people who have to file a business return from 24 million down to 9 million. So there are 15 million businesses that today file business returns that will be exempt from filing such a return or paying a business tax after this set of recommendations are adopted.

Mr. President, let me just step back from the specific recommendations. I have gone through some of the major ones. I have not tried to give an exhaustive description of all of the recommendations in our report. But the important goal is to begin this national debate. The important goal is to recognize the centrality of this issue of how we stimulate economic growth and to recognize that we all benefit from those Americans who do the work in this country, we share in the benefits from the growth that occurs.

It is not enough to continue to give speeches about the problem. It is not enough to continue to ignore the problem. In my opinion, Mr. President, those of us in the Government need to participate in a very real and important debate at this time in our Nation's history.

Our report "Scrambling to Pay the Bills" is an effort to move that debate forward and to get us down to some concrete steps that can be taken to help working families in America to do better in the years ahead. I hope very much that the report has that effect. I hope very much that the report does stimulate this debate. I hope that, during the remaining days and weeks and months of this Congress, we can get off of some of the things that, unfortunately, take up too much of our time here.

Today, I understand we are going to spend a substantial amount of time debating the Whitewater Committee again. We debated the Cuban shutdown yesterday. We have a whole

range of things that we debate around here that are not directly impacting upon the welfare of the people we are sent here to represent.

These recommendations try to bring that debate back to the issues that matter to people in our home States. I hope very much that we will seriously debate these issues between now and the end of this Congress. I hope very much that we can adopt some of the recommendations in here so that we begin providing some relief to those who are in fact doing the work in this country.

Mr. President, I thank my colleagues for their attention, and I yield the floor.

The PRESIDING OFFICER (Mr. INHOFE). The Senator's time has expired.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I ask unanimous consent to speak as in morning business for 15 minutes.

The PRESIDING OFFICER. The Senator is advised we are currently in morning business, with Senators permitted to speak for up to 5 minutes each. This unanimous-consent request—is there objection?

Mr. THOMAS. Mr. President, we reserved the last half-hour for three Members. If the Senator can take a little less than 15, we would appreciate it.

Mrs. MURRAY. I thank my colleague. I will attempt to do that.

The PRESIDING OFFICER. The Senator from Washington.

WHAT REAL PEOPLE ARE SAYING ABOUT CHILDREN

Mrs. MURRAY. Mr. President, when I left here in early February for the Senate's recess, I was exasperated. Nothing productive seemed to be happening here in Washington, DC. Budget stalemates had become an accepted way of life, rather than words to bring Members of Congress to work together to reach agreements. The battles of last year all seemed to end in stalemates. And worse, even the air in the District of Columbia seemed charged with negativity and mean-spirited rhetoric.

Today, however, I feel invigorated. My trip home to Washington State in early February was hardly relaxing, but it was extremely productive. Today, I want to take a moment to share with my colleagues why I feel a renewed sense of optimism and why I am ready to take on new challenges.

Mr. President, like many who work with our young people today, I have become increasingly concerned about what is or, more importantly, what is not happening for our youth today. I have spent my life working with young people as a mother, as a preschool teacher, as a school board member, as a Girl Scout leader, as a PTA member, as a State senator, and today as a U.S. Senator.

There is no doubt in my mind that young people today are becoming increasingly disillusioned with their

world. They feel that they have no chance—more and more of them know college is out of reach; many people feel unconnected to what is taught in our elementary and secondary schools; far too many have no support from family at home. Increasingly, I hear our young people from all walks of life, from 4.0 students to gang members, say, “I don’t think adults care about me today.”

Indeed, the statistics about our young people are very disturbing. Almost half of Washington State children fail to read at a basic level of competence. The number of young people in my State who are incarcerated is increasing. One in sixteen girls in Washington become teen parents. That, by the way, is a higher rate than many other developed nations.

It is important to note there are some encouraging signs. The health of Washington State children, whether measured by infant mortality rates or child mortality rates or access to prenatal care, is an area of improvement.

But as I have participated in and listened to the debates and direction of this Congress from welfare reform to Medicaid to education, I have become increasingly concerned that our young people are right. Adults do not care about them. Children seem to have been relegated to the bottom of the priority pile at the exact time they are feeling so left out and alone. It is time to change direction for our young people.

Over this last recess, I set out to find what adults need to do to make this Nation a better place for our children to grow up in. I was determined to stay away from partisan battles and inflammatory debates. I wanted to engage people in a conversation about children. I wanted to find goals that we could all agree on.

On that basis, I traveled back and forth across my State for 2 weeks and invited people of all ages and backgrounds to join me in a conversation about Washington children. In four cities around the State, people came out in cold and heavy rain to a community center, to a church, a school, or a college auditorium and they talked, not just for a few minutes, but for 3½ hours. They talked about their own kids or the kid next door or their older or younger brothers or sisters.

We began each of these meetings with a short presentation of some objective local data about how kids are doing, followed by a panel discussion between local people who work with kids, followed by breakout discussions to come up with things we could agree to do.

We covered three aspects in a child’s life: Health, education, and membership in community. People talked about how children have to be healthy so they can learn. They spoke of how children needed a relevant education to face a complex economy. They discussed how we must let young people know we care about them and how only

then will young people feel the sense of civic responsibility and pride we all need them to feel.

As I said, this was a conversation, and I had one rule: Nobody leaves the room without participating. So we heard answers to one central question: What can we all agree to do for our children?

People brought many different voices and perspectives to these conversations. The groups heard from mothers and fathers. We heard from students, as well as kids who dropped out of school. We heard the voices of business leaders and child care workers. We heard from veterans, youth mentors, teachers, and police officers. We heard from Republicans and Democrats and Independents. We heard thoughts from our senior citizens and our seniors in high school. We heard about individual people or government services or business or charitable programs which make a real difference for our kids. We heard about kids who did not get help, who fell through the cracks or who had such a hard time there was hardly a way to start helping them.

We did not just hear about children and young people, we heard from them. Young people on our panels told us how they do not see evidence that adults care about them or their future. They talked about succeeding in school and not realizing any benefit from it. They talked about failing in school because it did not seem relevant or challenging. They spoke of adults designing programs for them but not with them. They spoke from their hearts about the lack of trust and fear that exists between them and the adults that they meet in stores and on the streets.

Overwhelmingly, they wanted to break down the walls of mistrust. The one word I heard over and over was “respect.” They want real respect, not just the kind kids get from joining a gang. And they want an adult world that cares about them so they can build up their respect for adults.

At every one of our meetings, we heard the voices of young people as panelists, as group facilitators, or as group participants. Too many discussions about children from the school board meeting to the State house to the floor of the U.S. Senate happen without real participation by young people. Who better to include on matters concerning laws and policies affecting our children?

And what did all these different people with their divergent, independent, unique American voices, and opinions agree to do? Well, we are still writing down all the specifics, but I want to give you a few of the common themes that we heard.

On the topic of children’s health, we heard from people committed to immunizing more children or to creating more child care slots in their local community. They agreed to meet with other citizens to build local awareness and to tap local resources for these needs. There was a strong consensus

everywhere that as adults, we have a responsibility to care for our children and to ensure that they have adequate quality health care.

On education, we heard from children who wanted to participate in activities and learning experiences after school but who did not have the \$35 sign-up fee for the program. They wanted to work off the fee or to earn good grades so that they could participate.

Over and over, I heard that we must make our education system relevant for tomorrow. Young people want curricula in classes that will give them the skills for the job market and focus them for the world they are entering.

On involving young people in the community, we heard from business leaders who want to increase their investment in the citizenship of young people. They agreed to donate time for their workers to help children do job shadowing or give kids a place to fit in.

There was a strong feeling from both young people and adults that every one of us must begin to take more time to be involved with each other in our neighborhoods and in our communities.

In addition to what people wanted to do, there were some trends I noticed that I want to share with you.

First, people agreed to have a polite discourse. One reason young people say today that they have a hard time getting along is that they say they have no role models. We disagree all the time in the Senate. We have genuine differences of opinion, and we express them freely. Well, I will tell you right now, we do it too freely. We need to find where we agree. All we talk about are the differences. We have to talk about the shared beliefs as well. We need to set a better example for American children and young people and be better role models ourselves.

Second, people seemed to leave their cynicism at home and brought with them a sense of hope. This happened even though we heard some bleak news about children’s health, about how they are doing in school, and how they are doing in home and on the streets.

People heard that too many children still suffer from preventable health problems. Too many students cannot read or end up dropping out of school. Too many young people see no alternative to violence. Too many have no hope of ever being employed. But despite the bad news, and some good, the people at these meetings never got cynical or depressed; it just made them want to work harder.

Third, I noticed that people felt the children were too important not to talk about and to learn about and to work for. People said children are too important to scrimp on. They want us to find somewhere else to save our money. They agreed that communities are the best place to solve most problems for kids, but said you have to involve kids to get good solutions. They agreed the Federal Government should guarantee the minimums for all kids and should encourage local action.

Above all, the young people and all participants agreed we should work more on children's issues and less on other things.

During these meetings, I promised to put people's ideas up on the walls of my office so every lobbyist who comes in can see what the people of Washington really care about. As people got ready to leave at the end of the evening, I asked them each to take one idea back to their local neighborhood or their community and make it happen.

The posters from these meetings are in the mail to my office in the Russell Building, and they contain very specific ideas. I encourage all of you to come by my office next week and read what people have to say.

I think you will find, as I have, that it is time to put our young people at the top of our priority list. It is time to find a way at every level to focus our schools on preparing all of our children, not just a few, for tomorrow. You will see, as I have, that people from all walks of life understand as adults we have a responsibility to give our children a strong start in life. There is much we can and much we must do to make this happen in our country today.

Not too long ago, at a hearing in Washington, DC, I heard a businessman talk about what he saw in our country today. So often we hear that Government should act more like a business. He said that any business that wants to be here in the future invests in their most important resources. He said America is acting like a business that does not plan to have a future.

I agree. It is like we are having a fire sale in our country. Children are our growth capital. They are our new physical plant. They are our inventory.

We cannot stop investing in kids now and hope to have any future in this country. This is the strong and loud message I heard from people all over my State, from all political stripes, from all ages, and all walks of life.

I was listening, and I will be working over the next months and years to put children back at the top of our Nation's agenda. I hope we can work together as adults to make that happen. Our children are worth it, our communities are worth it, and our country is worth it.

I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

THE STATE OF THE ECONOMY

Mr. THOMAS. Mr. President, we had reserved 30 minutes this morning for our freshman focus to talk about some of those things that are of great importance to American families, to talk about the economy, to talk about jobs, to talk about increasing wages and returns to American families.

I would like to start with three areas that I think are important, even

though it is not directly involved. One has to do with how we get facts out, so that we can make decisions based on facts. Another is just to comment a little on the broader question of whether we want more Government in our lives, more Government in business, or whether we want to release the private sector to be able to create jobs and, finally, to talk a little bit about the facts as related to the idea put forth by the President that "this is the best economy in 30 years." The facts do not substantiate that.

First, let me say that it is almost a paradox, it seems to me, where we have the technical ability in this country for everyone who is interested in the world, for that matter, to know precisely what is going on every day and to know it at the time it goes on. Compare that, for example, to the ability to know what happened in your Government 50 years ago or 100 years ago when people in Wyoming did not know what the Congress had done for 3 weeks or a month—maybe they did not care. But now we have the facilities to do that. We know that if Gorbachev stands up on a tank somewhere, we see it the instant it happens. We have the ability to know that. Yet, we find ourselves, I think, in a time where most people are less able to sort out the information and bring it down to facts than we have had for a very long time.

What is happening, of course, is that the political arena is filled with spinning and posturing and seeking to make things look different than they are. I understand that, and it is not the unique province of anyone. But I am not sure that we can really sustain a Government of the people and by the people and for the people, unless the people have some facts. Part of that is our responsibility, of course. We have to sort through the stuff and come out with facts. But I have to tell you, Mr. President, that I guess I have never seen a time like there is now, where you hear something in the media, you hear something from the White House, or you hear something from this place and say, gee, I wonder if that is the case.

Second, let me talk a little bit about the idea of increasing the economy and the growth. I think there is not a person in here who would not be for that. I think it is interesting, and it just happens that my friend from New Mexico just spoke a few moments ago about his perception about how to do it. It clearly defines the greater debate that goes on in this country and that goes on in the U.S. Senate—that is, do you seek to get more and more Government involved? Do you have a tax arrangement where you tell people what they can do and encourage them to do it and get more regulation? Or do you, in fact, seek to release the private sector so that the economy can grow? Could you agree with the notion that the role of Government generally is to provide an environment in which the private sector can prosper? That is the great debate that goes on.

The Senator talked about bringing this debate back in. Let me remind my friends on the other side of the aisle that that has been the debate for a year. We have been talking about balancing the budget. Why? So you can reduce interest rates and increase the economy. We have talked about regulatory reform. Why? So that businesses can prosper and you can create jobs—good jobs, so that there is some growth in take home pay. That has been the debate.

Unfortunately, my friends have objected to everything that we have tried to do. They objected to regulatory reform, and the White House threatened to veto it. They objected to a balanced budget amendment, and they threatened to veto it at the White House. Tax relief and capital gains, so that people can invest, so you can do something with your farm when you sell it and pass it on to your kids and create a stronger economy. So the option will be—and that is fine, it is a legitimate discussion. Do you want more Government, or do you want to release the business sector so it can create these kinds of things?

Third, let me talk very briefly about the economy and the differences in views on that. The President has indicated in his State of the Union and at other times that this is the best economy in 30 years. Well, let us take a look at it. During 1995, the economy grew at 1.4-percent annual growth rate. In the previous decade, it grew at about 3.5 percent. In the last quarter of last year, it was .9-percent growth rate.

The economy has been weaker every year than it was the last year of the previous administration. It is not a matter of blaming. That is just fact. The growth recovery in terms of jobs. We have talked about 8 million jobs. If you break it down into hours and part-time jobs, it comes out to be less than half of that. For the same period in the 1980's, it created 8 million jobs.

So this has not been a time of growth, a time of economic prosperity; particularly, it has not been for families. The stock market is doing pretty good. That is fine. Those are corporate profits. But the problem is, I think, you find when you have to pay your stockholders, of course, in order to get the money to operate, you have a cost of regulation that is exorbitant and going higher, and you are squeezed in the end. But who gets squeezed? The workers. Furthermore, you do not have a growth rate that is traditionally where we have been, and you do not have competition for jobs. Salaries do not go up because competition causes salaries to go up.

We have to be honest about where we are. The fact is, it is not the best time in 30 years. It is not even as good a time as we had 5 years ago. More importantly, what do we do about it to get families into a position where salaries reflect a growing economy, or where families can have more of their own money to spend on their own kids'