

increase in the minimum wage reduces employment opportunities for millions of Americans. This point was also highlighted by Federal Reserve Chairman Alan Greenspan in testimony before the Senate in January when he pointed out that "All the evidence that I've seen suggests that the people who are the most needy of getting on the lower rungs of the ladder of our income scales, develop skills, getting the training, are unable to earn the minimum wage. As a consequence, they cannot get started. And I think we have to be very careful about thinking that we can somehow raise standards of living by mandating an increase in the minimum wage rate." I hope all of my colleagues will carefully consider how increasing the minimum wage decreases opportunities for our nation's youth and refrain from reducing economic opportunity for those at the bottom of the economic ladder by raising the minimum wage.

Bruce Bartlett is senior fellow at the NCPA. He was Deputy Assistant Secretary for Economic Policy in the Treasury Department from 1988 to 1993, and Senior Policy Analyst at the White House from 1987 to 1988. He is an expert commentator on taxes and economic policy, the author of two books and, a syndicated columnist. His articles have appeared in many papers including *The Wall Street Journal* and *The New York Times*. He regularly appears on national television and radio programs.

MINIMUM WAGE HIKES HELP POLITICIANS, NOT THE POOR

(By Bruce Bartlett)

It now appears likely that the Republican Congress will soon raise the minimum wage for the second time in three years. In 1996 the minimum increased to the present \$5.15 an hour from \$4.25; the increase now being considered would bring the figure up to \$6.15 by 2002. This is bad news, for as many as 436,000 jobs may disappear as a result of the increase.

During the last debate, two arguments were advanced in favor of raising the minimum wage. The first claimed that the minimum wage had fallen sharply in real (inflation-adjusted) terms since the previous increase in 1991. But with inflation having all but vanished in the 19 months since the last increase, this argument does not hold true today.

The second argument, based almost exclusively on a 1995 study by economists David Card and Alan Krueger, was that raising the minimum wage actually reduced unemployment. Since then, however, virtually every study done on the subject has confirmed longstanding research showing that raising the minimum wage invariably has a negative impact on employment, particularly among teenagers and minorities.

The federal minimum wage was first enacted in 1938, but applied only to the small minority of workers who were engaged in interstate commerce. The first data we have on teenage unemployment are from 1948. From then until a significant expansion of the minimum wage in 1956, teenage unemployment was quite low by today's standards and was actually lower for blacks than whites. Between 1948 and 1955 unemployment averaged 11.3% for black teenage males and 11.6% for whites.

Beginning in 1956, when the minimum wage rose from 75 cents to \$1, unemployment rates between the two groups began to diverge. By 1960, the unemployment rate for black teen-

age males was up to 22.7%, while the white rate stood at 14.6%.

Despite such evidence, supporters continued to push for ever higher and more inclusive minimum-wage rates, which were raised almost yearly between 1961 and 1981. At each point the unemployment rate for black teenagers tended to ratchet higher. By 1981, the unemployment rate for black teenage males averaged 40.7%—four times its early 1950s level, when the minimum wage was much lower and its coverage less extensive. That year, the federally-mandated Minimum Wage Study Commission concluded that each 10% rise in the minimum wage reduces teenage employment by between 1% and 3%.

Subsequent research, based on the effects of the previous two minimum-wage increases, continues to confirm this estimate. A study of the 1990-91 increases, which raised the rate by 27%, found that it reduced overall teenage employment by 7.3% and black teenage employment by 10%. Similarly, a study of the 1996 increases found a decline in employment of between 2% and 6% for each 10% increase in the minimum wage.

In a study published by the Federal Reserve Bank of San Francisco, economist Kenneth Couch translated these percentages into raw numbers. At the low end of the range, at least 90,000 teenage jobs were lost in 1996 and another 63,000 jobs lost in 1997. At the higher end, job losses may have equaled 268,000 in 1996 and 189,000 in 1997. He estimates that a \$1 rise in the minimum wage will further reduce teenage employment by between 145,000 and 436,000 jobs.

The fact is that the vast bulk of economic research demonstrates that the minimum wage has extremely harmful effects on the very people it is designed to aid—the poor:

The minimum wage unambiguously reduces employment. The September 1998 issue of the *Journal of Economic Literature*, an official publication of the American Economic Association, contains a survey of labor economists on the employment effects of the minimum wage. When asked to estimate the impact of raising the minimum wage, the average effect was estimated at minus 0.21%, meaning that a 10% rise in the minimum wage will reduce overall youth employment by 2.1%. This puts to rest any notion that economists have changed their view that in general higher minimum wages reduce employment.

Increases in the minimum wage have a disproportionate impact on teenagers and the poor. The minus 2.1% figure cited above is an overall impact. For those currently earning less than the new minimum wage, the impact is much greater. For example, prior to the 1996 increase, 74.4% of workers between the ages of 16 and 24 already earned more than \$5.15, and 4.3% were legally exempt from the minimum wage law. Thus the employment losses were concentrated among the 21.3% of workers making the minimum wage or slightly more. When one attributes total employment losses entirely to this group, it turns out that the employment loss figure is minus 1%, according to economists David Neumark, Mark Schweitzer and William Wascher. This means a 10% rise in the minimum wage reduces employment among this group by 10%.

Increases in the minimum wage add almost nothing to the incomes of poor families. There are two reasons for this. First, employment losses reduce the incomes of some workers more than the higher minimum wage increases the incomes of others. Second, the vast bulk of those affected by the minimum wage, especially teenagers, live in

families that are not poor. Thus a study by economists Richard Burkhauser and Martha Harrison found that 80% of the net benefits of the last minimum-wage increase went to families well above the poverty level; almost half went to those with incomes more than three times the poverty level. (The poverty level is about \$17,000 for a family of four.)

The minimum wage reduces education and training and increases long-term unemployment for low-skilled adults. Messrs. Neumark and Wascher found that higher minimum wages cause employers to reduce on-the-job training. They also found that higher minimum wages encourage more teenagers to drop out of school, lured into the labor force by wages that to them seem high. These teenagers often displace low-skilled adults, who frequently become semipermanently unemployed. Lacking skills and education, these teenagers pay a price for the minimum wage in the form of lower incomes over their entire lifetimes.

A raise in the minimum wage has always been an easy sell in Washington. But whatever the political realities may be, it's still a bad idea.

VALLEY HOSPITAL IN RIDGEWOOD, NEW JERSEY IS A LOCAL SPONSOR OF THE 12TH ANNUAL CANCER SURVIVORS DAY

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 10, 1999

Mrs. ROUKEMA. Mr. Speaker, I rise to offer my thanks to Valley Hospital in Ridgewood, New Jersey, for being a local sponsor of the 12th annual National Cancer Survivors Day. This event helps those stricken with this tragic disease find hope, and emphasizes the progress medical science has made in fighting cancer. The organizers possess the understanding and sensitivity that help support the patients and families faced with this challenge.

This event, dedicated to curing and surviving cancer, has very poignant relevance to my own family. We lost our son, Todd, to leukemia in 1976 at the age of 17. At that time, bone marrow transplants and other techniques that offered hope were only in their experimental stages. Since then, many advances have been made that have spared thousands of other parents the heartbreak we faced. This is why a commemoration of National Cancer Survivors Day serves such a meaningful purpose for all who, like our family, have faced the trauma of this disease.

This year, National Cancer Survivors Day will be celebrated for the 10th time at Valley Hospital. About 200 people are expected to attend the ceremony, including leading oncologists and patients who have faced cancer and survived to tell their stories.

But Valley Hospital's involvement in fighting cancer goes far beyond speeches or ceremonies. Valley is a regional leader in the oncology field, treating more cancer patients than all other hospitals in Bergen and Passaic counties combined. A full range of oncology services are available, including a special program in pediatric oncology and endoscopic ultrasound technology. Valley's affiliation with Columbia-Presbyterian Medical Center and the

Southwest Oncology Group offer patients access to the newest treatment protocols. The radiation oncology service is the busiest in the state and the center offers free annual screenings for skin, prostate, breast and oral cancer. The oncology center goes beyond medical treatment, offering weekly support groups for patients, a comprehensive calendar of educational programs and extensive home care programs that aid not just cancer patients but their families as well.

A distinguishing characteristic of Valley's cancer programs is the availability and quality of radiation seed implant therapy for prostate cancer. Valley has attracted patients from around the world as the result of its unique prostate implant program, pioneered by urologist Howard Sandler, M.D., and radiation oncologist David Greenblatt, M.D. Physicians from across the country have come to Valley to learn brachytherapy from Drs. Sandler and Greenblatt and Dr. Michael Wesson, also a radiation oncologist.

During our lifetime, we have seen cancer go from a virtual death sentence to a disease that is often treatable, survivable and preventable. The overall survival rate for all forms of cancer—including the worst varieties—now stands at 60 percent. The survival rate for some of the better-understood cancers, such as breast cancer, is 81 percent. And if all Americans participated in screenings that could catch cancer at its early stages, experts estimate that 95 percent of cancer patients would survive. Since 1990, cancer death rates have been dropping an average 0.6 percent per year, according to the National Cancer Institute.

Despite these advances, more than 1.2 million new cancer cases are expected to be diagnosed this year and more than half a million people are expected to die—about 1,500 each day. Cancer is the second-leading cause of death in the United States, exceeded only by heart disease, and one of every four deaths is from cancer.

Sadly, many of these deaths occur even though they are preventable. Tobacco and alcohol related cancer account for nearly half of all cancer cases and are completely avoidable simply by not smoking and drinking only in moderation. Many skin cancers are caused by excessive exposure to sunlight and can be prevented by the simple use of suntan lotion and reduced exposure. Screening is available for many forms of cancer, including breast, colon, rectum, cervix, prostate, testis, oral and skin. I cannot emphasize enough the importance of detecting cancer as early as possible—early treatment can mean the difference between life and death.

Today, we are within grasp of a cure for many forms of cancer but much research remains to be done. I thank God for those who are willing to labor toward this goal and pray that with their help a cure can be found and that no one will ever again have to suffer from this terrible disease.

EXTENSIONS OF REMARKS

ROC TO DONATE \$300 MILLION TO HELP KOSOVAR REFUGEES

HON. JOHN E. SWEENEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 10, 1999

Mr. SWEENEY. Mr. Speaker, on June 7, 1999, after chairing a meeting concerning the Kosovo crisis, President Lee Teng-hui announced that the Republic of China will donate \$300 million to help Kosovar refugees rebuild their homes. I would like to applaud the ROC for playing an active role in the "world arena" and working together to maintain world peace. Humanitarian aid to Kosovar refugees is a common goal for all countries. In recognition of their honorable deed I am submitting President Lee Teng-hui's statement regarding assistance to Kosovar refugees.

PRESIDENTIAL STATEMENT REGARDING ASSISTANCE TO KOSOVAR REFUGEES

The huge numbers of Kosovar casualties and refugees from the Kosovo area resulting from the NATO-Yugoslavia conflict in the Balkans have captured close world-wide attention. From the very outset, the government of the ROC has been deeply concerned and we are carefully monitoring the situation's development.

We in the Republic of China were pleased to learn last week that Yugoslavia Slobodan Milosevic has accepted the peace plan for the Kosovo crisis proposed by the Group of Eight countries, for which specific peace agreements are being worked out.

The Republic of China wholeheartedly looks forward to the dawning of peace on the Balkans. For more than two months, we have been concerned about the plight of the hundreds of thousands of Kosovar refugees who were forced to flee to other countries, particularly from the vantage point of our emphasis on protecting human rights. We thereby organized a Republic of China aid mission to Kosovo. Carrying essential relief items, the mission made a special trip to the refugee camps in Macedonia to lend a helping hand.

Today, as we anticipate a critical moment of forth-coming peace, I hereby make the following statement to the international community on behalf of all the nationals of the Republic of China:

As a member of the world community committed to protecting and promoting human rights, the Republic of China would like to develop further the spirit of humanitarian concern for the Kosovar refugees living in exile as well as for the war-torn areas in dire need of reconstruction. We will provide \$300 million. The aid will consist of the following:

1. Emergency support for food shelters, medical care, and education, etc. for the Kosovar refugees, living in exile in neighboring countries.

2. Short-term accommodations for some of the refugees in Taiwan, with opportunities of job training in order for them to be better equipped for the restoration of their homeland upon their return.

3. Furthermore, support the rehabilitation of Kosovo area in coordination with international long-term recovery programs when the peace plan is implemented.

We earnestly hope that the above-mentioned aid will contribute to the promotion of the peace plan for Kosovo. I wish all the refugees an early return to their safe and peaceful Kosovar homes.

June 10, 1999

A TRIBUTE TO ODUNDE

HON. ROBERT A. BRADY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 10, 1999

Mr. BRADY of Pennsylvania. Mr. Speaker, I rise to honor Odunde, Philadelphia's oldest and largest community-based festival, on the occasion of its 24th anniversary. The word Odunde originates from the Yoruba people of Nigeria, West Africa, and means Happy New Year. The festival is a recreation of traditional West African cultural festivals that celebrate the coming of another year through music, dance and prayer. Held in one of South Philadelphia's historically significant African American neighborhoods, Odunde attracts over 300,000 people annually and it has gained the reputation of being one of the largest African American street festivals in the United States.

Known for its authentic African marketplace with vendors selling a variety of artifacts, African clothing, educational materials and African, Caribbean and African American food, Odunde represents a tremendous economic opportunity for entrepreneurs.

Odunde is a vital cultural and educational experience that has become an important part of the Philadelphia experience. Odunde celebrates the rich cultural legacy of Africans of the diaspora and the experience enriches us all.

PERSONAL EXPLANATION

HON. MARY BONO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 10, 1999

Mrs. BONO. Mr. Speaker, in light of my absence on Thursday, June 10, 1999, I wish to announce my position on the following amendments for the record: the Buyer to H.R. 1401 (rollcall vote No. 185)—Yes; the Traficant to H.R. 1401 (rollcall vote No. 186)—Yes; the Souder to H.R. 1401 (rollcall vote No. 187)—No; the Skelton to H.R. 1401 (rollcall vote No. 188)—Yes; the Shays to H.R. 1401 (rollcall vote No. 189)—No; the Weldon to H.R. 1401 (rollcall vote No. 190)—Yes.

And last, I announce my strong support for final passage of H.R. 1401, to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 2000 to 2001, and for other purposes.

VIRGINIA BEACH PROCLAMATION OF RABBI ISRAEL ZOBERMAN DAY

HON. OWEN B. PICKETT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 10, 1999

Mr. PICKETT. Mr. Speaker, the City of Virginia Beach recently issued the following proclamation honoring Rabbi Israel Zoberman, the founding Rabbi of Beth Chaverim, the Reform Jewish Congregation of Virginia Beach: