will allow families to maximize their income and improve their standard of living. Tax relief will allow families who today are forced to scrimp just to cover their monthly bills and their tax bills to have more money to spend on their children's education, health care expenses, food and clothing, or insurance.

In 1981, President Reagan initiated massive tax reduction which resulted in an economic miracle we are still benefiting from today. Over eight years, real economic growth averaged 3.2 percent and real median family income grew by $4,000, 20 million new jobs were created, unemployment sank to record lows, all classes of people did better.

According to the National Taxpayers Union, if Congress could roll federal domestic spending back to 1969 levels, a family of four would keep $9,000 a year more of its own money than it does today.

Recent estimates by the CBO show that the government will enjoy a nearly $1.6 trillion budget surplus over the next ten years. This potential surplus is generated by working Americans and should be returned to the taxpayers. Tax relief particularly, lower payroll income tax rates will immediately increase Americans' take-home pay and allow them to keep a little more of their own money.

In sum, Mr. President, the real answer to increasing the take-home pay of American families is not promoting political grandstanding efforts like this which would only destroy jobs, but to support more meaningful tax relief and sustainable economic growth. I urge my colleagues to support the bankruptcy legislation and resist any effort to distort the intent of this most important bill.

Mr. GRASSLEY. Mr. President, I yield 5 minutes to the Senator from Pennsylvania.

Mr. SPECTER. I thank the distinguished Senator from Iowa.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

NONPARTISAN IMPEACHMENT INQUIRY

Mr. SPECTER. Mr. President, I have sought recognition to express the view that Congress should make our inquiry into possible impeachment of President Clinton as bipartisan as possible, nonpartisan, fair, and judicious. There is an abundance of evidence that the American people deplore excessive partisanship in general and oppose any kind of partisanship where we are dealing with a matter which is judicial or quasi-judicial.

I recall an admonition from my father years ago. When in a partnership situation he said, ''Arlen, don't make it 50/50; give 60 percent. It will look like 50 percent to your partner. If you give 50 percent, it will look like 40 percent.'' That bit of advice which my father gave me as to a partnership arrangement, I think, is applicable to relationships or arrangements of many kinds.

I think it is very important that there be a real effort on the part of Republicans, because we Republicans are in control, to not press for every bit of advantage. I believe that the proceedings in the House were off to a good start when there was a vote of 363–33 to release the Starr report, with about two-thirds of the Democrats voting in favor of a release of the report. It seems to me where we have a proceeding like impeachment, which is really judicial, that it ought to be bipartisan or nonpartisan.

With respect to the playing of the tapes of President Clinton, it has been my preference that the approach be somewhat different from that which was undertaken by the House of Representatives. The playing of those tapes, I think, would have been subject to no criticism at all had the House moved ahead with an impeachment inquiry, either in a preliminary stage or after the signing in a more formalistic sense to have impeachment hearings. Then it would have been in the regular course of business in regular order to see the tape of the President so that the Members of the House could make an evaluation of the evidence as to what to do next.

Then where those hearings would be public, with the availability of the President's tape, his deposition before the grand jury would have come into the public domain in a matter of due course, and then as a regular proceeding with the hearings of the House of Representatives so that the House would have obviated the controversy and the concern of whether there was an inappropriate release of the President's tapes. Once the hearings start, even in a preliminary sense, the House Members have an obligation to see what the evidence is.

Similarly, with the release of other evidence, such as the testimony of Ms. Monica Lewinsky yesterday, that testimony is appropriate in regular course, but there is bound to be some concern raised when it is released en masse and not as a part of a regular proceeding by the House of Representatives.

From my days as district attorney of Philadelphia, which was a quasi-judicial position, a district attorney—a public prosecutor—is part advocate and part judge. The expression is made as to the district attorney being a quasi-judicial official. I found it very important in the cases which I tried personally and in the administration of the office to exercise great care to be fair with the defense, both in terms of proceedings generally and in the presentation of evidence at trial.

The juries in a criminal case, like public opinion generally, have a sense as to fairness, and it builds up, I found, the credibility of the prosecutor not to be looking for every slight advantage in the course of either investigation or trial. The impeachment proceedings, it seems to me, are really totally judicial in nature. The articles of impeachment have been analogized to a bill of indictment, but I think they are not really a bill of indictment in a criminal proceeding; or it may be argued that a bill of indictment before a grand jury is judicial in nature.

However, I hope that when we in the Congress vote in this body, when responsibilities come to the Senate, or in the other body, the House of Representatives, that there will be an approach which is bipartisan and nonpartisan. We are proceeding in a matter of the utmost, utmost gravity, the potential for impeachment of the President of the United States, and I think the American people will demand and are entitled to that kind of bipartisanship.

I yield the floor.

Mr. GRASSLEY. Mr. President, I yield the remainder of the time that I have on my side.

Mr. REED. Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER. Under the previous order, the Senator from Massachusetts is recognized to offer a second-degree amendment relative to the minimum wage, on which there shall be 2 hours of debate equally divided.

AMENDMENT NO. 3540

(Purpose: To amend the Fair Labor Standards Act of 1938 to increase the Federal minimum wage)

Mr. KENNEDY. Mr. President, I call up amendment No. 3540.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an amendment numbered 3540.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . FAIR MINIMUM WAGE.

(a) SHORT TITLE.—This section may be cited as the ''Fair Minimum Wage Act of 1998''.

(b) MINIMUM WAGE INCREASE.—

(1) WAGE.—Paragraph (1) of section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

''(1) except as otherwise provided in this section, not less than—

''(A) $5.65 an hour during the year beginning on January 1, 1999; and

''(B) $6.15 an hour during the year beginning on January 1, 2000.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on January 1, 1999.

Mr. KENNEDY. Mr. President, I understand that there is a time allocation, 1 hour for those who support this amendment, and 1 hour in opposition. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. I thank the Chair.

Mr. President, I yield myself 12 minutes.

Mr. President, I will briefly review the bidding about where we are with regard to the minimum wage.

Since the end of World War II, the minimum wage has increased seven different times. President Eisenhower signed a bill for an increase of the minimum wage. President Kennedy did as well, as did President Johnson. President Nixon supported an increase in the minimum wage. President Carter supported an increase in the minimum wage. President Bush supported an increase, and President Clinton has supported it as well.

In the postwar period, if we look at where the economy went in the immediate 20 years after World War II, the economy grew across the board. The percent of increase for those at the lower income level rose just as well as those at the upper level. There was very, very little disparity. If you look at the difference quintiles, from the period of the postwar—1945 really up to about 1970—there was virtual growth together.

During this period of time, we found that Republicans and Democrats alike supported the increase in the minimum wage on a very basic and fundamental principle; that is, if Americans are going to work, they ought to be able to have a livable wage—they should not be in poverty. Men and women who want to work 40 hours a week 52 weeks a year and play by the rules ought to have a livable wage. That concept has been supported by Republicans and Democrats alike.

All we are asking today is whether we are going to continue that basic, fundamental vote of fairness and justice in our country. That is the issue. It is as plain and simple as that.

There are reasonable questions that we have to ask ourselves. The first is, What is going to be the impact on the state of our economy?

We have the greatest economic growth and price stability in the history of the Nation. We have seen untold fortunes made during the period of the last 6 years, but not for those at the lower end of the economic ladder, not for those who are the minimum-wage workers. Their actual purchasing power has been reduced. It is surprising, most Americans think, that everyone has not moved up together. Many have moved up the economic ladder, but not those at the lower part of the economic ladder.

All we are trying to do is to say to those hard-working Americans at a time when we have record unemployment, the lowest inflation that we have had at any time (except one of the seven times where we raised the minimum wage in the postwar period)—the lowest rate of inflation—that, given our economic situation, we can make sure and we can afford for those working Americans a livable wage for themselves and for the members of their family. That is the very simple issue.

It is fair to look at what has happened with the last increases in the minimum wage to see what the impact has been of those increases on the rate of unemployment and the rate of inflation.

We find, as I have demonstrated and put in the RECORD repeatedly, and will not take the time unless challenged on those issues here today, that effectively we have seen virtually no adverse impact in terms of our economy since the last two increases—absolutely none. The economy is stronger, and stronger than ever. We saw in 1997 more than 1,200,000 jobs created in the small business industry.

We have heard from the restaurant association that since the last increase in the minimum wage their employment has grown by 240,000 jobs. They have not been disadvantaged. If you are looking at a growth industry, according to the Labor Department, it is in the restaurant industry.

Mr. President, you can see what I have just stated reflected on this chart. This chart reflects clearly the fact that in constant dollars the minimum wage now is at one of its lower levels. Over the period from the mid 1950s, all the way through the mid-1980s, a 30-year period where we have Republican and Democratic Presidents alike, we have minimum wage and purchasing power that would be even above what this proposal is that is offered today: 50 cents next year, 50 cents the following year. Even if we have those two increases, we will still be below the 30-year average under Republicans and Democrats.

That is all. We are not trying to say we are going to the highest level that we have ever had, even though we have the best economy. All we are saying is let us put them in the realm of the 30-year period for these working families in America.

A great deal is said around here about the importance of work. These are working families trying to provide for their children.

Who are these workers?

These workers are child care workers and attendants. Beatrice Stanford of Wilmington, DE, is a low-wage grandmother who has worked at the YMCA Child Care Center for 4 years, earns $5.75 an hour, and is the sole supporter for her teenage son and daughter and two grandchildren. Beatrice's children have worked from time to time, but she now calls that her biggest mistake. Her daughter fell behind in school because of all the hours she was putting in at work. She needed summer school, but she couldn't afford the $300 for the course. Instead, she had to do a correspondence course that cost $164. She made up the course but lost a year. Beatrice finds it a struggle just to pay the rent. She can't afford a car, so she takes a bus to work and catches a ride to the supermarket.

These are child care workers—the faces of those who are working for the minimum wage. Beatrice Stanford, a grandmother trying to provide for her children and not being able to make ends meet.

Mr. President, there are other workers like Renda DeJohnette who provides home health care in Los Angeles. Child care workers, home health care workers, teachers' aides—these are all the people who make up the minimum wage.

Renda DeJohnette provides home health care. Renda works in a county program to help senior citizens and the disabled to remain in their homes and avoid institutionalization. Renda is a single mother with two teenage children. She earns $5.75 an hour washing clothes, preparing meals, cleaning houses and finds it hard to make ends meet. A low minimum wage increase would allow her to put food on the table and pay all of her bills.

The list goes on.

There is Marcus Reynolds of Lynn, MA. To understand the minimum wage from both sides of the paycheck, for 20 years he earned the minimum wage cleaning offices, making beds in hotels, stocking shelves, and lifting heavy packages in stores.

Often he worked two jobs, sometimes three. He says, ''No matter how many jobs I worked, how little time I slept, the minimum wage was not enough to make ends meet. Even when I was basically just working and sleeping, providing for food and rent and transportation was more than a challenge. It was often a struggle.'' Now he owns a very small sandwich shop. He pays his entry-level workers $6 an hour. He says, ''I can't afford to pay them less.'' He respects them as workers and as people, and as he puts it, ''What kind of family value is it to pay someone supporting a family a wage that is below poverty?''

Mr. President, these are the people we are talking about. We are talking about teacher's aides who are working with our children. We are talking about child care helpers. We see the turnover that is taking place in the Head Start Program, and we are all concerned about that because we know the importance of consistency of care in terms of looking after our children.

One of the principal reasons for this turnover is that we are paying the child care assistants in these kinds of settings the minimum wage, and they just cannot make ends meet. We are talking about those health workers who are working with our parents to try to keep them at home, to help and assist them so they are not institutionalized. They are the helpers and assistants in the nursing homes looking after our parents. They are the people who take care of the buildings which house America's corporations, working long, hard hours at night.

When we asked minimum wage workers what the impact was when they saw an increase in the minimum wage last time, the answer that so many of them gave was amazing: ''You know, Senator, what the impact is going to be

when we raise the minimum wage. We are only going to have to work two jobs instead of three.'' Only two jobs instead of three. ''We might get a chance to see our children more often. We might be able to go to teachers' meetings. We might be able to spend some time with our child helping with some homework.''

That is the difference in terms of any kind of increase in the minimum wage. That is what we are talking about. That is what we are talking about at a time when we have the strongest economy in the history of this country and at a time when we have hard-working Americans who are prepared to do the work.

How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The 12 minutes requested by the Senator have expired.

Mr. KENNEDY. Mr. President, I yield myself 3 more minutes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. KENNEDY. Mr. President, this chart here says it: ''The minimum wage is not a livable wage.'' We are talking about a livable wage here in the United States of America. These are the average figures for a family. The monthly minimum wage budget includes what is necessary for a family of three. Food on the table, $348; housing, $582; transportation, $145; and what remains is $131. That does not include child care, where the national average in terms of one child would be $333 or health care where the average is $49 or clothing where the average is $63, which comes to $445. You have to squeeze three items, $445, into the remaining of $131.

The question is, how many times is a parent going to serve peanut butter to a child in order to save the $10, $15 or $20 so they can look after health care needs? How many times are they not going to pay their utilities in order to be able to look after a child? This is what we are talking about—hard-working Americans who deserve a living wage. This issue is the same as the last 70 years when we have debated it in the Senate. But we have come together in decency and fairness at important times for working Americans.

Finally, Mr. President, just last year we had an increase in our own minimum wage. Members of this body got $3,100. That is $1.50 an hour. That is the increase every Member of this Senate received—$1.50 an hour in 1 year. We are looking at child care workers, health care workers, teacher's aides getting 50 cents next year and 50 cents the following year. If it was fair enough for the Members of the Senate, it ought to be fair enough for those hard-working Americans who are trying to provide for their families. That is the issue—fundamental fairness to working Americans. Hopefully, we will be successful.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I have very much enjoyed listening to my colleague once again on this very important issue, which seems to come back on an annual basis. The ink is barely dry on the announcement for last year's increase in the minimum wage and the Senator from Massachusetts is back asking for another serious, mandatory wage hike.

The distinguished Senator from Massachusetts, and those who support this concept, believes that an increase in the minimum wage is the quick, painless way to help the disadvantaged in our society. They believe that a minimum wage hike is absolutely costless, and they believe that it has no adverse impact whatsoever. I can only wonder, then, why they have not offered an amendment raising the minimum wage to $15 an hour or $20 or $25 or $30, because if it has no impact and it really is going to benefit people, why not do that. In fact, if raising Senators' salaries $1.50 an hour over the last year is right, why not give everybody whatever the amount of money the Senators make—$100,000, $130,000, or whatever it is—to even things up and make everybody equal in our society? I am sure the Senator is not arguing that so I do not mean to raise that type of ridiculous argument.

Frankly, if raising the minimum wage was all it took to raise people out of poverty—or to make life better for the working poor—I would vote for it.

But, I believe the proponents of this amendment and of the underlying concept have greatly oversimplified the issue. And, I believe they know they have oversimplified it.

EMPLOYMENT IMPACT

I will admit to my colleagues that the most elusive aspect of the economic debate on the minimum wage is an estimate of its impact on employment. Study after study has been done to quantify the employment effects of an increase in the wage floor. And, economists have disagreed about the severity of the employment impact.

There is, however, overwhelming consensus that there is indeed an adverse effect on employment. Three-quarters of the 22,000 members of the American Economic Association agree that minimum wage hikes have a disemployment effect that stifles employment opportunities for low-skilled workers.

In 1981, the Minimum Wage Study Commission, which was formed under the Carter administration, concluded that for every 10 percent increase in the minimum wage, the disemployment effect was between 100,000 to 300,000 jobs.

Disemployment means jobs not only eliminated, but also jobs that are never created in the first place. For example, if a retail store planned to hire five additional workers and, as a result of the higher labor costs, only hired two, the disemployment effect is three jobs.

For the sake of argument, let's take the more conservative boundary of this range of impact. The Kennedy-Wellstone amendment proposes a 19.4 percent increase in the minimum wage over two years.

That means that, using the most conservative multiplier, nearly 200,000 entry level jobs would be lost.

Now, Mr. President, let's line up 10 applicants for entry-level jobs. Which two of them are most likely to lose out at this higher minimum wage level? The suburban teenager working to pay the insurance on his car? The spouse working to put a little extra money into the household budget? The senior citizen who is supplementing his retirement income and trying to stay active? Are they the people who would lose out?

Or, would it be the new immigrant still learning a new language? Perhaps the young woman just out of a drug rehabilitation program, or a young man recently paroled from prison. Perhaps those who will miss out are high school drop outs.

Michgan State University economist David Neumark suggests that the employment effects of a higher minimum wage are actually most acute on certain subgroups. In his paper ''The Effects of Minimum Wages on Teenage Employment, Enrollment, and Idleness,'' Neumark finds that higher minimum wages act as an incentive for teenagers to seek employment and that those with more experience and greater skills crowd out those with fewer skills. Those who are displaced find themselves ''idle,'' i.e., neither enrolled in school nor employed.

I certainly do not consider this a positive effect of the minimum wage increase. But, it gets worse.

The probability that a black or Hispanic teenager will be displaced is five times greater than for the general population of teenagers.

But, perhaps the perverse impact of minimum wage increases is summed up best by two of President Clinton's own appointees to the Federal Reserve Board, William Baumol and Alan Blinder: ''The primary consequence of the minimum wage law is not an increase in the income of the least skilled workers, but a restriction on their employment opportunities.'' [Baumol and Blinder, cited in Glassman, Washington Post, 4/9/96]

This is pretty serious stuff. The ones who really get hurt are the ones who need the help the most.

The long and the short of it is simply that you cannot mandate an increase in the price of entry level or unskilled labor—which is exactly what the statutory minimum wage is—without reducing the demand for that labor.

The term ''labor costs'' is complicated. It includes lots of things: wages, insurance, FICA taxes, unemployment taxes, training, uniforms or other expenses. But, for now, let's just say it's wages and FICA taxes.

Some may be tempted to say that another dollar an hour is no big deal for an employer. Well, let's take a hypothetical employer in my home state of Utah. Let's see how big of a deal it is.

Is it only $1 for the ABC Company in Salt Lake City, UT? ''Hey, it's only $1, what's the big deal?'' they say. Assume you are a business owner with 25 part-time employees who work 30 hours a week. How much would a minimum wage hike cost you? You fill in the blanks.

First year, 50 cents times 25 employees times 30 hours per week times 52 weeks per year equals $19,500 in the first year.

The second year, $1 times 25 employees time 30 hours per week times 52 weeks per year equals $39,000 in the second year. Add in the additional FICA and other taxes—I'll bet you forgot about those—that is $5,265, just use 9 percent, if you will, to keep it easy.

And the grand total is $63,765. Think about that. This is the average small business. The average small business owner takes home less than $25,000 per year. So where is the money going to come from? Where is the money going to come from?

If you stop and think about it, under the Kennedy-Wellstone amendment, the 2-year increase in labor costs would be more than $63,000. Actually the figure is $63,765. That is 2½ times what a typical small business owner takes home.

The median take-home for small business owners, as I have said, is $25,000. That's based on the National Federation of Independent Businesses, the representative of the small business people in this country, and that is using CPS data.

Exactly what would you do, Mr. President, if you were this small business owner faced with a dollar per hour mandatory increase in your labor costs?

The answer should be obvious. As one small business owner noted:

> Unfortunately, many entry-level jobs are being phased out as employment costs grow faster than productivity. In that situation, employers are pressured to replace marginal employees with self-service or automation or to eliminate the service altogether. . . .

I should mention that the small business owner I just cited is former Senator George McGovern.

His eyes were opened once he left the distinguished U.S. Senate and went into a small business himself and found out it is pretty tough to be in business. There are a lot of demands on you. That was Senator George McGovern, who I believe voted for every minimum wage increase the whole time he was in the U.S. Senate. I give him credit for being willing to call it the way it is.

Harriet F. Cane, owner of the Sweet Life restaurant in Marietta, Georgia, after the last minimum wage increase reports that she went from 16 employees to 9. She voiced her frustration in the Wall Street Journal:

> Money for minimum wage increases has to come from somewhere. . . . If you pass another increase in the minimum wage, you can tell the teenagers and working mothers I employ why they no longer have jobs. Then try asking for their votes.

And, I also share Senator McGovern's concerns about one other aspect of the minimum wage. He goes on to ask:

> When these jobs disappear, where will young people and those with minimal skills get a start in learning the ''invisible curriculum'' we all learn on the jobs?

Senator McGovern is right. Entry level jobs are only the first run of the ladder. How many of us are today doing the same job we did as teenagers? Quite obviously none of us in Congress. And, I would venture very few outside of Congress.

Ed Rensi started in 1965 in Columbus, Ohio, at 85 cents an hour. Today, he's the president and CEO of McDonald's. [Shlaes, WSJ, 8/15/95] Just think about that.

James Glassman, writing in the Washington Post, quotes this finding by David Macpherson, professor of economics at Florida State University: ''A year after having been observed working at the minimum wage of $4.25, the average wage for these workers was $6.08 an hour.'' [Glassman, Washington Post; 4/9/96] That is a $1.83 increase—43 percent.

Amity Shales, writing in the Wall Street Journal, cites a 1992 study in the Industrial Relations and Labor Review that stated that 63 percent of minimum wage workers earn higher wages within 12 months and that the increases average 20 percent. [Shlaes, WSJ, 8/15/95]

So, let me get the proponents' argument straight: Someone who has a minimum wage job is going to be better off with a 19.4 percent increase under the Kennedy-Wellstone amendment—if he or she doesn't lose his job or have his hours reduced—than under current law where there is a greater probability of keeping the job and getting a 20 percent or greater raise in their wages?

I find this logic terribly twisted.

It is a great myth that everyone currently earning the minimum wage gets 'stuck'' in a minimum wage job. The fact is that people cycle through these jobs regularly. They get raises; they get more education; they learn a new skill; they prove themselves reliable; they move on and up.

And, I'll say one more thing about jobs at the bottom. I am proud that I worked my way through school. I even worked as a janitor. Some of my colleagues might poo-poo that experience. Well, I am proud of it. Not only was I a darn good janitor, but I met good, decent people doing it as well, and I have to tell you I made 65 cents an hour.

I like to think maybe I have progressed in life and that little bit of training I got as a janitor helped me to appreciate what working is. It helped me to put myself through school. It helped me to have the dignity that comes from working, the discipline that I learned from having to meet hours, meet work schedules, and meet work expectations. All of that was pretty darned important.

One thing I learned was that there is no such thing as a menial job—only people who do not understand the importance of any job performed well. And maybe that's one thing wrong with our society today—but that's a subject for another day.

WINNERS AND LOSERS

First jobs are for learning as well as earning. If we continue to raise the bar for entry, how many adults will we have who have never worked? How many teenagers and young adults who need a chance are not going to get one?

According to the conservative estimate, at least two out of every 10. My colleagues on the other side may not think that is too high a price to pay in order to benefit the other eight. But, considering the evidence that hiking the minimum wage is a lousy way to help the working poor, I can't agree—I cannot agree, to make it even more clear.

It is true that some workers will reap the benefit of the increase. Some workers will get a $40 a week raise. But, by mandating wage increases, two out of 10 entry-level job seekers won't have a job at all—very likely those who need a chance the most.

Senator KENNEDY has gone to great lengths to disassociate this minimum wage increase from organized labor's legislative wish list. He has tried to convince us that this is a women's issue and a children's issue. He has tried to tell us that we should enact this 19.4 percent increase in order to lift the poor and working poor out of poverty.

The distinguished Senator from Massachusetts is attempting to give this perennially bad idea a Cinderella-like transformation. I must point out to my friend and colleague that there is no way this pumpkin is going to turn into a handsome coach.

Let's look at the demographics of who will be helped and who will be hurt by the loss of job opportunities.

There are twice as many minimum wage earners in families earning more than $25,000 per year—that is 51 percent of them—than in families earning less than $12,500 per year. That is 25 percent of them. And, one of five lives in a family earning $50,000 or more. [Deavers; Employment Policy Foundation, 3/5/98 briefing, p. 21]

Nearly 43 percent of all minimum wage earners are teenagers and young adults living at home; 16.5 percent are spouses of other earners; 22.5 percent are not heads of household. Only about 20 percent are heads of household supporting dependents.

In Utah, the distribution is even more lopsided.

Who really benefits from the minimum wage hike in Utah? The average family income of Utah employees who will benefit from President Clinton's proposed minimum wage hike is $37,816. According to the U.S. Census Bureau data, fully 89 percent of Utah employees whose wages will be increased by President Clinton's proposed minimum wage hike either live with their parents or another relative, live alone, or

have a working spouse. Just 11 percent of them are sole earners in families with children, and each of these sole earners has access to supplemental income through the earned income tax credit.

As you can see, Mr. President, only 11 percent are single parent with kids or single earner in couple with kids. Stop and think about it.

That is important to look at. Our State is maybe a little bit better than the national average where it is 22 percent. That 11 percent is doubled to 22 percent. But it still means that 78 percent of the people are those who need that entry-level job, that first job, that opportunity of starting on the ladder climbing higher.

Of course, we should be concerned that certain families are struggling with minimum wage incomes. There should be no insinuation that those of us who oppose this amendment do not care about these struggling families.

MINIMUM WAGES CAN'T FIGHT POVERTY

But, we need to understand the limits of a minimum wage increase to reach these families with any tangible benefits.

The minimum wage increase cannot be targeted only to certain workers. We cannot say that Mrs. Jones who is trying to raise two kids on the minimum wage gets the increase, but Mrs. Brown who is working to supplement her husband's earnings does not.

The reality is that those who are not poor are more likely to get raises and those whose skills do not justify the higher wage will be out of jobs.

Study after study has concluded that raising the minimum wage is an ineffective means of helping those who are disadvantaged.

David Neumark of Michigan State and William Wascher of the Federal Reserve Board concluded that:

> On balance, we find no compelling evidence supporting the view that minimum wages help in the fight against poverty. Rather, because not only the wage gains but the disemployment effects of minimum wage increases are concentrated among low-income families, the various trade-offs created by minimum wage increases more closely resemble income redistribution among low-income families than income redistribution from high- to low-income families. Given these findings, it is difficult to make a distributional or equity argument for minimum wages. [Neumark & Wascher, ''Do Minimum Wages Fight Poverty?'' NBER Paper, August 1997].

Peter Brandon, of the Institute for Research on Poverty at the University of Wisconsin has found that ''welfare mothers in states that raised their minimum wage remained on public assistance 44 percent longer than their peers in states where the minimum wage remained unchanged.'' [Brandon, cited in Understanding the Minimum Wage, 1995]

A conference paper prepared by Robert V. Burkhauser (Syracuse University), Kenneth A. Crouch (University of Connecticut), and David C. Wittenburg (The Lewin Group) reports the results of a simulation model on the effects of the 1990–1991 minimum wage increase. After holding the employment variable constant (which was not the actual effect), ''only 19.3 percent of the increase in the wage bill caused by that minimum wage increase went to poor families. This is less than the 22 percent of workers whose wages were increased by the minimum wage increase who live in poor families.'' [Burkhauser, Crouch, Wittenburg, ''The Behavioral and Redistributional Consequences of Minimum Wage Hikes: Evidence from the 1990s;'' AEI Conference, May 4, 1998, p. 5]

Yes, Mr. President, raising the minimum wage sounds like an easy way to help those who are working but still struggling to find their way out of poverty. It is no wonder that, lacking the facts, the American people would support this.

But, upon examination, using minimum wage increases to alleviate poverty is like trying to shoot a fly off an elephant—and we are not even aiming at the fly but at the entire elephant. The amendment proposed by Senator KENNEDY and Senator WELLSTONE is not directed to workers who are poor, but rather at the entire universe of minimum wage workers. And, even former Secretary of Labor Robert Reich has acknowledged that most minimum wage workers are not poor.

CONCLUSION

The idea that there is no adverse impact from a mandatory increase in the cost of hiring workers is delusional.

But, what is worse, is that this adverse impact is for nothing. And, those very individuals who need entry level jobs the most are the ones most likely to be displaced by the increased competition for those jobs.

This proposal, like the emperor who has no clothes, is specious—it is still specious, and I haven't even touched on inflationary or geographic inequities. I would need another hour to do that.

It is disappointing that some of my colleagues on the other side of the aisle remain so enamored with this discredited dinosaur of a labor policy. Even the Democratic Leadership Council, citing findings of the Progressive Policy Institute, has repudiated minimum wage hikes, correctly claiming that they are counterproductive.

Hiking the minimum wage is not the only way to assist working Americans and those struggling to make ends meet. Let's work on some of those ideas. Personally, I would like to raise people's paychecks by cutting their taxes. That is probably a far better way of doing it than doing it this way. That would increase their paychecks without the risk they might lose their jobs, which is a big risk that will happen with this giant albatross.

I think we can work together on education. We passed the A+ Education bill earlier this year with bipartisan support. Education—or the lack of it—is the single biggest factor in determining an individual's earning capacity.

Let's tackle illiteracy and other root causes of low-skills and low-earnings potential. But, for Heaven's sake, let's recognize the minimum wage as the mirage it really is.

I urge my colleagues to defeat the Kennedy-Wellstone amendment. It deserves to be defeated, and it is time we start approaching these problems in a better way, in a way that really will help people, especially those who are at the lowest level of poverty in this country. I yield the floor.

The PRESIDING OFFICER (Mr. ASHCROFT). Who yields time?

Mr. KENNEDY. Mr. President, I yield 7 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I rise in strong support of Senator KENNEDY's and Senator WELLSTONE's proposal to raise the minimum wage. There, in my view, is a very compelling reason why we must do this and we must do it today. That reason, simply stated, is that if you are a full-time worker, a head of household, a single head of household and a family of three, you will make $10,700 a year. That is $2,900 below the poverty level. Today, the minimum wage law in the United States guarantees to so many people only one thing: that they will still be in poverty. We can do much better than that, and we should do much better than that.

There have been discussions about the employment effects of raising the minimum wage. Studies have been presented; statistics have been presented. Let's look clearly at what has happened in the last two episodes in which we raised the minimum wage.

Back in October of 1996, the minimum wage was increased to $4.75. And what happened to unemployment? It fell; it was in a cyclical pattern, but it fell. Again, in September of 1997, we raised the minimum wage to $5.15, and once again unemployment fell.

This legislation is not a job killer. This legislation does not deny opportunities to work for anyone. What it does is it gives people more money in their paycheck, gives them more opportunities to provide for their families, gives them a bigger share in this country's economy. That is why we need to do it.

There are others who argue, ''Well, those are just general statistics.'' The real problem with the minimum wage increase is it affects some discrete subgroups like teenagers. If you look at the record of teen unemployment, age 16 to 19, once again the same pattern emerges. The minimum wage was raised in October of 1996—it is a cyclical process—and unemployment declined. Again, in September of 1997, with some cyclical variation, a declining curve, unemployment in this category also falls. So the arguments against the minimum wage because it kills employment just do not hold water based upon the most recent experiences.

Then there is the argument that small businesses will invariably and automatically react to an increase by cutting back on their employment. There has been a recent study by two researchers from the Jerome Levy Economic Institute at Bard College. And 90 percent of the small businesses they surveyed indicated that the 1996 minimum wage increase did not change their hiring decisions. Their hiring decisions were based upon the demands in their marketplace for their products, driven by a very strong economy. Moreover, 75 percent of these individuals surveyed said that a further increase to $6 would also not influence their decisions about hiring.

So small business is not reacting to this proposed minimum wage increase by saying, ''We are going to cut off employment.'' What this does is give hard-working Americans a chance to put more money in their paycheck to provide more opportunities for their families.

We have also heard arguments on the floor today that, ''Well, the minimum wage is benefiting not just the poorest people, just teenagers who work, but maybe spouses who work and their husbands or wives are employed in more lucrative jobs.''

First of all, the reality of the minimum wage is that 74 percent of the wage earners are over 20, so the vast majority are not teenagers. And 40 percent are the family's sole breadwinner. They have people who depend upon them, depend upon them bringing in a living wage. And 63 percent are women; and 50 percent of the minimum wage earners are in the lowest 40 percent of earners in the United States. This does, in fact, provide a very positive impact on the opportunities for low-income Americans.

There is another argument here, too, that I think we have to present. Last Congress, many of us joined together to pass significant welfare reform, in fact, directing people off welfare into the workforce; and it is an irony, at best, moving people from welfare into poverty-level wages—indeed, below poverty-level wages. To make this experiment in welfare reform truly workable, we have to ensure that when people leave welfare they get adequate pay. And the minimum wage increase will help do that.

Also, it seems to me illogical that in every other sphere of economic endeavor raising someone's pay is seen as a good thing, not a bad thing, that most of our activities in the workplace are designed to get increases in pay. In fact, very few people would think, ''I'm not going to ask for an increase in pay. It might curtail my opportunities to work.'' Because the reality, as demonstrated by my colleague, just to survive, to put food on the table, clothe children, to provide minimal care to their families, requires an increase in the minimum wage.

I think there is another argument that has to be stressed. We are coming into some rocky economic times in the United States because of the turmoil throughout the world. Demand for American goods overseas is faltering. How do we keep our economy going? One way to do that is to give the American people more purchasing power. Increasing the minimum wage does that for the very lowest income Americans, those people who go into the Kmarts, go into the Wal-Marts, to buy products. In fact, they are typically the types of individual households that, because of the demands on them, are constantly buying products for their children, buying goods and services. This will also help, I think, in a broader economic sense.

So for all these reasons—basic justice and fairness, to keep our economy moving, to recognize that there are so many good reasons to do this—it does not affect employment dramatically but what it does affect is the ability of working families, people who work very hard to provide for their families and maybe provide a little extra. That, to me, is why we are all here.

I strongly support the efforts of Senator KENNEDY, the efforts of Senator WELLSTONE, and their strong commitment to ensure that the benefits of this economy are shared not by just those who are affluent but are shared by the broadest segments of American society, particularly by those who struggle each and every day under circumstances, frankly, that few of us have had to endure, to be good citizens, to work hard, and to get something a little bit more for their families.

I hope, in that spirit, and recognition of those facts, that we strongly support this amendment.

I yield back my time.

The PRESIDING OFFICER. Who yields time?

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. I yield 12 minutes to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. ENZI. I thank the President and the Senator from Utah.

I rise today to share my thoughts about another proposed increase in the minimum wage. Having been a small business owner for 27 years, I want to be sure that my concerns regarding the full economic impact that that Federal one-size-fits-all mandate can have on rural States like Wyoming are made known. This complex economic issue demands careful consideration.

I want to say right up front, I favor an increase for all wages. But that increase should be sparked by a strong free market economy, not by a Federal mandate that would be detrimental to small businesses and to the existence of hundreds of minimum-wage-paying jobs in Wyoming that are already few in number.

I travel throughout Wyoming almost every weekend. I regularly hold town meetings and attend ice cream socials as a way of listening to my constituents' concerns. I want to point out, Wyoming residents are thick-skinned individuals and they are not shy about sharing opinions—they show up and they share.

I was not surprised to hear from them that another increase in the minimum wage could close small businesses and eliminate jobs—two things that are already tough to come by in Wyoming.

As a former shoestore owner, I have always felt that the minimum wage represented a starting wage—better referred to as an entry-level wage. I hear people trying to equate it with a ''living wage.'' It is a minimum wage. It is an entry-level wage.

An entry-level wage in Wyoming changes quickly as the individual worker gains experience and improves his or her skills in the workplace. Almost two out of three workers who start at the entry-level wage earn a higher wage within 6 months—more skill, more money. Every job works that way. There are just different entry-level rates—more skill, more money. Kids with no skills have to gain experience in the workplace if they are to understand why hard work is a fundamental step to life's success.

Moreover, college students seeking part-time jobs to help supplement their education are going to find it even more difficult to obtain work when the number of these available jobs is cut.

Are the economic realities that impact these kids being considered by this amendment? I will gladly welcome any explanation based on Wyoming's labor market.

Only 480,000 people live in Wyoming, fewer than any other State in this country. That is not bad; we have plenty of elbowroom. Wyoming still remains a State of high altitude and low multitude dominated by miles and miles of miles and miles. We can still call the wrong number and know who we are talking to. But my State's labor market has produced a set of statistics that worry us. Wyoming ranks 50th in new economic growth, 50th in the creation of new jobs, and 50th in technical industries. That is not a change. We lack the population needed to lure high-turnover jobs. We lack critical mass where there is enough population for businesses to feed on each other.

While other States are celebrating budget surpluses, Wyoming politicians argue over every available penny, knowing that a $200 million shortfall is expected within the next 5 years. To put that in perspective, a 1 cent statewide sales tax only raised $50 million a year for the State. Having served in the State and the legislature for 10 years, I have dealt with this reality firsthand.

Folks need to understand why another increase in the minimum wage impacts States like Wyoming differently than Connecticut or Massachusetts. The Nation's economy may be strong, but my State hasn't shared

that fortune. It takes a long time for rural States with sparse populations to benefit from these trends. I am not going to buy into the notion that another minimum wage hike is necessary just because the Nation's economy is doing well. There is more to it than that.

Despite Wyoming's economic portfolio, the absence of intrusive State taxes ensures that family incomes go a long way. It would go even further if I could say the same for Federal taxes—however, we will save that debate for another time. Wyoming residents pay no State income tax, a five-cents-on-the-dollar sales tax, bare-bones ''sin'' taxes and fuel taxes, and some of the lowest property taxes in the country. In fact, a Wyoming family of four making $50,000 per year pays about $2,500 total in State and local taxes—including sales tax. In Connecticut, that same family of four pays $10,000. That is an incredible difference. Connecticut folks pay four times as much in local and State taxes. Labor Secretary Herman stated in a letter to Chairman JEFFORDS of the Senate Labor Committee describing how another minimum wage increase would make an ''enormous difference in the lives of workers and their families'' and that it would ''mean an additional $2,000 a year
* * *'' I guess if I had to pay over $10,000 each year just in State income tax, a Federal minimum wage hike might not sound too bad. However, those folks should be screaming for lower taxes—not higher wages! Those East Coast families have to make up to four times as much to cover State and local taxes.

Wyoming's low taxes give the dollar plenty of mileage, despite lower wages. Even where the availability of housing is scarce, it's still affordable. My youngest daughter now attends the University of Wyoming in Laramie where rental property is tough to come by. Still, a person can rent a single-family home there for less than $400 per moth. A one-bedroom apartment in a modest Washington neighborhood often exceeds $1,000 per month. That is a monumental difference. Similar to taxes, East Coast workers need to make up to 2½ times as much to cover housing. I made a few phone calls to some local ''fast food'' restaurants and I learned that each of them started their employees above the minimum wage. I was quoted wages starting from $5.25 per hour at the Burger King in Falls Church to $6.00 per hour at an Alexandria McDonald's. The labor market and cost of living determine these pay rates, not Federal minimum wage laws. But in Wyoming, where these same factors are much different, the wages are dictated entirely from Washington where folks pay 4 times as much for State and local taxes and 2½ times as much for housing. To no surprise, the Burger King in Casper, the McDonald's in Cheyenne, the Taco Bell in Laramie and the McDonald's in Sheridan all start their employees at this entry-level wage. Remember, those who show some interest don't stay at that entry-level wage long. Remember, those who show some interest don't stay at the entry-wage level. Another mandated, one-size-fits-all minimum wage hike may sound like a good deal for Wyoming's entry-level employees, but it isn't Each time the minimum wage is increased, these jobs that put money in the pockets of kids—and sometimes senior citizens, too—become extinct.

That is not just Wyoming. This chart shows that although the growth and the overall economy did accelerate, it agrees with the other charts. It accelerated in 1996 and 1997. The job growth at eating and drinking places fell sharply after the wage hikes. In 1995, job growth in the whole economy was 2 percent; eating establishments, 3.9. In 1996, after the wage increase goes into effect, the economy grows by 2.8 percent, and the kids working in restaurants only have a growth of 2.2 percent.

After outpacing overall employment growth each year in the 1990s, job growth at eating and drinking places fell sharply in 1996 and 1997. This chart shows the total employment and the eating and drinking employment. So both of them show the same trends.

Another chart shows what the new job opportunities at eating places were in 1994 and 1995 versus 1996 and 1997. The rate of growth allowed for 532,800 jobs in 1994 and 1995. Then the minimum wage kicked into effect. The growth was only 281,600 jobs; we lost over 250,000 jobs in that market alone. That is a quarter of a million kids who didn't get a job.

Despite Wyoming's sparse population, the number of jobs are even fewer. The complaint I hear from my constituents is not about low paying wages, but the lack of jobs. Folks in my State are tired of seeing their kids leave Wyoming to attend college elsewhere simply because there are not enough part-time and full-time entry-level jobs to help them get a little experience and pay for their education while they go to college. Since the bulk of jobs in Wyoming are provided by small businesses, another increase in the minimum wage will only increase that disparity. Another minimum wage increase would hike all wages. I'm in favor of all wages being increased, but not at the cost of critical jobs. If the entry-level wages have to go up, the workers earning slightly more than the minimum wage would have to earn more too. This isn't just a debate about entry-level wages. Not only would small businesses have to pay its employees a higher wage, but the price of products that the business purchases at wholesale costs and sells at retail prices will undoubtedly have to go up—causing customers to purchase less as a result. Lower sales means less jobs. Downsizing would result. If that fails, the business folds—often quickly by Wyoming's standards. This is basic macroeconomics and a simple explanation on why Federal mandates can hurt the very people they are intended to help. Unfortunately, people don't work at the Federal level. They work at the local level—even for those who work for the Federal Government.

Not only have I heard the argument that our economy won't be hurt by another increase since it is already so strong, but the argument is also portrayed to sound as if another increase is long overdue. Over the past 10 years, the Federal Government has walked all over States like Wyoming by subjecting them to national, one-size-fits-all mandates, all kinds. In 1989, the Congress and President Bush negotiated an agreement that provided for three increases in the minimum wage over a 12 month period. By April 1, 1991, the minimum wage rose from $3.35 per hour since 1981 to $4.25 per hour.

Congress didn't stop there, however. On May 22, 1996, the House passed a tax bill to assist small businesses, entitled the Small Business Job Protection Act of 1996. On May 23, the very next day, the House passed another bill that increased the minimum wage from $4.25 an hour to $5.15 an hour over two years. These two bills were combined into one package and sent to the Senate where it passed. I was still a small business owner in Wyoming at that time, but I was still appalled by the action Congress and this President took under the guise of ''small business protection.''

That takes us to today. Now the Senate is talking about another increase in the minimum wage—$1 over the next two years. I am a member of the Senate Labor Committee that has jurisdiction over this matter. The committee has not had one, single hearing discussing the impacts of another minimum wage increase. The committee has not considered any legislation that would increase the minimum wage. Rather than discuss the impacts that the pending legislation would have on States like Wyoming, the committee process was shunned. Instead, we're now debating this issue as a matter of election year theatrics. Politics does not constitute sound policy and this attempt to increase the minimum wage again simply confirms that notion.

I am not interested in playing games with the minimum wage. This is a complex, economic issue that must be carefully considered. If the minimum wage goes up, then so does the poverty level. But wages are already going up because of full employment. A quick downturn in the economy would escalate unemployment. This would be a lose-lose situation. Phony wage hikes drive prices up—so we trick the worker into thinking he or she is getting more—but the bills still can't be paid at the end of the month. Government dabbling in a free economy is phony economics.

Congress has a duty to weed out political schemes from impacting our Nation's market and labor force. States like Wyoming deserve better than that and I'm not going to sit idly by and allow my constituents' concerns to be silenced.

This matter should receive a fair hearing and additional consideration by the respective committees and must not be excluded. This is the last-minute election year pitch; nothing more. I strongly oppose this attempt to pass a minimum wage increase, and I ask my colleagues to do the same.

Mr. President, I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I yield 10 minutes to the Senator.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I am pleased to be on the floor with my colleague, Senator KENNEDY, in support of this amendment.

Let me say to my colleagues on the other side—perhaps we can have some discussion and debate about this—that I find it very interesting what is going on here. If I am wrong, I am sure my colleagues will try to prove me wrong. I don't actually think they can prove me wrong. Here is what is going on.

The reason that the vast majority of the people in our country have made it crystal clear that they are for an increase in the minimum wage, that they think to go from $5.15 cents and hour to $6.15 over a 2-year period is imminently reasonable is because they think this is a family-value issue. This occurred the last time we went through this debate and this time as well. Most people in Minnesota and most people in the United States of America believe that it is our responsibility as Senators and as Democrats and Republicans to create a climate whereby they can do their best by their kids, because when they do their best by their kids, they do their best by our country. One of the ways they can do best by their kids is to have a decent job and a decent wage so they can support their families. That is what this debate is all about.

Mr. President, we have these arguments trotted out here. I do not like where they come from. We have the same old song. I understand that for a variety of different reasons some of my colleagues are opposed to raising the minimum wage. I understand this may be a difficult vote. So we have to figure out other arguments to make. I don't think it looks good.

I am going to sort of break from the traditional boundaries of debate and say this: I don't think it looks good.

In this past year we gave ourselves a cost of living raise of $1.50 an hour on top of giving ourselves, several years ago, a $30,000 increase. We in the Senate went from $100,000 to $130,000-plus.

At the time, I had colleagues come up to me and say, ''We need to do it. We have two places. We have children. They are in college. It is tough. It is very difficult to make ends meet.'' So we voted ourselves a $30,000 increase, and then, on top of that, we vote ourselves a $1.50-an-hour cost of living increase. Yet, we say it is just outrageous to increase the minimum wage for people who are working full-time, playing by the rules of the game, 52 weeks a year, 40 hours a week, and are making poverty wages. People who work full-time ought not to be poor in America. They ought to be able to make a decent wage and support their children. $100,000 to $130,000 for us is fine, but to raise the minimum wage $1 over 2 years is not fine.

That is a tough argument to make for people in the country, because most people in the country believe that it is our job to make sure that when people play by the rules of the game and work hard that they earn a decent living. Most people in this country believe that those people ought to have that chance. Thus, the arguments come out.

And so we heard that we are going to lose all these jobs, but that didn't happen. Here are the figures from the Bureau of Labor Statistics. I am not bringing out any particular conservative group or liberal group. I am just going by BLS data. When we went from $4.25 to $4.75 over this first year, 394,000 new jobs were added to the economy. Then when we went from $4.75 to $5.15, 517,000 new jobs were added to the economy.

When I am finished I look forward to my colleagues refuting this; to just explain away the data. Sometimes we don't know what we don't want to know. But these are the facts from the Bureau of Labor Statistics. Where is the evidence that this increase in the minimum wage that helped so many people in our country—10 million-plus people, 140,000 people in Minnesota, helped people do better by themselves and better by their kids—where is the evidence that it led to a decrease in jobs?

In the State of Wyoming, since the Federal minimum wage was increased, unemployment in Wyoming dropped by 8 percent. Where is the evidence that the increases in the minimum wage lead to a sharp drop in the number of jobs in the State of Wyoming? It is just the opposite. According to BLS, 15 percent of the workforce in Wyoming will benefit from our increase—30,000 workers.

So I don't understand this whole argument about how it will lead to a decrease in jobs. For reasons I can't understand, I think it is just sort of ''blind ideology'' that my colleagues don't want to support this. We are glad to have a big increase for ourselves. Then I say, ''OK. What could be the reasons?''

Here are the arguments that are brought out to the floor. One is we will see all of these jobs disappear. But precisely the opposite is happening.

Until I hear to the contrary, I don't quite understand that argument.

My colleague from Wyoming, who I enjoyed hearing, said we didn't have any hearings. The chairman of the Committee on Labor and Human Resources, my good friend, said we would be pleased to have hearings.

So we don't have hearings. Hearings are denied and then that is used as an argument why we shouldn't take action.

Then I hear my good friend from Utah make the argument that these jobs are not just about earnings. They are about learning, and that we should recognize the dignity of work. I agree. But do you want to know something? The best way that we can recognize the dignity of the work is to make sure there is some value to the work and make sure that these men and women who are taking care of our children, taking care of our parents, providing us with food, cleaning buildings, and you name it, are provided with a decent wage.

A lot of people, no matter how hard they work, are poor because wages are too low. To talk to them about the dignity of their work and how this is great for learning just misses the point, if we won't talk about earnings.

I don't know what reality we are dealing with here. We are dealing with the phenomenon of many working poor families in our country with the head of household working full-time, and those families are still poor.

I am hearing colleagues talk about how we are opposed to raising the minimum wage because somehow we think it will undercut the dignity people have. Or we are opposed to raising the minimum wage because we really think this is as much about learning as it is earning. I just do not understand these arguments.

Mr. President, we know that this especially helps women because they are disproportionately among the low-wage workers. We know that this disproportionately helps adults. We dealt with the mythology that this is all about teenagers. Then we get into the argument: But there are a percentage of these workers who are younger people, high school age, college age.

Again, I don't know what reality my colleagues are focused on here. But do you know, they work for compelling reasons as well. In case anybody hasn't noticed, higher education is an expensive proposition.

Many high school students and college students are working—I meet many college students who are working 2 and 3 minimum wage jobs. That is why it takes them 6 or 7 years to graduate. They are not doing it just on some lark. They are doing it because this is key to their being able to finance their education or help their parents finance their education. Or, if they are older—since many of the students are older and going back to school—it is even more critical.

I heard my colleague from Utah refer to a study that showed when you have a higher minimum wage, welfare mothers stay on welfare a longer period of time. That does not make any sense to me. I would love to know what there is to that story. Because, frankly, if you

are going to talk about the importance of going from welfare to workfare, presumably one of the key things you want to make sure of is that the jobs are there that pay a decent wage so those mothers and children will be better off. For some reason, States with higher minimum wage—or I guess the argument is supposed to be that by raising the minimum wage we have discouraged these parents from moving from welfare to work? It just makes no sense. I would love to know a little bit more about that finding.

So, my conclusion—and I say this with some indignation—we just have all the sympathy in the world when we have oil companies coming out here asking for special breaks, but we have very little sympathy when it comes to these working poor families.

I yield the floor.

The PRESIDING OFFICER. The Senator's 10 minutes have expired. Who yields time? The Senator from Utah is recognized.

Mr. HATCH. Mr. President I yield 10 minutes to the distinguished Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. JEFFORDS. Mr. President, I have listened to my good friend from Minnesota, and certainly understand his concerns. But I think the picture he gives of the situation is somewhat different than what I perceive. I have faithfully supported minimum wage increases over the years, but there comes a time when we try to push things too fast and we could well destroy the very goals we are trying to reach.

One of my major goals as chairman of the Labor Committee is to get people into the workforce and keep them there. That is why I worked so hard with my colleagues on both sides of the aisle to enact legislation that will improve and streamline our adult education job-training programs. That is why I am working so hard on developing legislation that will improve our postsecondary, adult and vocational education. That is why I have, with my friend from Massachusetts, introduced legislation to help the disabled find jobs and get off the federal rolls while maintaining their health benefits. And that is why, although I have supported past minimum wage increases, I am concerned that if we raise the minimum wage too soon after the last increase, we may cause more harm than good.

Here in Congress, we continually grapple with the issue of how to assist low-skilled workers—particularly workers who have to support a family—without destroying the very jobs they rely on to support themselves and their families. It is hard for people with families and low skills to get by. We have seen and heard a lot of evidence about this. But it is also hard for small businesses to get by. Business failures are commonplace and margins are thin. When we raise the minimum wage, we make it more difficult for these businesses to justify hiring inexperienced, unskilled, and untrained workers.

For the past 60 years, we have relied upon the minimum wage to set a floor beneath wages. Every time we have increased it, we have given businesses five years or so to adjust from the last increase to the next enactment. The only exception was once during the 1970s when the real minimum wage declined even as the nominal wage was increasing. Those of us will remember, this was during a time of incredible inflation.

However, before the last increase even took effect, the senior Senator from Massachusetts had launched a new campaign for another increase in the minimum wage. The net effect of these increases would be a 45 percent rise in the minimum wage over a four and a half-year period. I am concerned that saddling small business with this steep increase over a relatively short period of time will have some negative repercussions both on the business owners as well as workers who count on their minimum wage jobs, and perhaps on those individuals who are seeking their very first job.

Although increases in the minimum wage have been important, they are not the only tool we have used to assist low-income workers who are supporting families. In addition, we have developed targeted government supports for the working poor, such as the Earned Income Tax Credit (EITC).

Over the years, the EITC has been expanded to target and supplement the wages of low income families without threatening any job loss. This year, the EITC will enable a minimum wage worker who is either a single parent or the single wage earning parent of dependent children to receive 3,756 additional dollars, bringing that family's income to $14,468. In addition, the EITC is set up so that these families do not have to wait for a lump-sum tax refund; instead the workers can receive the tax credit in their weekly paychecks.

A recent report released by the Center on Budget and Policies Priorities found that the EITC now moves more than two million children out of poverty. The report concluded that, ''the EITC is the most effective safety net program for children in working poor families.'' I strongly support the EITC because it is making a difference in the lives of working families. I also support the EITC because it provides an incentive to work, the incentive is specifically targeted to help workers from low income families, and it does so without threatening jobs, as a minimum wage increase will.

Further, I am concerned that when we raise the minimum wage we are not targeting low income workers. Statistics show that more than half of the minimum wage workers live in families with yearly incomes over $25,000. In addition, statistics reveal that the majority of minimum wage earners are young, single and childless. I understand that in my home state of Vermont, only a small percentage of minimum wage workers are supporting their families on their wages. The fact that an increase in the minimum wage does not specifically target low income families becomes particularly significant when we consider the dramatic impact that a back-to-back increase will have on small businesses as compared to the actual number of low-income working families who will be helped by the increase.

I believe that we should give the last minimum wage increase some time to be absorbed into the economy before we move to increase it again. I also think that we should continue to focus our efforts on assisting the working poor by working to improve and expand targeted approaches such as the EITC.

Finally, I believe that before we open up the Fair Labor Standards Act to raise the minimum wage, we should take some additional steps to update the FLSA to better assist our working families.

This update is sorely needed because, while the makeup of the American workforce has changed dramatically over the past 60 years, few provisions of the Fair Labor Standards Act have been updated to reflect those changes. The needs of today's workforce are different than the needs of the workforce of the 1930s. Increasingly, employees are requesting that their employers offer more flexible work schedules and compensation packages. Unfortunately, the FLSA and its underlying regulations preclude employers from accommodating such requests. In other words, even though our workers are requesting more flexible working arrangements so that they can juggle work and family obligations—the arrangements that would be most helpful to these workers are actually prohibited under current law. And our attempts to change that were frustrated earlier in this past session.

The Family Friendly Workplace Act would assist these working families by amending the FLSA to allow employees the ability to choose comp. time—the opportunity to choose paid time off instead of cash compensation for overtime work. It would also allow employees to work a flexible biweekly schedule—to schedule their hours over a two-week period so that they can work additional hours during one week in order to take that time off during the second week. These same options have been available to Federal, State, and local employees for some time and they have been extremely popular with these public sector employees.

Why my colleagues on the other side of the aisle refuse to acknowledge this and allow us to bring the FSLA up to the present-day needs of this Nation I do not know.

During the first session of the 105th Congress, we engaged in contentious and partisan debate over the Family Friendly Workplace Act. While we were

able to pass the bill out of the Labor Committee, our Democratic colleagues prevented us from moving forward on the floor of the Senate.

To be quite truthful, I still have a hard time fathoming why this issue has been so contentious. After all, we are talking about amending the law so that hourly employees in the private sector will be able to partake in some of the same scheduling options that salaried and public-sector employees currently enjoy. The public support for this bill has been overwhelming, and I am frustrated that we have been unable to move it forward.

The point I am trying to make here today, Mr. President, is that while the minimum wage is important—and obviously it is—another increase at this time will not necessarily benefit our workforce. However, there are things that we can do today that will benefit working families. It is my hope that my colleagues on the other side of the aisle will recognize this point and will begin working with me to help our workers meet the needs of their families by amending the FLSA to allow for more flexible work schedules. I hope my colleagues will lift their prohibition and allow us to consider this very important piece of legislation.

Mr. President, I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, I yield myself 8 minutes.

Mr. President, I urge my colleagues to vote in favor—I believe there is going to be a motion to table—I urge my colleagues to vote in favor of the motion to table the Kennedy amendment which will increase the minimum wage by 19 percent. Just 2 years ago we raised it 21 percent.

I heard some of the proponents of the amendment say, ''We need to increase minimum wage because if we don't, these people will not be able to make a decent living.'' Frankly, I concur; if somebody needs to live on $5.15 an hour, that probably is not a very good living. But if you follow that philosophy through, then let's increase the minimum wage to $10 an hour or maybe $20 an hour. It just doesn't make sense.

What are we doing if we increase minimum wage? Right now, the minimum wage is $5.15 an hour. There are 2.2 million people who make that amount. The proposal is to increase it to $6.15 an hour. According to CBO, there are 11.7 million workers who make less than $6.15 an hour. If we do that, we are saying it is against the law for them to work for less than $6.15 an hour—the Federal Government, in its wisdom, has decided that it is against the law for anybody in America to work for less than $6.15 an hour. I think that is a mistake. We are saying it is better for them not to have a job: ''If that job doesn't pay $6.15 an hour, we would rather have them be unemployed.'' The Federal Government makes it against the law.

Do I want them to make $6.15 an hour? You bet. Do I want them to make more than $6.15 an hour? You bet. But I would hate to pass a law saying it is against the law for them to work for less than that. That is exactly what we are doing. Maybe this $6.15 an hour works in Massachusetts, but it may not work in rural Montana or in rural New Mexico.

I am bothered by the fact that we are telling people if whatever job they have—and maybe it is a beginning job; a lot of minimum wage jobs are beginning jobs; maybe they are working part time in a restaurant, maybe they are pumping gas or sacking groceries or something—but basically the Federal Government is saying, ''We would rather have you be unemployed; if your job doesn't pay this much, we would rather have you unemployed.'' Then they are entitled to receive Government payments, welfare benefits, so on.

To me, that just doesn't make sense. To go back on this poverty line and say, ''If you don't make this money, it just is not worth it,'' is hogwash. That is really devaluing the whole process of people starting to climb the economic ladder. We are saying if the job doesn't pay so much, we would rather you be unemployed.

Sometimes that first job, even though it doesn't pay very much, is one of the most important jobs an individual can get, because they learn what it means to get a job, to be at work, to be on time. They learn maybe that that job doesn't pay enough, so they need to get a better job. Maybe they need to improve their skills or maybe they need to continue their education.

To say we would rather have you be unemployed—whom does that really hurt? It hurts low-income people. It hurts minorities disproportionately. It basically leaves a lot of people with idle time who, frankly, would be better off making $5 an hour and having a job and learning some skills so they can get a better job in the future. Instead, we will be raising the ladder and saying, ''No, we would rather have you be unemployed.''

There they are, a 16-, 17-, 18-year-old person unemployed, maybe getting in trouble, maybe still wanting to have some money or something, so they get involved in doing other things. Sometimes those other things are illegal.

Mr. President, you can't repeal the law of supply and demand. If you raise minimum wage, you are going to cost jobs, you are going to put people out of work, and, yes, the Congressional Budget Office says maybe it is 100,000, maybe it is 500,000.

My daughter worked, and she was going to college. She was working in a restaurant as a waitress making $5 and something, I think—a little less than $6 an hour. At least she did when she started. I don't want the Federal Government to say, ''We don't want her to have that job.'' I don't want to price her out of getting that job. Unfortunately, she drives a car. I want her to help pay for that car. I want her to put gas in that car.

Again, I think learning skills in whatever job level a person is able to start at—the higher the better, that is great. But if it is a minimum wage job, if it is a low-income-type job, if they are able to learn skills from that point, great. Let's not price it out of the ball park. Let's not put those people out on the unemployment lines. Let's not deprive a minority youngster who is 15 years old, or 16 years old, or 17 years old, in Chicago the chance to start climbing the economic ladder.

Raising the minimum wage—I understand maybe the proponents' goal, and I share the goal of trying to raise people's incomes, but I want to do it through a free market, not do it through a Government mandate that is going to put hundreds of thousands of people out of work.

Unfortunately, I think that is the net result of this amendment. If not, let's raise the minimum wage a lot more. I would like for everybody to make $10 an hour. If the economic arguments are valid behind raising this—if we raised it 21 percent 2 years ago, if we are going to raise it another 19 or 20 percent—if there is no negative economic impact, let's make it $10 or $20 an hour. Let's make sure everybody is going to be wealthy. Let's make sure nobody is on the poverty line.

Frankly, that won't work. That just flat won't work. Most importantly, let's not deprive young people of the chance to climb the economic ladder. The hundreds of thousands, millions of these people who are making this level wage are people like my daughter. Let's give them a chance as well to start climbing the economic ladder. Let's not price it out.

Mr. President, I urge my colleagues to vote in favor of the motion to table the Kennedy amendment at the proper time. I compliment my colleague from Utah and also my colleague from Vermont for their statements.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I reserve the remainder of our time.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield 7 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Thank you, Mr. President. I thank the Senator from Massachusetts for leading this debate, an important debate.

The first job that I ever had where I was paid an hourly wage was the result of two lies. I walked into a delicatessen at age 14 in the home State of the Presiding Officer, in St. Louis, MO, a place called Union Station. I bought a half dozen bagels for my mother. The man leaned over the counter and said, ''Are you looking for a job, boy?''

I said, ''Yes.''

He said, ''How old are you?''

And then the first lie came out. I was 14 and I said, ''I'm 16.''

''OK.''

I said, ''How much does the job pay?''

Then the second lie came out. He said, ''The minimum wage, 60 cents an hour.''

With that exchange, we entered into a contract: An underage worker making less than the minimum wage got his first job besides delivering papers. I have had a lot of jobs ever since. I have met a lot of people along the way who have struggled at low-wage jobs and tried to make a living.

And this debate is really about them.

I guess there is a sense of frustration by some on the floor that these people in low-income categories will not be quiet. They keep speaking up and saying, ''We can't make it. We're not making it. We need more help. We're trying to keep our families together. We're trying to provide the basics for our kids, and $5.15 an hour just won't do it.''

A lot of people would wish that the so-called invisible hand of the market would be all that we rely on, but, fortunately, we do not. Fortunately, since the days of Franklin Delano Roosevelt, we have said this country will have a minimum wage, because we believe there is dignity in work and there is dignity attached to work that pays a decent wage.

Unfortunately, we politicians, who draw regular salaries, have fallen down on the job of keeping up with inflation. Take a look at this chart about what has happened to the real minimum wage while we have gone through all this political gasification on the floor of the House and the Senate.

Starting in 1955, it was the equivalent of $4.50 an hour; it was not that, but in 1997 dollars it would have been $4.50 an hour. We saw the minimum wage, the real wage, the earning power of the minimum wage reach a high of $7.38 and then plummet between 1970 and 1988 to a low of $4.34.

If Senator KENNEDY is not successful with his effort today, you are going to see that line plummet again. What it means is the real earning power of people in low-income jobs will continue to descend; and as it continues to descend, it will be more difficult for them to provide clothing for their kids, any kind of health insurance, to pay rent on a decent place to live, to provide some of the amenities of life that all of us just take for granted.

I have listened to the arguments, and they are so weary and time worn that ''if you raise the minimum wage, we will increase unemployment.'' The spokesmen and spokeswomen for the business community have been giving us that song for as long as this debate has been on the floor of Congress. They cannot seem to divert their eyes away from their hymnal in singing this long enough to look at the facts. And the facts say just the opposite.

Look at what the impact on unemployment has been by our most recent increase in the minimum wage. When it was increased to $4.75, unemployment started going down. When it was increased to $5.15, it went down further. So the argument that raising the minimum wage forces employers to lay people off may happen in an isolated case or two, but in looking at the overall economy, you have to say there is no correlation here. The minimum wage has gone up and unemployment has gone down.

''Oh,'' they say, ''wait a minute. You're not talking about the most vulnerable people. These are the first ones they are going to lay off, that teenager,'' like myself at age 14 or 16, or whatever, ''trying to go to work and make a minimum wage. Surely, they will be the first casualties.'' The facts do not support that. The facts say just the opposite.

Look at this. Unemployment continues to go down as the minimum wage goes up among teenagers age 16 to 19. They say, ''Well, there are special classes of teenagers.'' We all know the problems with minority teenagers. They are a special class. ''Surely, they'll be the first ones to suffer if we raise the minimum wage.'' Again, not the case. Minimum wage goes up; unemployment goes down.

There is really nothing to these arguments against an increase in the minimum wage. Frankly, we have heard so many of them—people who will not acknowledge that the last time we increased the minimum wage we saw an increase in employment in America.

The Senator from Oklahoma stood up and said, ''Be careful. If you raise this minimum wage, we're going to lose jobs.'' Since September 1996, the last time we raised the minimum wage, 61,000 new jobs have been created in the State of Oklahoma. There are 154,000 Oklahomans who would receive a raise of $1 an hour if this Kennedy amendment passed.

In my home State of Illinois, 179,000 new jobs have been created since we last increased the minimum wage. There are 374,000 Illinois workers and their families who are waiting for that, hoping that we will listen again to the need to raise this basic minimum wage.

Who are the people who will benefit? The teenagers and the minorities? Yes. But if you want to describe who they are, you have to look at the bigger picture. Sixty percent of them are women; 74 percent are adults, 20 years of age or older. Some want to refer to this as a kid wage. Seventy-four percent of the people who would benefit by this amendment are over 20 years of age, 8.9 million workers in the United States.

Work is an ennobling experience. It has been in my life, the lives of my parents and the lives of my children. I am glad that I did it. And I learned a lot in the experience. I always wanted to feel that I was getting paid fairly for hard work. Sure, I would work hard at my job to do a good job, but I would like to think when the paycheck came in I was getting a decent wage.

Fortunately, in my life, there were very few times that I ever struggled to make ends meet with my family. My wife and I weathered those years. But for some people this is a weekly experience—waiting for that paycheck to come in and wondering if they are going to make it.

Who are these people we are talking about? These are the people we entrust our parents to in nursing homes. These are the people who are changing the sheets on their beds, cleaning up after them. These are the people who we entrust our children to in day-care centers and our grandchildren—I might add since I am now in that vaunted category—grandparents worried about grandchildren. These day-care workers are making a minimum wage, and we give them the most precious cargo we can deliver in bringing in our children. These are the people who made the bed in your hotel room, who took the dirty dishes off your table, who took in your cleaning. These are the people who every day get up and go to work. They know that work is ennobling. They are asking for fairness.

I ask for 1 additional minute.

The PRESIDING OFFICER. The time has expired.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Two more minutes.

Mr. DURBIN. I say to those who are opposing this minimum wage, that it is a sad day when we have reached the point when the U.S. Congress is so unresponsive to the reality of workers in America, so insensitive to what is really going on among workers in businesses across the United States.

When the record is written about this Congress, and what it has achieved, I am afraid it will be reminiscent of General MacArthur's speech to a joint session of Congress over 40 years ago. He said, ''Old soldiers never die, they just fade away.''

Well, maybe—maybe—it is time for this Congress to fade away—this Congress, which has been unwilling to address the most basic issues in this country; unwilling to pass campaign finance reform; unwilling to pass a tobacco bill to protect our children who continue to be lured by those companies; unwilling to show initiative to protect Social Security when Americans say that is their No. 1 priority; unwilling to do anything about education, like the crumbling schools initiative of my colleague Senator CAROL MOSELEY-BRAUN; unwilling to address a Patients' Bills of Rights when every American family knows how vulnerable we are when it comes to health insurance and the way doctors and hospitals are treated; and unwilling to address the most basic issue, the most basic issue of fairness, that the people who get up and go to work every day in America deserve a decent living wage.

It will be a tragedy if this turns out to be just another partisan roll call

swept aside and ignored because hundreds of thousands in my State and millions across America look to this Congress to be sensitive and to lead. Unfortunately, today, the debate suggests that we will not. And this Congress will fade away with an ignominious record when it comes to the people who are going to work every day and keeping America moving.

I yield the floor.

The PRESIDING OFFICER (Mr. SESSIONS). Who yields time?

Mr. HATCH. I yield 3 minutes to the distinguished Senator from Iowa.

The PRESIDING OFFICER. The Senator from Utah yields 3 minutes to the Senator from Iowa.

Mr. GRASSLEY. Mr. President, I want to talk about the procedure of this minimum wage bill on a very, very important bankruptcy reform bill we have. The substance may be very important, but the procedure is what we want to consider as we ask our colleagues to vote on this amendment.

We are on the first major change in bankruptcy legislation in 20 years—very needed change. So what is the minimum wage bill doing on this bill? This bill was voted out of committee 16–2. The author of this minimum wage amendment was one of those two people who voted against it. Obviously, by putting minimum wage on this, it is a poison pill to defeat this legislation. This is an anchor that is going to take this bill to the bottom of the ocean if this amendment is adopted. We must not let this amendment be adopted if we want a strong bankruptcy bill, any bankruptcy bill, out of this Congress.

We have about 2 weeks left to get this bill worked up, with wide differences between the House bill and the Senate bill. If we adopt this amendment on minimum wage, I am sure the majority leader will take this bill down.

I am asking my colleagues not to vote for this amendment because of the merits or demerits of minimum wage, but because this is a poison pill that will destroy the bankruptcy reform legislation that has so much going for it. When a bill comes out of the Judiciary Committee 16–2, it has a lot of bipartisan support, and you know it will go. This is one way that one opponent of this bankruptcy bill can stop it.

Now, as important as a minimum wage increase might be to help some families in America, this bankruptcy bill is also very important to help lower-income families in America because there is not a single family in America—low-income or high-income—that is not paying part of the costs of bankruptcy; $40 billion costs to the economy every year, $400 for a family of four. So every family that the Senator from Massachusetts is trying to help through an increase in minimum wage, he is hurting by stopping the reform of bankruptcy. We must reform bankruptcy. This is a hidden tax on the poor of America.

By passing this legislation, reducing the tax, we will help the very same families that the Senator from Massachusetts wants to help.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HATCH. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, we have how much time?

The PRESIDING OFFICER. Seventeen minutes.

Mr. KENNEDY. Mr. President, I yield 5 minutes to my friend from Iowa.

Mr. HARKIN. I thank the Senator from Massachusetts for yielding this time.

PRIVILEGE OF THE FLOOR

Mr. HARKIN. Mr. President, I ask unanimous consent privilege be granted to Yvonne Byrne of my staff for the duration of the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARKIN. Mr. President, first, let me commend my friend and colleague, Senator KENNEDY, for his long-time commitment and leadership on this issue, among many others, but especially on this issue. So many people are now working in America and earning at least a raise from the minimum wage of what we had a few years ago of $5.15 because of the hard work and effort and leadership of Senator KENNEDY.

As Senator KENNEDY knows, this is an issue of basic fairness about whether those Americans who work hard, who have helped our Nation grow to a period of very significant economic prosperity, should, indeed, receive some of the benefits of this prosperity.

I was in Iowa on Friday. I visited the Tri-State Food Bank in Sioux City, IA. Now, the unemployment rate in Sioux City and the surrounding areas is about 2 percent—literally almost no unemployment. The economy is growing; people are working. It is some of the best times people in that area have ever had from what they tell me and from what all the indicators are. Yet, the director of the Tri-State Food Bank Mr. Ron Swanson informed me that they are getting more demand for food from the food bank than they have ever had before. Now they are concerned about the winter and whether or not they will have the food necessary. I said, with all these people working, why is it that people are coming to the food bank?

Earlier, I visited the food bank in Des Moines and Karen Ford told me the same thing. That in this time of economic prosperity and growth and low unemployment, the demand for the commodities and the food from the food banks is higher than ever.

As I was told in Sioux City on Friday, you have a lot of people who have come off of welfare in the so-called Welfare-to-Work Program. They are making minimum wage, they are feeding their families, clothing their kids, sending their kids to school, paying rent, they are getting food stamps. But their food stamps are running out before the end of the month so they have to go to the food bank to get USDA commodities of rice, USDA canned pears and canned peaches, USDA flour, plus the donations that churches, schools and the businesses in that area donate to the food bank.

Now, these are not people that are shirking. These are not people that are just out on the streets. These are people that go to work every day trying to provide for their families. Yet they have to go to the food bank before the end of the month because the food stamps run out. These are people making the minimum wage—$5.15 an hour.

It is not right in this country when in this time of economic prosperity when millionaires are created every day and we have billionaires like we have never seen before, that people who work and go to work every day can't even get enough food to last until the end of the month.

That is what this is about. That is what this whole debate and this vote is about. For the life of me, I can't understand why anyone would vote against raising the minimum wage just the modest amount that Senator KENNEDY is proposing.

I had my staff calculate up for me what the minimum wage would be if it had increased at the same rate that CEO salaries, chief executive office salaries, had gone up on average since 1960. If the minimum wage had increased at the same rate as CEO average salaries since 1960, the minimum wage today—are you ready for this—would be $41 an hour. Now, that tells you about the spread. That tells you what is happening in our society. Fewer and fewer people making more and more money, getting all the wealth, more and more people shoved to the bottom who make the minimum wage, who get food stamps, and then have to go to the food bank to get food to last them until the end of the month. It is not right. It is not right in this country that those conditions have to exist.

They tell us, well, if you raise the minimum wage there will be unemployment, people will be out of work. How many times do we have to hear this nonsense? We know it is not true. We have the facts, we have the data. It is absolutely not true. For example, in Iowa about 5 years ago, Iowa raised their minimum wage more than the national minimum wage. What we heard at that time from the Republicans in Iowa was, oh my gosh, it will cost us all these jobs, people will leave Iowa. They will go to other States where there is a lower minimum wage.

In 1989, Iowa raised their minimum wage. By 1996, the Iowa minimum wage was forty cents more than the Federal minimum wage. Guess what happened? Nobody left. People worked. Jobs didn't leave. Businesses didn't leave. In fact, we had one of the greatest periods of job growth and business growth in the State of Iowa when we had a higher

minimum wage than the Federal minimum wage.

Now the Federal minimum wage has caught up to Iowa. I think that points out the fallacy of the argument that if you raise the minimum wage, businesses are going to go out of business and they will leave. We proved in Iowa that is not so because we had a higher minimum wage than the Federal.

This is the time for us to stand up and be counted for what is fair and right in our society. I thank Senator KENNEDY.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, we have had a good debate and discussion on this issue during the course of the morning. The opposition to an increase in the minimum wage raised a number of issues, which we anticipated and responded to.

First of all, they say that there is going to be an increasing problem in terms of unemployment. We have demonstrated that we have the lowest unemployment since World War II.

They argue that it is going to add to the problems of inflation. We have demonstrated that we have the lowest rates of inflation, and we have demonstrated a very substantial growth in terms of small business interests.

I want to point out, since our friends, Senator HATCH and Senator ENZI, talked about the restaurant industry, that they have been prime opponents of any increase for the hardest working Americans, those at the lowest end of the economic ladder. I point out that in this industry in 1996, the average restaurant CEO grew in income by 8.6 percent. Their average bonus increased 13 percent. Their average value of stock options exploded by over 100 percent. Their average total compensation grew by 6 percent.

These are some of the highest paid CEOs in this country who are making that high salary on the basis of low-wage workers. I might also add that of the 100 top CEOs in the restaurant industry, there is not one single woman—not one single woman.

Mr. President, before we take all of the arguments by my friend from Utah where we have seen since 1996 a growth and an increase of 59,000 jobs—that was after the increase of the minimum wage in 1996 in October, and September 1997—one of the lowest unemployment rates in this country, I have a list of the statements that have been made by my friend from Oklahoma that he gave in the last debate: I don't think that they should do it in my State because they are going to put people out of work.

That was said in 1996. Senator HATCH virtually said the same thing in 1996. The facts demonstrate to the contrary.

Finally, Mr. President, I want to point this out. We have seen here what you can't get away from: that is, the decline in the purchasing power for low-income Americans. That is a fact. It is lower now than it has been for a period of 30 years.

Republicans signed onto this program. President Eisenhower, President Nixon, President Bush—all Republicans—supported an increase in the minimum wage. Yet we hear from our Republican leadership that we can't possibly do it because it is going to destroy America.

Mr. President, it is important to understand why this issue is so important to the religious community. We have 170 organizations, the principal leaders in the religious community, supporting an increase in the minimum wage because they understand it, whether it is the American Friends, Catholic Charities, the Episcopal Church, the Evangelical Church, the Lutheran Church, the American Council of Churches, U.S. Catholic Bishops, United States Church of Christ—they understand it. It is a moral issue for them—believing in the dignity of the individual. They ought to be able to have a decent living, that they are working in America to provide for their children. That is what the issue is.

You can give us all the charts you want made up by the restaurant industry to distort what is really being debated on the floor of the U.S. Senate.

This is an issue involving women—sixty percent of the recipients are women.

It is an issue involving children—the neediest and the poorest children in this country who are the sons and daughters of those minimum-wage workers.

This is a civil rights issue—it is paying people the entry wage, a livable wage for those individuals who come from different backgrounds and tradition, and also the minorities in our country.

This is basically the moral issue of our time—and when we have been at our best, we have responded to it, Republicans and Democrats alike. It is a fundamental issue that has been stated by my colleagues—Senators WELLSTONE, HARKIN, DURBIN, and others who have spoken on it.

To sum up, it is whether the United States of America, with the most extraordinary economic prosperity in the history of our Nation, is going to say that our fellow citizens who work hard and who have children ought to have a livable wage. That is what the issue is about. The Republican leadership is saying no to those working families.

We hope that we are going to have some support from the other side of the aisle because we believe that there are those who understand the importance of this issue to working families. There is no issue before this U.S. Senate that involves fairness and decency and equity like an increase in the minimum wage. This is it. Now is the time.

I reserve the remainder of my time.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. HATCH. Mr. President, I always enjoy listening to Members of Congress talk about how the minimum wage is going to benefit this society as we raise the minimum wage. Some of us have worked for the minimum wage in our lifetimes. We know what it is like to work for the minimum wage. We also know what it is like to lose your job because you raise the minimum wage too much, and small business people who do not make all that much money have to either reduce employment or get out of it. That is what happens.

The Senator from Minnesota, the Senator from Illinois, and the Senator from Massachusetts I think are looking at the wrong numbers. They should be looking at employment—not unemployment. They should be comparing it to what might have occurred without the mandatory minimum wage increases. There is no question that we have a good economy right now. A rising tide lifts all boats, thank goodness.

I notice that my colleagues are not discussing the plunging youth employment rates following the minimum wage increases in 1978 or 1989. The 1996 legislation that raised the minimum wage included a package of tax cuts. To some extent, of course, that helped mitigate the impact. You would think that by increasing the minimum wage we were going to have an increase in jobs. Really, I don't know any responsible economist who makes that argument. The fact remains, however, that unskilled workers are not helped, they are often hurt, by increases in the minimum wage, particularly in areas where the market wage for entry-level workers is lower.

You are looking at one of the main sponsors of the child care development block grant. I wonder how many children are not being cared for because we keep increasing the minimum wage and freezing people out of child care.

Yes, there are a lot of issues involved here. Wouldn't it be better to cut Americans taxes? We could give everyone more money in their paychecks without jeopardizing jobs and at the same time without hurting small businesses or without triggering price increases for consumers.

I think instead of having minimum wages we ought to have minimum taxes. But where do we get the help from the other side on that? We don't get much of it. If you cut taxes, you actually give people an increase in wages, because they actually take more money home.

Frankly, that is what we ought to be interested in doing to help these people along the way. It would help small business people, where most of the jobs are created. Better than 50 percent of all jobs are created by small business people, who would be the most severely impacted and who are the most severely impacted by increases in the minimum wage, other than those who never get a chance to enter into the workforce as a result of increases in the minimum wage.

Let's be honest about it. This is not the simple little economic interest, as

some on the other side have been saying. There is a lot involved here. We ought to be reducing taxes, not increasing minimum wages.

Mr. KENNEDY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Massachusetts has 4 minutes.

Mr. KENNEDY. I yield 3 minutes.

Mr. WELLSTONE. Mr. President, I have not heard my colleague from Utah respond to this. I haven't heard one colleague on the other side of the aisle respond to the data or to the facts. I have heard them try to hide behind the argument that raising the minimum wage was going to lead to a loss of jobs. Since increasing the minimum wage in the prior year, the Bureau of Labor Statistics reported 517,000 new jobs. Sometimes we do not want to know what we do not want to know. I have not heard any refutation of that at all.

So my question is, Why in the world would we not value work and give dignity to work by raising the minimum wage, which is so important to women in the workplace, so important to children, so important to families?

Then my colleague from Utah moves on to another argument concerning child care. In all due respect, that is what is so sad about this debate. If we really wanted to do our best by families and value families, we would be raising the minimum wage, we would be investing in affordable child care—which this Republican-led Senate will not do. We would have universal health care coverage, which this Republican-led Senate will not do. In child care, I hope the tradeoff is not to say that we are not going to be able to provide good child care for children unless we continue to devalue the work of men and women in child care. Many of them barely make minimum wage or barely above it. That is why we have a 40-percent turnover every year. This is not acceptable.

We can raise the minimum wage, which is important for women, important for these working families, important for children, important for young people who are trying to work their way through school. We can invest in the health and skills and intellect and character by investing in affordable child care. We can invest in health care. This Republican-led Senate has done none of these things.

In all due respect, in all due respect, the reason that 75 or 80 percent of the people in the country believe we should raise the minimum wage is because they have some sense of fairness and justice. We raised our salaries by $30,000 just a few years ago. We gave ourselves a cost-of-living increase that amounts to a $1.50 increase per hour, we make $130,000-plus and say we need to make that. And yet, we will not raise the minimum wage from $5.15 to $6.15 over a 2-year period so people who work hard will not be poor in America and their children will not be poor? This is really outrageous.

I hope we get a majority vote.

Mr. KENNEDY. Mr. President, I believe I have some time?

The PRESIDING OFFICER. The Senator from Massachusetts has 1 minute 20 seconds.

Mr. KENNEDY. Mr. President, just again to underline the excellent point my friend from Iowa made, according to the U.S. Conference of Mayors study, in 1997 requests for emergency food aid increased 86 percent in the cities served—these are cities with Republican and Democratic mayors. Mr. President, 67 percent of the cities cited low-paying jobs as one of the main causes of hunger. Low-paying jobs are the most frequently cited causes of hunger. Nearly half of those relying on emergency food aid do so because their earnings are too low. In 1997, in Jeffersonville, IN, one-fourth of the families receiving emergency shelter were earning less than $6 an hour.

This is about fairness to teachers' aides, to child care workers. It is a basic and fundamental issue with regard to health care workers as well. We are either going to respect our fellow citizens and give them this modest increase in the minimum wage, or we are not going to meet our responsibilities.

Mr. President, has the time expired?

The PRESIDING OFFICER. The time remaining is 10 seconds.

Mr. HARKIN. If the Senator will yield me the 10 seconds—I have 10 seconds, Mr. President—there is a lot of talk in this town these days about morality and immorality. This has to do with morality. This has to do with what is moral in this society and to stick up for people who are low-income and are going hungry.

RECESS

The PRESIDING OFFICER. Debate on this issue has expired. The hour of 12:30 having arrived, the Senate will be in recess until 2:15 p.m.

Thereupon, at 12:31 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

Mr. SARBANES. Mr. President, I rise in strong support of Senator KENNEDY's amendment to raise the Federal minimum wage. I am proud to be an original co-sponsor of the legislation—upon which this amendment is based—to raise the minimum wage 50 cents a year over the next two years bringing it to $6.15 per hour by the year 2000.

For more than half a century, Congress has acted to guarantee minimum standards of decency for working Americans. The object of a Federal minimum wage is to make work pay well enough to keep families out of poverty and off Government assistance. Any individual who works hard and plays by the rules should be assured a living standard for his or her family that can keep them out of poverty.

If nothing is done before the year 2000, the real value of the minimum wage will be just $4.82 in 1997 dollars—about what it was before Congress last acted to increase the minimum wage in 1996. The increase being proposed today would bring the purchasing power of the minimum wage to $5.76. Now, no one asserts that raising the minimum wage will correct every economic injustice, but it will certainly make a significant difference to those on the low end of the economic scale. We have the opportunity to enact what is in my view a modest increase to help curb the erosion of the value of the minimum wage in terms of real dollars, and it is an opportunity which we should not let pass us by.

Currently, full-time minimum wage worker earns just $10,712 —$2,600 below the poverty level for a family of three. A dollar increase in the minimum wage would provide a minimum wage worker with an additional $2,080 in income per year, helping to bring that family of three closer to the most basic standard of living. This extra income will help a family pay their bills and quite possibly even allow them to afford something above and beyond the bare essentials.

According to the Department of Labor, 74 percent of workers who will benefit from an increase in the minimum wage are adults, 50 percent work full time, 60 percent are women and 40 percent are the sole breadwinners in their families. Mr. President, these are not the part-time workers and suburban teenagers many opponents of the minimum wage increase would have you believe.

After 30 years of spiralling deficits we are on the verge of balancing the budget for the first time in 30 years - 4 years ahead of schedule. Today, the budget is virtually balanced, unemployment is at a 25-year low, and inflation is at a 30-year low. However, despite this period of economic prosperity, the disparity between the very rich in this country and the very poor continues to grow. According to the Economic Policy Institute, projections for 1997 indicate that the share of the wealth held by the top 1 percent of households grew by almost 2 percent since 1989. Over that same period, the share of the wealth held by families in the middle fifth of the population fell by half a percent. In light of these estimates, consider that the Department of Labor predicts that 57 percent of the gains from an increase in the minimum wage will go to families in the bottom 40 percent of the income scale.

It is both reasonable and responsible for Congress to enact measures which provide a standard that allows decent, hard-working Americans a floor upon which they can stand. We did it back in 1996 when we approved, by a bipartisan vote of 74–24, a 90 cent increase in the minimum wage bringing it to its current level of $5.15 per hour, and it is appropriate to do it here again. With the economy strong, we have a responsibility to reinforce this basic economic floor for millions of American workers