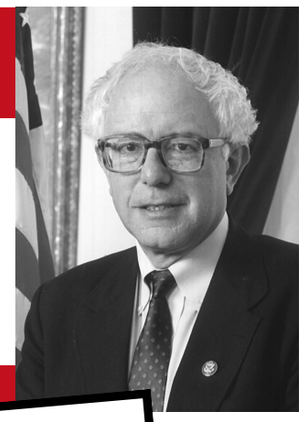
U.S. Representative

# Bernie Sanders

*A Special Focus on Working Families*



**Winter 2001/02**

Congress of the United States
House of Representatives
Washington, D.C. 20515

*Dear Fellow Vermonter,*

While our country works to recover from the horrific terrorist attacks of September 11, and while we continue to combat international terrorism**, we must not ignore the very serious and growing economic problems facing the working families of Vermont and this country**. We are in a recession, and we can see the effects of the economic downturn all around us. In the past three months, businesses have eliminated almost one million jobs, cutting more than 300,000 jobs in November alone. The national unemployment rate – now at 5.7% – has reached its highest point in six years. In Vermont, there have been layoffs at IBM, Ethan Allen, Kimberly-Clark, Bogner, Cellular One, Bryant-Grinder, Sheftex and other companies.

Given the very serious economic problems facing this country, Congress must act **now** to help the millions of working families in need. This country does not need and cannot afford the huge tax breaks for the rich and the multi-national corporations that are contained in the legislation supported by the President and the Republican leadership that passed the House. We need an economic stimulus bill that protects the ordinary people of our country: the people who are unemployed, the people who are often working longer hours for lower wages, the people who are increasingly unable to afford health care and prescription drugs, the people who are having a hard time finding affordable housing or quality daycare.

I am proud to tell you that members of the Congressional Progressive Caucus (56 members) and I have proposed the strongest economic stimulus package offered in Congress. The Progressive plan, which would inject $200 billion into the economy, would extend unemployment insurance coverage to 52 weeks and increase unemployment benefits by $100 a week. It also provides significant funding for job retraining, health coverage for the unemployed, home heating assistance, energy conservation, child care, nutrition and other programs that working and unemployed families depend upon during difficult economic times.

Our economic stimulus package also puts Americans back to work by investing $35 billion to address some of the major social problems facing our country. We create well paying jobs by building affordable housing, sustainable energy systems, schools, drinking water and wastewater systems, and transportation projects. The jobs created would pay decent wages because all federal contracts would include a living wage provision. **Importantly, and unique among all other proposals offered, we do not pay for our stimulus package by raiding the Social Security Trust Fund**. At a time when the richest 1% of the population now owns more wealth than the bottom 95%, and when CEOs of major corporations earn 500 times more than their employees, we raise the needed funds by rescinding the tax breaks for the richest 1% that were enacted by Congress earlier this year.

In this newsletter you will find information on problems that confront working families, and what I am doing to address those issues. If I can answer any questions or be of assistance to you in any way, contact me at **1-800-339-9834.** Also, please visit my website – **bernie.house.gov** – to see what I'm working on and what's happening in Congress.

Sincerely yours,

Bernie

Bernard Sanders
U.S. Congressman

*We're entering a recession, and we need to change our national priorities. Congress must begin representing all the people, not just the wealthy, large corporations and big campaign contributors. These are just some of the things we should do...*

# Raise the Minimum Wage, and Move to a Living Wage

Minimum wage workers need a raise. Today's federal minimum wage of $5.15 an hour would have to be increased to $8.15 an hour just to restore the purchasing power it had 33 years ago. Since 1968 the minimum wage has lost more than a third (37%) of its real value.

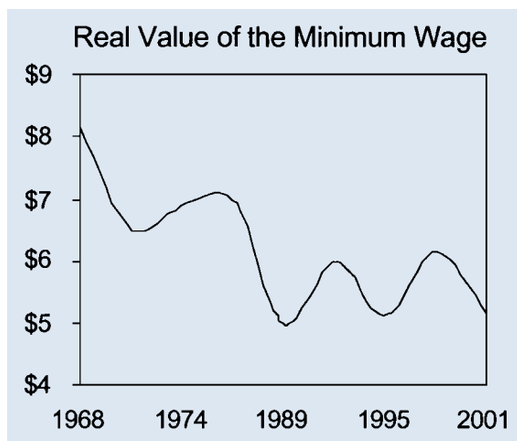
Two-thirds of all minimum wage workers are adults. But today's full-time minimum wage worker does not even earn enough to keep a two-person family out of poverty. During most of the 1970's, a full-time minimum wage worker earned enough to support a three-person family.

Minimum wage workers deserve a raise. U.S. corporate profits per hour, adjusted for inflation, increased 63.5% during the 1990's. Retail profits per hour, adjusted for inflation, increased by more than 141% during the same time. In 1990, the average CEO of a major U.S. corporation was paid 85 times more than the average blue-collar worker's pay. Last year, these CEO's made 531 times more than average blue collar workers – by far the largest gap between workers and CEOs in the world, and the largest gap in our nation since 1929.

Among industrialized nations, the United States has become a low-wage country. Almost one-third of American workers earn poverty or near-poverty wages.

I have introduced the Minimum Wage Restoration Act (HR 2812) in Congress. This bill would restore the minimum wage to the purchasing power it had in 1968. It would raise the minimum wage from $5.15 an hour to $6.65 an hour in 2002, and to $8.l5 an hour on January 1, 2003. It will also make annual adjustments to the minimum wage to reflect increases in the cost of living.

In the long run, Congress should move beyond the concept of a minimum wage to a livable wage. Nobody who works 40 hours a week should earn less than they need to maintain a decent standard of living. In Vermont, the legislature has calculated that to be $10.47 an hour for a single worker and $15.89 an hour for a single parent with one child.




# Make Our Trade Policies Work for Working Families

Free trade advocates have argued for NAFTA and other free trade agreements by asserting that every $1 billion in U.S. exports results in approximately 14,000 jobs. If that theory is true, then it should also be true that every $1 billion added to the U.S. trade deficit results in the loss of 14,000 jobs. The U.S. trade deficit in goods reached a record $449.5 billion in 2000, $104 billion higher than the previous year. Using the theory of the free-trade advocates, our growing trade deficit has cost us 1,456,000 well-paying jobs between 1999 and 2000, and 6.3 million jobs overall.

We have an $83.8 billion trade deficit with China, a $24.2 billion trade deficit with Mexico, and a $50.4 billion trade deficit with Canada – which has more than doubled since NAFTA. Now the Bush administration wants to expand the failed NAFTA model to the entire

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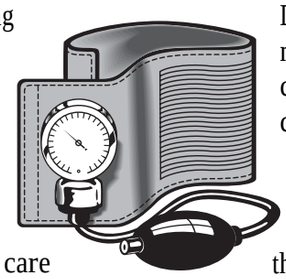
# Guarantee Health Care for All Americans

It is unacceptable that in the richest country on earth, 44 million Ameri cans lack any health insurance and over 20 million more are under-insured. As the cost of health care soars, more and more workers are being forced to bear a heavier share of their health care costs and many small businesses are dropping health coverage completely. While we spend far more per person on health care than any other nation, we remain the only industrialized country that does not have a national health care program guaranteeing health care for all.



Meanwhile, in recent years Congress has made major cuts in Medicare and Medicaid that have resulted in a lower quality of care for seniors and the poor. Further, the pharmaceutical industry which, year after year, racks up huge profits charges Americans, by far, the highest prices in the world for prescription drugs. The result is that many elderly and chronically ill people are unable to afford the medicine they need.

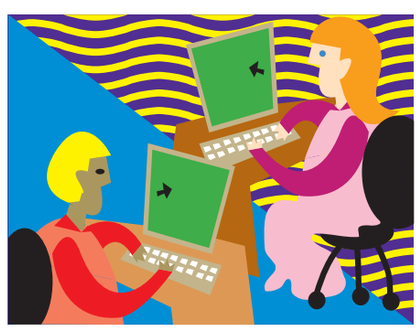
The time is **now** for a fundamental change in our health care system. Despite the hundreds of millions that the insurance companies and the pharmaceutical industry spend in campaign contributions, lobbying and advertising, Congress must stand up to them and pass a national health care program guaranteeing health care to all Americans. A single-payer system, administered at the state level, can eliminate the paperwork and bureaucracy that is rampant in our current wasteful system. The Congressional Budget Office (CBO) has estimated that a single-payer plan would provide universal, comprehensive and affordable health coverage for all, while saving over $100 billion. That's the direction we must go.

# Reform Our Labor Law

Union membership is declining as a result of corporate downsizing, globalization of the economy and corporate union busting. Today, fewer than 14% of American workers have unions (down from 35% in 1955), and that hurts all working families.

We need to reform our labor laws to allow more workers to organize unions. We should recognize a union once a majority of workers in a bargaining unit have signed authorization cards. We should require arbitration when there is a stalemate in the negotiation of a first contract, so companies cannot defeat a union by simply refusing to sign a first contract. And we should have better protections against union busting and the intimidation of workers.

Workers who have unions make an average of $8,000 (28%) more a year than non-union workers, and that's not counting better health and pension benefits. The truth of the matter is that the most effective anti-poverty program in the United States is membership in a union.



Labor unions are the main reason we have the right to overtime pay for overtime work, health benefits and pension plans, occupational safety laws, child labor laws and even the weekend. Unions led the effort for Medicare, Medicaid, affordable housing and many other programs that benefit working families. When unions are strong, all working families benefit because unions drive wages up even for non-union workers.

## Working Families Need Affordable, Quality Child Care

The typical American family today has no choice as to whether both parents will work outside the home. Our economy has undergone an historic change in the role of women in the workforce. Today, 70% of women with children under age six are in the workforce, compared to only 23% in 1969. Yet we have done little to address the fact that most parents can no longer afford to stay at home with their children.

Everyday, 13 million American children under age six are cared for by someone other than their parents in a child care center or by a family care provider. And we now know that beyond mere care, a young child's rapidly growing brain, needs a nurturing educational experience for full development.

Unfortunately, safe, affordable, high quality child care is often not available, and when it is, it is often beyond reach financially. Families who can afford quality child care pay an average of $5,500 per child annually. In 49 states, the average cost of child care is higher than the cost of public college tuition.

Child care providers themselves are terribly underpaid and most lack health and pension benefits. In an effort to keep parent fees low, 31 states require no training in early childhood care and education and few have health and safety regulations. As a result, many low- and middle-income families have no choice but to place their children in lower cost, often lower quality care.

To raise awareness of the crisis in child care, I joined with several colleagues this past March to form the nonpartisan Congressional Child Care Caucus which now has 44 members. The Caucus' mission is to generate Congressional and national awareness of the crisis in child care and to create support for an agenda which will ensure access to quality and affordable child care for all American families. I also held a major conference on child care which brought speakers to Vermont to discuss the progressive child care initiatives that exist in France, Quebec and the United States Armed Forces.

For more information, please visit our childcare web site at: **www.bernie.house.gov/childcare**

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Congress of the United States
House of Representatives
Washington, D.C. 20515

*Official Business*

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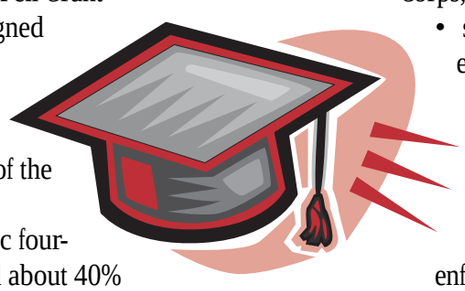
*If you receive more than one copy of this newsletter, we apologize. Please feel free to pass the extra copy along to an interested friend.*

*This mailing was prepared, published, and mailed at taxpayer expense.*

# Make a College Education Accessible to Everyone

Students and their families are facing a crisis in the cost of higher education. The cost of a college education is soaring, and students and their families are going deeper and deeper into debt to pay for it.

Twenty-five years ago, the maximum federally funded Pell Grant (which was designed to be the major part of student aid) covered more than 80% of the average cost of attending a public four-year college, and about 40% of the cost of attending a private college. Today, the maximum Pell Grant covers only 39% of the average cost of attending a four-year public college, and only 15% of the cost of attending a private college. Federal student aid, which 20 years ago was a grants-based system, is now primarily a loan-based system. Pell Grants today account for only 10.7% of all student aid, while federal student loans make up 51.4%. The result is that students are finishing college and graduate school with average debts of about $20,000 – not including what their parents owe.



To address this crisis, I have introduced the Higher Education Assistance Improvement Act (HR 2476) with Congressman Jim McGovern of Massachusetts. This bill would provide substantial increases in federal student aid. It would:

- double the maximum Pell Grant from $3,750 to $7,500;
- double funding for major student assistance programs such as SEOG; Perkins Loans; TRIO; GEAR UP; LEAP; CAMPIS; Graduate Education Programs; and the National Service Health Corps; and
- substantially increase education debt cancellation for students who enter public service, such as teaching, nursing, social work, childcare and law enforcement.

In this, the wealthiest nation on earth, every qualified student should be able to receive a college education regardless of the income of his or her family, and students should be able to graduate without going deeply into debt. It is no longer enough for Members of Congress to just talk about the importance of education. If we regard education as a national priority, then we need to fund it adequately.

## Trade Policies

*Continued from Page 2*

Western Hemisphere – the Free Trade Area of the Americas.

When Congress recently debated trade legislation, I stood up for working families, the environment and family farmers and voted against giving the President so-called "fast track authority". Unfortunately, it passed the House by one vote.

Trade agreements like NAFTA have only benefited large multinational corporations, leading to a race-to-the-bottom eliminating good jobs, and jeopardizing our environment and food-safety.

The function of U.S. trade policy should be to improve the standard of living of the American people. We must demand "fair trade," not just "free trade." Our trade policies must encourage companies to invest in our own country. International trade is a vital and important part of the economy. Workers have a right to make certain, however, that trade works for the benefit of all people and not just the multinational corporations.