comfortable with life. They are doing all right. I started asking, ''We have got this debate going on.'' I stood in one corner and he stood on the other and in front of a different store. We talked to them. We stopped everybody who would talk to us. We asked, ''We have got this debate going on in Washington. Do you think we should be focused just on deficit reduction, this huge deficit we have that does bear on our children and grandchildren, or do you think we ought to also be doing tax cuts?'' Well, on the east side of my district, kind of an even split, although somewhat favoring tax cuts. Interesting, these people said, ''I need tax relief.''

As a matter of act, I did some verbatims from them. We took down notes on what they said. One lady said, ''Tax cuts are always good for people.'' Another one said, ''The average person is paying too much in taxes, but I don't think we will ever see a tax cut.''

So you know what we did after the first half-hour or 45 minutes at that location? We drove across to the west side of my district. Now you are in a more working-class society. You are in America. You are where people are struggling to get out of bed and pay their bills, and the numbers were dramatic. In front of the store where I stood, 11-to-1 was ratio; for 12 people I talked to, 11 said, ''I need tax relief.''

□ 2045

You talk about our friends on the other side of the aisle talking about tax cuts for the rich. This is not a tax cut for the rich. This is a tax cut for Mr. and Mrs. America who just got slapped with a tax increase by Bill Clinton. You know what he said? He looked the American people in the eye, just like I am looking you in the eye, JACK, and he said ''We need a middle class tax cut.'' And you know what? He broke his word. And you know who is paying for it? Those people I was talking to on the working class side of my district, where they are struggling to get their kids out of bed in the morning, get them fed, get them to school, get them home and get their homework done, and get back to work again tomorrow. 11 to 1 they said we need a tax cut.

My staffer across the aisle, in front of a MegaFoods, as a matter of fact, that is a kind of get-groceries-cheap, those people are hurting, 17 to 1 was the ratio in front of that store.

Overall, we talked to 55 different individual people. Of that 55, 8 said they ought to be looking just at, said you and I and our colleagues watching tonight, ought to be looking at deficit reduction. 32 of the 55 said they wanted deficit reduction and tax cuts. 13 of the 55 said ''I need a tax cut. I do not know about the deficit. I know I am going under.''

Let me read you one of those quotes. ''I pay taxes on everything. I just barely scrape by as it is. I need a tax break.''

The bottom line, the number was out of 55 respondents, 45, or 82 percent, said they needed a tax cut, either as part of deficit reduction or as a part of just lowering the burden on them. Why? Because they cannot bear the burden any longer. They are not undertaxed.

You said, FRANK, not many of them come up to us and say ''I am undertaxed.'' You know, the truth is, a great philosopher once said America is great only because America is good. If America ever ceased to be good, it will cease to be great.

America is good, and the average taxpayer does not want to walk up to you and say ''I need a tax cut,'' because he cares about the other people in society who are not doing quite as well as he is. But you know what? For him bucking up and not coming to us and saying ''I need a tax cut,'' in his heart of hearts he is struggling to get through, and we are making him pay bills for all kinds of things for which there is no justification.

I cannot tell you how many people in that conversation came up to me and said ''Well, I pay my taxes, and I am not too worried about it, but, boy, I hate the way you guys spend it.''

They hate the way we spend it. They do not have faith any longer. We have said as a party, and I am going to get partisan, for a long time we have said that the Federal Government is too big and it taxes too much and it spends too much. Before we do tax cuts, we have been doing something about cutting spending. And that is part of what we believe in.

But you know what? We told them for 40 years we also believed they were overtaxed. Now it is time to prove it. And that side of the aisle that said these are tax cuts for the rich, they are dead wrong. They are tax cuts for middle Americans who need it, but who cares so much about their brothers and sisters, they ain't raising it.

Mr. KINGSTON. If the gentleman will yield, let me say this: After the Reagan tax cuts in 1982, the revenues were $500 billion. At the end of 10 years, they were over $1 trillion, with 18 million new jobs.

Mr. SHADEGG. Revenues will grow.

Mr. KINGSTON. Give money to the people, they buy more; when they do, goods and services, demand goes up, small businesses have to expand, jobs are created, more revenue goes in. So, frankly, if I was a dictator and did not care about the people, I would have a low tax rate just to keep the economy going.

Mr. SHADEGG. Mr. Speaker, I implore my colleagues, if you are in doubt about this vote two days from now, do what I did: Call a staffer back in your district, if you cannot get home, and do what I did. Go stand in front of a grocery store, go stand in front of a K-mart, or have a staffer do it, and ask them. And they will tell you, if you let them open up to you, they are overtaxed and they need a break. This is the right thing to do for America and for the American people and the American taxpayer.

Mr. RIGGS. Mr. Speaker, I thank the gentleman for organizing this special order and look forward to joining him again on the floor over the next couple days. I would just point out, our budget reconciliation balanced budget plan clearly shows we are going to keep our promise to the American people to balance the Federal budget for the first time in 25 years, without touching Social Security and while providing the American people with much needed tax relief.

Mr. GUTKNECHT. I would just close with a quote from Governors Weld, Engler, Thompson and Christine Todd Wittman, a letter they sent to Speaker GINGRICH on March 31 of this year. ''As governor, we have all cut taxes. At the same time we have balanced our budget. We have not accepted the false dichotomy that claims governments at the State or Federal level can only balance their budgets or cut taxes but not both. There is no reason Washington cannot walk and chew gum at the same time, too.''

We can balance the budget, if we are willing to limit the growth in entitlements, if we are willing cut discretionary domestic spending, as we have, by $44 billion this year. We eliminate over 300 departments and programs. And if we are willing to have a flexible freeze in the Defense Department, we can give tax relief to families and we can balance the budget, and the real winners will not be the rich. The real winners will be those blue collar folks out there, who get up every day, who do the work, who pay the bills. They are the glue, they are the mortar that hold the bricks of this society together. And they are going to be the big winners, because there will be more jobs, more income, lower interest rates and less debt only to them and their kids.

I think we can all be winners. I do agree, I hope more Members on the other side will join us in this historic vote for the first time where Congress is going to balance its budget and we are going to give tax relief to families and make it easier for businesses to grow and invest and create more jobs.

I want to thank you all for joining me tonight. This has been a great special order. I think this is going to be a very historic week for the American people.

ANNIVERSARY OF THE MINIMUM WAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr.OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, I would like to begin on a note of agreement tonight. The previous speakers have talked about the great need for the

American middle class, and I will include the working class, to have a tax cut. They are 100 percent right. We need a tax cut for families and individuals. The way to get the tax cut for families and individuals, and at the same time not increase the deficit and balance the budget, all in one, is to take a look at this chart, the discrepancies here, why the taxes have greatly increased on individuals since 1943 and greatly decreased on corporations.

The red is the corporation, the blue is families and individuals. In 1943, corporations were paying 39.8 percent of the total tax burden, 39.8 percent, while individuals and families were paying 27.1 percent. Now, in 1995, individuals and families are paying 43.7 percent, and corporation are paying 11.2 percent. At one point it went haywire and it was even a worse ratio. Individuals and families were paying 48.1 percent in 1983 under Ronald Reagan and corporations went down as low as 6.2 percent.

I would like to begin on a note of agreement, that the gentlemen who were here before exclaiming that we need a tax cut, I agree, we need a tax cut for families and for individuals. You can have that tax cut and still balance the budget if you will deal with this inequity. The corporations should be paying a greater percentage of the overall tax burden. We should get rid of corporate welfare. The loopholes, a recent study shows that if the cuts you made on individuals and poor people, the percentage cut that was made in the Republican budget, if that same percentage cut was applied to corporations, corporations would be losing $124 billion over a 7-year period, if it were just equal in the application of the cuts and you cut corporate welfare as much as you cut low income programs.

I hope we will bear in mind that Democrats and Republicans should agree that families and individuals are due for a tax cut. They should have it, and they can have it, and you can have it without increasing the deficit and you can have it even with a balanced budget. We do not have to rush the balanced budget in 7 years; we can do it in 10 years and not make devastating draconian cuts. Just balance the tax burden and you can balanced the budget and do it without a deficit.

I agree with my colleagues, every American family ought to be angry at this kind of ratio, where the swindle has taken place, corporations have gone down, down, down in their portion of the tax burden, while individuals have gone up.

It is appropriate that we begin this discussion, I think, on the day where we are, I hope, celebrating, a will use the word celebrating, the anniversary of the institution of the first minimum wage law. Today, 57 years ago, the first minimum wage law was passed. Twenty-five cents per hour was set as the minimum wage, the first passed in this Nation. Today we have gone from 25 cents an hour to $4.25 an hour, and according to leading economists, including Nobel Prize winning economists, we are in worse shape in terms of the relative value, the purchasing power of that $4.25 an hour. It is down almost as low as it was, or lower, than it was in 1955. The purchasing power is at an all-time low. It is time to increase the minimum wage.

If you want to help working class families, then one of the first things we should do is increase the minimum wage, because even under the minimum wage, a family wage earner, working full-time, a 40-hour week, will earn less than $9,000. A family of four needs about $14,000 in this Nation not to plunge into poverty. But if you earn every working day of the year, earn the minimum wage, you will be way below that $14,000. So there are a number of problems that would be solved if we were just to move forward with an increase in the minimum wage.

There are reasons why that is not a bipartisan policy anymore, and we are going to talk about that.

I will be joined today by a number of my colleagues. We are going to talk about the anniversary of the minimum wage and the implications of it, where does it fit into the whole scheme of the budget reconciliation, into the whole insistence we must have a tax cut at the same time. Are we going to make draconian cuts in Medicare and Medicaid and cut school lunches? Where does it all fit in here? Where does it fit with welfare reform where they say people should go to work?

One Governor was recently quoted and saying people do not need job training, they need alarm clocks. Get them up and there is work out there. There is very little work out there in some places. An article in the New York Times today on the front page talks about the great Michigan experiment where the Governor of Michigan proclaimed he solved the welfare problem and put people to work. What they found is people have been put to work and remained on welfare because they are going to work making minimum wage and not making enough to live on. They still need help from the government. So you are going to replace a long cycle of people being on welfare who were not working with a new kind of person who is working and also on welfare, because the minimum wage is not high enough to allow them to take care of a family and meet basic needs.

Joining me immediately is my colleague on the Committee on Economic and Educational Opportunities. She knows quite a bit about all this. She has been on welfare and knows all about the minimum wage, and I am proud to have here join me today, the gentlewoman from California [Ms. WOOLSEY].

(Ms. WOOLSEY asked and was given permission to revise and extend here remarks.)

Ms. WOOLSEY. Mr. Speaker, I would like to compliment my colleague from New York for having this special order tonight on the anniversary of the minimum wage.

Mr. Speaker, 28 years ago I was a single, working mother with three small children receiving no child support and earning minimum wage. Even though I was working, I was earning so little, I was forced to go on welfare to provide my children with the child care; health care; and food they needed. Even though I was educated and had good job skills, I still wasn't making enough to fully support my kids.

My story bears repeating tonight, because too many families today are in the same predicament I was in 28 years ago. If this Congress is truly serious about reducing dependence on welfare, then let's increase the minimum wage and pay working parents enough to support their families and take care of their kids.

The minimum wage has not kept up with increases in the cost-of-living. Workers these days can put in a full day of work, 40 hours a week, at minimum wage and still live below the poverty line. The new majority in Congress wants to cut the earned income tax credit; kick single moms and their children off welfare; and reduce health benefits for low-income families, but they won't even hold a hearing on increasing the minimum wage.

If we want to reduce reliance on public assistance, doesn't it make sense to make work pay? Shouldn't entry level jobs pay more than public subsidies? Doesn't that make sense?

In addition to making good sense, a minimum wage increase is also a matter of basic fairness for millions of working Americans. In 1960, the average pay for CEO's of the largest U.S. corporations was 12 times greater than the average wage of a factory worker. Today, those CEO's receive salaries and compensation worth more than 135 times those, wages and benefits, of the average employee at the same corporation. That's not fair.

And it's not fair that 80 percent of minimum wage employees are women. It's not fair that from 1973 to 1993, real income for working men with high school diplomas dropped by 30 percent.

It's not as if businesses aren't doing well. Private business productivity has been increasing and profits are up. But wages are stagnant—there's something unfair and wrong with this picture.

Isn't it time to let American workers share the fruits of their labor?

Speaker GINGRICH and his allies say they support traditional American values. Well, let's return to the traditional American value of paying an honest wage for an honest day's work. Let's raise the minimum wage.

□ 2100

Mr. OWENS. Mr. Speaker, I thank the gentlewoman from California [Mrs. WOOLSEY], and reclaiming my time, I would like to note at this point that another of my colleagues intended to be here but could not make it. The gentleman from Puerto Rico CARLOS ROMERO-BARCELÓ, another Member of the

Committee on Economic and Educational Opportunities, also would like to submit his statement for the RECORD.

Mr. Speaker, I think we should understand the difficulty with the minimum wage and the ability to achieve a bipartisan consensus on taking this very simple step that has been proposed. We are proposing we increase the minimum wage by a mere 90 cents over a 2-year period in a two-step operation. We want to increase it by 45 cents one year and 45 cents another year. A mere 90 cents increase. We will still be behind the inflation curve but that very meager effort is being opposed by the Republican majority in this House.

A statement has been made by the Republican majority that they will not entertain even 1 cent, even a 1 cent increase in the minimum wage. The Committee on Economic and Educational Opportunities, as pointed out before by my colleague from California, will not hold hearings to even discuss the matter of raising the minimum wage.

Mr. Speaker, what is the problem? Let us go back to the chart. These simple bars tell a great story about what is happening in America. These simple bars here tell a greater story about how power is being used to shape the American economy and to keep a large percentage of Americans in poverty and another large group of Americans in a state of perpetual insecurity. This is a story of greed and power. A story of greed and power.

The power resides in the corporations. Corporations are able to manipulate economy. Corporations are able to manipulate contributions to Congressmen and all other levels of political officials. Corporations are able to lobby endlessly and get a swindle situation like the one we see here, where in 1943 corporations were paying 39.8 percent of the taxes, and in 1983 it went down as low as 6.2 percent under Ronald Reagan's regime, and in 1995 we still have a situation where they are only paying 11.2 percent while individuals and families are paying 43.7 percent.

The power of the corporation is such that the corporations have sent down an edict as powerful as any totalitarian dictator that we do not want the minimum wage increased. Corporate power has said that, and the servants of corporate power, the Republican majority in this House, have said we will not entertain an increase in the minimum wage by even 1 cent.

Mr. Speaker, they want to have the lowest possible wage rates. They want to have a class of people that are paid the lowest amount of moneys in order to be competitive with the global marketplace. They want to have our workers slowly be pushed down to the level of the poorest people in Bangladesh or down to the level of the prisoners in China. Prisoners in China are forced to work for almost nothing. At least Bangladesh people get some kind of wages. They want that kind of condition.

They want the Mexican phenomenon to begin to operate here, where we begin to measure our wage rates against the wage rates across the board order in Mexico. And right away, every time we talk about wage increases, they say, well, we are getting further and further away from being able to be competitive with the Mexican labor market.

Today is the 57th anniversary of the date the minimum wage first took effect in this country. On October 24, 1938. I was only 2 years old. American employees were first guaranteed a minimum wage of 25 cents an hour to protect them from exploitation and ensure that their work would be fairly compensated.

Six years ago President Bush signed into law the last increase in the minimum wage. That increase was 90 cents over 2 years and enjoyed a broad bipartisan support in the Congress. The vote in this House of Representatives was 382 to 37. Only 37 Members of the House of Representatives voted against that increase in the minimum wage which took place under the Bush administration just 6 years ago. I was here. I remember that very well.

This year the real value of the minimum wage is at its lowest level since the early 1950's. While an increase in the minimum wage is clearly long overdue, and although we have a proposal from President Clinton to increase the minimum wage to $5.15 per hour over a 2-year period, there is no sign of that bipartisan effort that characterized the last increase.

The proposal has languished here in Congress while the leadership has refused to even schedule hearings. In fact, even the Committee on Economic and Educational Opportunities, which has jurisdiction over the bill, will not hold a hearing on the issue. How times have changed. How times have changed from the date when only 37 Members of the House of Representatives voted against an increase in the minimum wage to a time now where only a little more than half the Democrats in the House of Representatives are cosponsors of the minimum wage increase bill.

There is a bill, Mr. Speaker, and the primary sponsor is the Minority Leader, Mr. GEPHARDT. The President has endorsed the bill, yet only a little more than half the Democrats in the House of Representatives have signed onto that bill as cosponsors. Is it any wonder that the Republicans who are in the majority treat the effort with contempt if we cannot get most of the Democrats in the House to get on board.

If ever there was a clear issue which defined the differences between the two parties it ought to be an increase in the minimum wage. What is wrong with the Democrats who propose to represent the working people? Why can we not unite and fight for an increase in the minimum wage?

A chief argument against raising the minimum wage among both economists and some politicians, Democrats as well as Republicans, is the fear of job losses. The threat is that employers will dismiss thousands of workers on the grounds they lack the skills to be worth more than the minimum wage. Nearly all of these estimates of job losses have shrunk as the research has taken place.

Every time we have increased the minimum wage this argument has been made that we are going to decrease the number of jobs available because the employers will choose to employ fewer people. Every time that argument is made there have been studies done, and studies on top of studies, and they all conclude that it does not happen. There is a need for workers out there and they do not get thrown aside or laid off as a result of increases in the minimum wage.

Mr. Speaker, earlier this month 101 eminent economists effectively challenged this theory. These are economists whose lives it is to study the economy, all aspects of it, including minimum wage. They issued a strong and unprecedented call for an increase in the Federal minimum wage to help raise the living standards of families who rely on incomes of low-wage workers. These diverse and respected economists, including three recipients of the Nobel Prize in economics, and seven past presidents of the American Economics Association, endorsed President Clinton's proposed two-step 90-cent increase in the minimum wage.

Mr. Speaker, these economists noted that recent studies found that the last several increases in the minimum wage had ''Negligible or small'' effects on employment. A Nobel Prize laureate Robert Solow has said, ''The fact that the evidence on job loss is weak suggests that the impact on jobs is small.''

However, for some reason the leadership in this Congress seems obsessed with gutting the wages of hard working Americans. American citizens should ask their Congressmen, ask their Congressmen why he disagrees with 100 of the leading economists in the country. Why he disagrees with Nobel Prize winning economists that we need a minimum wage increase in this country. They should ask their Congressman. He may be a Democrat. Ask him, too.

Mr. Speaker, we have seen the Republican leadership attempt to destroy wages in other ways. In the construction industry they are seeking to repeal the Davis-Bacon Act. The Davis-Bacon Act requires that all jobs that are federally funded construction jobs must have a situation where the prevailing wages in that area are paid. I have looked very closely at what that means and I find in many States the prevailing wage level is quite low, and yet there is this tremendous drive to destroy the Davis-Bacon Act and not allow it to pay the prevailing wages in a given area.

There have been some efforts now to compromise that. People who wanted to destroy Davis-Bacon are willing to reconsider. After all, Davis-Bacon was primarily a Republican conceived act, both Davis and Bacon were Republicans. This is an act which very much helps middle class people. The people who are in those jobs in construction are middle class people. When they can find the jobs and are paid, they end up being a part of our basic middle class. So we have begun to get some kind of compromise on the Davis-Bacon Act.

The same people are insisting that the companion act, the Service Contract Act, which says that in situations where the Federal Government is involved, janitors and other service employees of that kind, also must be paid prevailing wages. Efforts are still underway to destroy the wages that are undergirded and supported by the Service Contract Act. Janitors and other service employees of that kind are involved here. Janitors at Federal facilities, who are working full time, are often paid wages which are below the poverty level. Working for Federal facilities they are paid wages below the poverty level. Yet the Republican leadership in this Congress believes that janitors are making too much money as a result of the Service Contract Act.

Who cares about working people? Who cares about families? They talk about $500 per child tax credit. Are they really sincere if they will not provide a decent wage for the average working person out there and allow them to earn enough money to be able to qualify for that tax credit? Most of them will file taxes but will not be able to get a tax credit because they are making such small amounts of money on minimum wage, less than $9,000 for a family of four. They will not have to pay any taxes. They will not be able to take advantage of a tax credit.

Mr. Speaker, let us bring all the people up as far as possible through the long-term, time honored device of paying a decent wage.

□ 2115

Let us make work pay. We have just destroyed much of the welfare program. We have just taken away the entitlement for young children. Poor children, since the beginning of the New Deal, have been guaranteed that if their family qualifies, if they are really poor, if they are means tested and found to be really poor, they qualify for Aid to Families with Dependent Children.

That is an entitlement. It is a right. Everybody who meets it is supposed to get it. They get it at different levels in different States, but the States do it and the Federal Government stands behind them. No matter how much money is needed in a given year, the Federal Government will make certain that the money is available, because it is an entitlement.

That entitlement for poor children has been taken away. There is still an entitlement, by the way. Social Security provides an entitlement for the children of deceased members of Social Security. People who were enrolled in Social Security, their children are eligible if they should die, and they are eligible at much higher rates.

Fortunately, the Social Security Act does provide a more humane face and it provides it even without a means test. Let us not let them destroy the Social Security provision which takes care of orphans; yet, it is gone for those who are not fortunate enough to be covered by Social Security.

In another demonstration of their utter disdain for working people, the Republican reconciliation bill proposes to obliterate, greatly reduce, the earned income tax credit. The earned income tax credit provides much-needed tax relief for working families, those working poor.

Here is where some of the people earning those minimum wages are given some benefits and some incentives by their government to keep working. If you are earning minimum wage, and you have a family of four, or even a family of three, under present qualifications even no children under some circumstances, you are able to collect additional money as a result of your having earned money. The earned income tax credit rewards those who are working.

It is a small amount of money, but it is important and it adds up to quite a bit proportionately when you are poor. But now the Republicans will not stand for that. Do not reward the working poor. Do not be consistent.

They say they want to help families. We have heard long speeches tonight about helping families by providing a $500 tax credit. Why are they providing a $500 tax credit for those who are earning enough money to be able to qualify for a tax credit, while they refuse to provide help for those who are much poorer, but also working and in a lower bracket, needing some help through the earned income tax credit? Why are they getting rid of the earned income tax credit and providing a tax credit for people at a higher level?

I am not against a tax credit for people with children at a higher level. That is one of those tax cuts that ought to be given. When we get at much higher levels and we are dealing with capital gains being treated as if capital gains were some kind of privilege, versus wages, we have a higher rate of taxes on wages, people's sweat that go to work every day. The amount of money they earn through wages is very low and we tax those at a higher rate than capital gains, where nobody sweats. They are gains made on investments.

Why should capital gains be in a different category? And when you put capital gains on the table, we are rewarding the richest people. Who owns the property? Five percent of the people in America own 90 percent of the wealth in this country. So capital gains rewards that 5 percent, or the top 20 percent.

The tax decrease that is being proposed by the Republican majority is a tax decrease for the rich. We need a tax decrease. Families and individuals, rich or poor, deserve a better break than they have been getting under this construct here where corporations have been allowed to get off the hook, not bear their share of the burden, in order to pay for the fact that they are paying so little.

This was done under the Democrats. We cannot blame the Republicans solely for this. Ronald Reagan, with his trickle-down economics, accelerated it. It got to the worst point under Ronald Reagan in 1983, when corporations went as low as 6.2 percent of the tax burden.

And notice, as the corporations dropped low, individuals have to make up the difference. Always the individual taxes rise when the corporations' taxes drop. The highest points of individual and family taxes was 48.1 percent in 1983, at the same time that the corporations reached their lowest point of 6.2 percent.

This is where the deficit started too. A combination of the 6.2 percent and the 48.1 percent was not great enough to pay for the Government's expenses, so we were borrowing more money. Here is where the deficit started under Ronald Reagan where the deficit leaped geometrically in terms of its increase, and the problem we are trying to correct with the deficit-reduction policies now took off with a vengeance following this kind of situation where corporations were allowed to swindle the American people.

This swindle should not be allowed to go on. Here is the atmosphere that dictates that there shall be no increase in the minimum wage. These corporations in 1995 are making higher profits than ever before. They are booming. Technology, science, the peace of the world that all of us helped to make. The peace of the world that young men went off and died for in Vietnam and Korea, on the Normandy beaches. Everybody contributed to what is happening in the world today.

The technology and the science that American taxpayers paid for, a large base of it was paid for in Government research and military research, radar, computerization, a number of things that are really driving this economy and allowing corporations to make great amounts of money.

All of that is being taken advantage of by the corporate sector and they are not sharing it. The taxes are still too high for individuals and families. At the same time, these corporations are laying off people and not only will they refuse to pay an increase in the minimum wage, those who have jobs are less and less secure.

I grew up in a family which was very poor. My father, I think he was a genius but he only had a sixth grade education. I think he was a genius, because with his sixth grade education,

any problem that I took home in my math book, those word problems that most kids could not work in school, my father never failed to solve those problems.

He did that until I reached algebra, where the X's and the Y's confused him. He could not deal with that. The basic intelligence was there. My father was very intelligent. My father was hard-working. He was a heavy drinker of Coca-Colas and RC Colas and Dr. Peppers. That is all he drank; nothing stronger.

My father always had a garden, no matter where we lived. Memphis was a big city, a big city in the South, there are always places where we could have a garden and he always grew things. But my father never made anything more than the minimum wage. There was never a time when he was working that he made more than the minimum wage.

The minimum wage was quite low at that time, but we were happy with the minimum wage as long as he had a job. Our fear was always that he was going to get laid off. We were struggling to make do on the minimum wage. My mother, who was smarter than my father, my mother knew the price of pinto beans in those little packages, and the northern beans, neck bones and spaghetti on Sundays. She could take a budget, a minimum wage budget, and feed us effectively.

I never went hungry when my father had a job. But there were oftentimes that he was laid off at the factory. Oftentimes. And there were times when they were on strike, and those were times we feared. The minimum wage, as low as it was, was a Godsend. We had security as long as he had the job. We could survive on the minimum wage.

But so many Americans right now who are earning above the minimum wage, as a result of this corporate greed atmosphere, the corporate greed era that we are in now, they are insecure about how long they are going to keep their jobs. Many of them were making much higher hourly wages and have been forced to take less. Many of them are changing jobs and are forced to start a whole new career as a result of the kinds of dislocations taking place in this era where the corporations are driving the economy, and they are doing it in a spirit of greed. Far more extreme measures are being taken than need to be taken.

The case for increasing the minimum wage is abundantly clear within this situation. It is a tiny step. It is a microactivity that would help individuals and families a great deal, but there will be no great dislocation in the economy. The case for increasing the minimum wage is abundantly clear and the overwhelming majority of Americans agree.

This is not something that the economists, the Nobel prize winners only understand. It is a general, common sense understanding. The minimum wage that was increased 6 years ago, as inflation as moved on and costs have increased, is obsolete and the purchasing power is far less than it was in 1955.

We need an increase. Eighty percent of the American people support an increase in the minimum wage. It is said that politicians are always responsive to their constituencies. Well, here is where the corporate dictators have said, ''No, we do not want an increase,'' and the Republicans in the majority here, and a large number of Democrats also, are saying, ''We will listen to the corporate dictators. We will not listen to the American people, our constituency.''

Eighty percent of the people support an increase in the minimum wage. That is a sizable portion of the people in every congressional district who support an increase in the minimum wage. We heard a lot of talk on the House floor about surveys that have been done about taxes. Why not ask the American people and the people in your district what they think of the minimum wage. Should we increase it by a mere 45 cents this year and 45 cents a year later? Ninety cents? Why not ask the question of your constituents and hear what they have to say, Members of Congress and Members of the Senate. Ask the question and listen to the American people.

Opinion polls tell us that 80 percent of the people want an increase in the minimum wage. The people recognize that there is something wrong when a full-time worker making the minimum wage earns $8,500, far below the poverty level for a family of four, which as I said before is $14,754.

Consider these facts: The average minimum wage earner brings in at least half of the family's income. One-third of minimum wage earners are the sole breadwinners in their families. Over 4 million American workers are paid the minimum wage at this point. There is some notion of: Who works for the minimum wage anymore? That is too low. Over 4 million American workers are still working for the minimum wage, as low as it is.

No union goes out to bargain for the minimum wage, of course. They are far above minimum wage. But the minimum wage is a bargaining tool for all levels of workers. Because when you have that as a floor, it allows the bargaining process to move upwards. As long as the minimum wage is stagnant, all other wages are going to be stagnant too, and they are.

Two-thirds of the minimum wage earners are adults. There is this notion that only kids are earning minimum wage, and who cares whether kids earn 90 cents an hour more or not? What difference does it make? They are kids. They are in a family where somebody else is the breadwinner or head of the household. Let us not pay kids minimum wage.

Two out of three minimum wage earners are adults. Almost three-fifths of the minimum wage earners are women, including many women who are the heads of their households, single parents.

The minimum wage was originally enacted to help provide workers with a fair day's pay for a fair day's work. In today's economy, $8,500 a year falls way short of the mark of providing a fair day's work for a fair day's pay, or a fair year's work for a fair year's pay.

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We have proposed an increase from $4.25 to $5.15. Like the adjustment to the minimum wage enacted 6 years ago, this 90-cent increase is phased in over a 2-year period.

Contrary to claims of opponents, most economists agree that a modest increase such as this will have no significant effect on job creation. This is an issue of simple fairness. Workers deserve to be compensated for their efforts. Everybody deserves to be compensated for their effort at a reasonable level. Why can we not pay workers a mere $5.15 an hour?

In this corporate era, the corporations dictate what happens in the economy. They dictate who wins and who loses. The corporations create a situation where taxpayers are footing a disproportionate share of the tax burden. Corporations decide the policies in this Congress. They write the bills for the Republican majority.

Corporations are going along with a balanced budget scenario, but they are not going to make any sacrifices. If corporations were cut as much as the social programs, they would be contributing $124 billion over a 7-year period, would be the cuts in corporate welfare and corporate loopholes, et cetera, but that is not the case.

These same corporations have chief executive officers who make enormous salaries, some above $20 million a year, salaries and other compensation reach more than $20 million a year for the corporate chief executive officers of many corporations. So many earn more than $1 million a year that bills have been proposed.

Even the President supported at one time a bill which would limit the deduction in terms of business expenses. The salary of a chief executive would be limited in that business deduction situation when the corporate taxes are filed to no more than $1 million a year. After $1 million a year, the corporation would not be able to take the compensation for the chief executive officer off the taxes. That has, of course, not passed.

But when you compare the chief executive officers in America, in our economy, with the chief executive officers in Japan, which is a high-technology, booming economy like ours, or in Germany, another high-technology, booming economy, or most of the other industrialized nations, the compensation for chief executives is far below the compensation for chief executives in the United States.

Japanese tycoons at the head of huge corporations make as little as $300,000

a year—$300,000 to $500,000 a year is close to an average for some of the largest corporations in Japan. Even when you add in other parts of the compensation package, I assure you that they do not have anything like the compensation of the chief executive officers of American corporations.

In this economy of greed, where the corporations dictate the policies, they cannot allow a simple 90-cent increase in the minimum wage while the chief executives walk off with millions.

There is growing income inequality in this country that has been documented. Recent studies have shown that we have shifted place with Great Britain. Where the differences between the very rich and the very poor where once the greatest in Britain, now it is greatest in the United States. It if far worse in the United States than in any other place. The rich are far richer than the poor in this country for the first time in history. There is a growing income inequality.

In this atmosphere of corporate greed, after-tax profits are the highest that they have been in 25 years. But corporate America is not sharing the bounty with the average workers who help to produce it. The after-tax rate of return to capital investment in 1994 was 7.5 percent. By comparison, it averaged just 3.8 percent between 1952 and 1979. These higher profits have not been reinvested in the economy.

They claim that higher profits always lead to reinvestment. They have not been reinvested in the economy. Investment as a share of output, investment as a share of profit, has declined, instead of increased.

Nor have these higher profits been returned to workers. Since 1989, average real wages for most of the work force have either remained stagnant or declined. The hourly wage of the median male worker has declined 1 percent per year since 1989.

The gap between the wealthiest and poorest Americans is the widest it has been since the Census Bureau began collecting income statistics in 1947: 44.6 percent of U.S. income is controlled by the top 20 percent of the wealthiest American families. The bottom 20 percent earn just 4.4 percent of national income.

According to the Census Bureau, since 1980 the income of the top 20 percent of families has risen 16 percent over inflation. The income of the bottom 20 percent has fallen 7 percent below inflation in this period.

In this era where the corporations are dictating the policies here in Congress, the corporations have perpetuated a great swindle and refused to let up. They will continue to swindle. In the reconciliation bill that will be on the floor starting tomorrow, you will find nothing done to correct this great injustice.

Corporations have been cut, I understand, by about $6 billion in corporate welfare. But, in other ways, they have put back money which equals that $6 billion. So corporations will end up with a zero cut in corporate welfare after the reconciliation bill is passed in this House.

Corporations benefit greatly by all of the activities in the overall American economy. They do not just go off and make the money by themselves. There is a whole complex economy that supports them. There are the American consumers that support them. There is the Federal deposit insurance of the banks that helps to hold up the economy.

At a time when corporate leaders and banking leaders nearly wrecked the economy with the savings and loan swindle, it was the American taxpayer who had to step in to the tune of more than $300 billion to bail out the failing banks in order to keep the whole financial scheme of the economy from collapsing.

So we are all in this together when it comes to making America work. But when it comes to sharing the results of the benefits of our overall society, corporations want it all for themselves. They will not even allow a 90-cent increase in the minimum wage.

The ratio of average hourly pay of men in the top 10 percent of wage earners to those at the bottom 10 percent is 5.6 in the United States. In other words, the top 10 percent of people in our economy make 5.6 more than the bottom 10 percent. That means for every $10 that you make, the top people make almost 6 times that amount. In Germany, the ratio is only 2.7. In France the ratio is 3.2, in Japan the ratio is 2.8, in Britain the ratio is 3.4. But here in the United States the ratio of the earners at the top is 5.6, almost 6 times the earnings of the people at the bottom. Some of the highest paid chief executive officers in America are also the Nation's biggest job killers. The CEO of IBM earned $4.6 million last year. He has laid off 122,000 workers since 1992. The CEO of AT&T earned $3.5 million last year. He has laid off 83,000 workers since 1992. The CEO of General Motors earned $3.4 million last year. He has laid off 74,000 workers since 1992.

Some $122.5 billion of the Republican tax cut will go to Americans who are earning $100,000 or more. They will not help the people who need the minimum wage increase. Nearly all the Republican spending cuts are directed at the people who need the minimum wage increase. The Republican spending cuts are directed at low- and middle-income Americans, denying them access to quality health care, affordable housing and the opportunity to pursue the American dream through education.

Here is the photo, the snapshot of America, the kind of America that is now being dominated and dictated to by corporate greed.

Three Nobel Prize winners who are backing the minimum wage increase are Kenneth J. Arrow of Stanford University, Lawrence R. Klein of the University of Pennsylvania, and James Tobin of Yale. Many other former presidents of the American Economics Association also back the increase in the minimum wage.

They put out a simple statement. I will not read the entire statement. I will enter into the RECORD the statement of support for a minimum wage increase by the 100 top American economists. Along with the statement, of course, will go the actual names of those 100 economists who are responsible for this statement of support for minimum wage increase.

Mr. Speaker, the document is as follows:

STATEMENT OF SUPPORT FOR A MINIMUM WAGE INCREASE

As economists who are concerned about the erosion in the living standards of households dependent on the earnings of low-wage workers, we believe that the federal minimum wage should be increased. The reasons underlying this conclusion include:

After adjusting for inflation, the value of the minimum wage is at its second lowest annual level since 1955. The purchasing power of the minimum wage is 26 percent below its average level during the 1970s.

Since the early 1970s, the benefits of economic growth have been unevenly distributed among workers. Raising the minimum wage would help ameliorate this trend. The positive effects of the minimum wage are not felt solely by low-income households, but minimum wage workers are overrepresented in poor and moderate-income households.

In setting the value of the minimum wage, it is of course appropriate to assess potential adverse effects. On balance, however, the evidence from recent economic studies of the effects of increases in federal and state minimum wages at the end of the 1980s and in the early 1990s—as well as updates of the traditional time-series studies—suggests that the employment effects were negligible or small. Economic studies of the effects of the minimum wage on inflation suggest that a higher minimum wage would affect prices negligibly.

Most policies to boost the incomes of low-wage workers have both positive and negative features. And excessive reliance on any one policy is likely to create distortions. The minimum wage is an important component of the set of policies to help low-wage workers. It has key advantages, including that it produces positive work incentives and is administratively simple. For these and other reasons, such as its exceptionally low value today, there should be greater reliance on the minimum wage to support the earnings of low-wage workers.

We believe that the federal minimum wage can be increased by a moderate amount without significantly jeopardizing employment opportunities. A minimum wage increase would provide a much-needed boost in the incomes of many low- and moderate-income households. Specifically, the proposed increase in the minimum wage of 90 cents over a two-year period falls within the range of alternatives where the overall effects on the labor market, affected workers, and the economy would be positive.

SIGNATORIES TO ECONOMISTS STATEMENT OF SUPPORT FOR A MINIMUM WAGE INCREASE

Aaron, Henry—Brookings Institution.

Abramovitz, Moses—Stanford University.

Allen, Steven G.—North Carolina State University.

Altonji, Joseph G.—Northwestern University.

Applebaum, Eileen—Economic Policy Institute.

Arrow, Kenneth J.—Stanford University.
Bartik, Timothy J.—Upjohn Intitute.
Bator, Francis M.—Harvard University.
Bergmann, Barbara—American University.
Blanchard, Olivier—Massachusetts Institute of Technology.
Blanchflower, David—Dartmouth College.
Blank, Rebecca—Northwestern University.
Bluestone, Barry—University of Massachusetts Boston.
Bosworth, Barry—Brookings Institution.
Briggs, Vernon M.—Cornell University.
Brown, Clair—University of California at Berkeley.
Browne, Robert S.—Howard University.
Burtless, Gary—Brookings Institution.
Burton, John—Rutgers University.
Chimerine, Lawrence—Economic Strategy Institute.
Danziger, Sheldon—University of Michigan.
Darity, William Jr.—University of North Carolina.
DeFreitas, Gregory—Hofstra University.
Diamond, Peter A.—Massachusetts Institute of Technology.
Duncan, Greg J.—Northwestern University.
Ehrenberg, Ronald A.—Cornell University.
Eisner, Robert—Northwestern University.
Ferguson, Ronald F.—Harvard University.
Faux, Jeff—Economic Policy Institute.
Galbraith, James K.—University of Texas at Austin.
Galbraith, John Kenneth—Harvard University.
Garfinkel, Irv—Columbia University.
Gibbons, Robert—Stanford University.
Glickman, Norman—Rutgers University.
Gordon, David M.—New School for Social Research.
Gordon, Robert J.—Northwestern University.
Gramlich, Edward—University of Michigan.
Gray, Wayne—Clark University.
Harrison, Bennett—Harvard University.
Hartmann, Heidi—Institute for Women's Policy Research.
Haveman, Robert H.—University of Wisconsin.
Heibroner, Robert—New School for Social Research.
Hirsch, Barry T.—Florida State University.
Hirschman, Albert O.—Princeton University.
Hollister, Robinson G.—Swarthmore College.
Holzer, Harry J.—Michigan State University.
Howell, David R.—New School for Social Research.
Hurley, John—Jackson State University.
Jacoby, Sanford M.—University of California at Los Angeles.
Kahn, Alfred E.—Cornell University.
Kamerman, Sheila B.—Columbia University.
Katz, Harry C.—Cornell University.
Katz, Lawrence—Harvard University.
Klein, Lawrence R.—University of Pennsylvania.
Kleiner, Morris M.—University of Minnesota.
Kochan, Thomas A.—Massachusetts Institute of Technology.
Lang, Kevin—Boston University.
Lester, Richard A.—Princeton University.
Levy, Frank—Massachusetts Institute of Technology.
Lindbloom, Charles E.—Yale University.
Madden, Janice F.—University of Pennsylvania.
Mangum, Garth—University of Utah.
Margo, Robert—Vanderbilt University.
Markusen, Ann—Rutgers University.
Marshall, Ray—University of Texas at Austin.
Medoff, James L.—Harvard University.
Meyer, Bruce—Northwestern University.
Minsky, Hyman P.—Bard College.
Mishel, Lawrence—Economic Policy Institute.
Montgomery, Edward B.—University of Maryland.
Murnane, Richard J.—Harvard University.
Musgrave, Peggy B.—University of California at Santa Cruz.
Musgrave Richard A.—University of California at Santa Cruz.
Nichols, Donald—University of Wisconsin.
Ooms, Van Doorn—Committee for Economic Development.
Osterman, Paul—Massachusetts Institute of Technology.
Packer, Arnold—Johns Hopkins University.
Papadimitriou, Dimitri B.—Jerome Levy Economics Institute.
Perry, George L.—Brookings Institution.
Peterson, Wallace C.—University of Nebraska at Lincoln.
Pfeifer, Karen—Smith College.
Piore, Michael—Massachusetts Institute of Technology.
Polenske, Karen—Massachusetts Institute of Technology.
Quinn, Joseph—Boston College.
Reich, Michael—University of California at Berkeley.
Reynolds, Lloyd G.—Yale University.
Scherer, F.M.—Harvard University.
Schor, Juliet B.—Harvard University.
Shaikh, Anwar—Jerome Levy Economics Institute.
Smeeding, Tim—Center for Advanced Study in the Behavioral Sciences.
Smolensky, Eugene—University of California at Berkeley.
Stromsdorfer, Ernst W.—Washington State University.
Summers, Anita A.—University of Pennsylvania.
Summers, Robert—University of Pennsylvania.
Tobin, James—Yale University.
Vickrey, William—Columbia University.
Voos, Paula B.—University of Wisconsin.
Vroman, Wayne—Urban Institute.
Watts, Harold—Columbia University.
Whalen, Charles J.—Jerome Levy Economics Institute.
Wolff, Edward—New York University.

Mr. OWENS. They end by saying, ''We believe that the Federal minimum wage can be increased by a moderate amount without significantly jeopardizing employment opportunities. A minimum wage increase would provide a much-needed boost in the incomes of many low and moderate income households. Specifically, the proposed increase in the minimum wage of 90 cents over a 2-year period falls within the range of alternatives where the overall effects on the labor market, affected workers, and the economy would be positive.''

This is a conclusion of the 100 top economists in the United states.

To bring a special perspective to this discussion, the gentlewoman from North Carolina would like to speak on the question of rural poverty and minimum wage is the way of life in most rural areas. People struggle to even make the minimum wage, so I am sure that whatever applies to rural situations and rural poverty is certainly involved in this whole discussion of the minimum wage.

I yield to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. I thank the gentleman from New York for bringing the subject to our attention, to the attention of the American people and thank him for sharing the time for me to speak on the subject and others as it relates to rural America.

It is true indeed that the minimum wage affects rural areas severely. Why? Because basically we earn about one-third of what everyone else in America earns. So already we are earning one-third as much as those in urban and other parts of this country are earning. The minimum wage in my State certainly is one that needs to be increased. There is a relationship between what everyone else earns in my area with the minimum wage. So as we celebrate this 57th anniversary of the minimum wage, those who are not making the minimum wage, are making considerably more, must recognize that as that minimum wage is remaining at the bottom so are other wages stagnant in rural America.

Also, I would share with the gentleman from New York that in addition to the minimum wage issue, you are right that this Congress is bent on affecting the poor and rural America. They are also more active in the divide between rural and urban. They are also interested in the divide between the rich and the poor. So we see great divisions and the emphasis being focused on those who have a lot of money.

I would also share that as a Nation how we spend our resources says a lot about who we are and who is important, which region of our Nation we favor, which region of our Nation we will ignore. To the extent that the budget reconciliation act that we are going to vote on this week ignores the plight of working families, ignores the plight of rural areas, it indeed will be very harmful. This budget will cause pain to many Americans, in inner cities as well, but it will cause particular pain to rural America.

Rural North Carolina, including my congressional district, where we have a poverty rate about 25 percent, if you combine that with the low minimum wage and the poverty rate and understand what the budget reconciliation act will do, you begin to understand the devastation that will happen to rural America. The very basic essentials like shelter, clothing, housing provisions as well as food, as well as health care will greatly suffer in terms of that. Most rural hospitals and other rural facilities will suffer as a result of us not having an opportunity.

I know that the gentleman has shared his time. I am going to ask to enter the remainder of my remarks into the RECORD, as follows:

Mr. Speaker, how a nation spends its resources says volumes about who is important, who is not, which regions of our Nation are favored and which are ignored.

When we vote on budget reconciliation this week, this Nation will know the winners and losers.

This budget will cause pain to many in America, but we will cause substantial harm to most in rural America.

Rural North Carolina, including my congressional district, like most of rural America, is struggling to provide a minimum quality of life for its citizens.

These communities, however, lack high paying jobs and often lack the infrastructure necessary for economic expansion.

The lack of basic resources and opportunities, such as employment, housing, education, and utility services, especially water and sewer, is compounded by limited access to quality health care and a shortage of health professional, especially primary and family physicians. Most of the rural hospitals in my congressional district, for example, depend on Medicare and Medicaid by as much as 65 percent of their budgets.

As Congress goes through its cost cutting, deficit reducing, budget balancing exercise, there is a message that needs to be emphasized among our colleagues—farmers and rural communities have been important to this Nation's past, and farmers and rural communities are essential to this Nation's future—most notably, the small, family farmers.

Ironically, this extreme and harmful budget cutting proposal comes at a time when my State is experiencing progress due to many of the very programs this Congress now seeks to restructure or eliminate, particularly those that encourage export activity and foreign trade.

After years of feeding the State and feeding the Nation, North Carolina agribusiness is now postured to expand its exports and feed the new customers offered by the world's foreign markets.

In short, as one recent magazine article noted, ''Exports are up down on the North Carolina farms.''

North Carolina agriculture exports amounted to $2.3 billion last year. We exported $534.5 million in tobacco, $199.5 million poultry and poultry products, $90.5 million in soybeans, $61.5 million in cotton, $40.3 million in meat and meat products, $33 million in wheat, $19.4 milion in peanuts, $14.4 million in fruits, $12.1 million in vegetables, and $38.6 million in all other products.

Those exports translate into jobs. Jobs translate into revenue for the State. And, revenue for the State translates into programs and services for our citizens.

In order to expand exports, create jobs, generate revenue and, thereby, provide programs and services to our citizens, agribusiness must have the support of our Government, and that support must be reliable, timely and, most of all, useful.

For the past several weekends, I have been meeting with groups of farmers in my congressional district.

One thing said to me, by them, has stayed with me. ''Farming is a gamble,'' they said, ''And, if you don't like to gamble, you should not be in farming.''

That statement struck me because, while we can not control if it rains early, rains late, or if it rains at all, Government can have great influence over the resources that we make available to the farmer.

We can remove some of the uncertainty, some of the doubt, some of the gamble, by insuring that when farmers make judgments about what to produce and what markets to target, they do so knowing that, when needed, government will be there to support them—in lean times.

Unfortunately, however, despite the recent gains that have been made, because their important role has not been recognized, many rural communities in the United States are crumbling and decaying.

It is important to recognize that the long-term economic health of rural America depends on a broad and diverse economic base which requires investment—not disinvestment—in rural America—investment in business, education, infrastructure, agribusiness, housing stock and community facilities.

The major factors that inhibit rural economic development stem from the very characteristics that singularly define our rural areas—isolation from metropolitan services, low population density, small economics of scale, dependence upon a single industry and limited municipal capacity. These factors leave many rural areas without the necessary resources not only to plan, but also to develop basic services that attract competitive and profitable industries.

Those of us who are decisionmakers from rural areas are strongly committed to stimulating rural economic development by any and every means possible.

But, our task is made nearly impossible by a Congress intent on cutting agriculture and nutrition programs, determined to cut education, bent on cutting medicare and medicaid and focused on unfair tax cuts for some and increases for others.

And, so, Mr. Speaker, I must ask, when we vote on budget reconciliation this week, will we say to the small, family farmers, who literally work their fingers to the bone so that this Nation might be fed, that commodity and rural development programs must go because we are required to balance the budget—because we are giving the money to those with money? That will be the result if Congress continues on its current glide path and approves the Majority's budget resolution plan.

This evening I want to discuss several of the areas affected by the Republican budget reconciliation legislation, and I will begin with agriculture programs.

Mr. OWENS. I thank the gentlewoman from North Carolina for joining me. I will conclude now with a reading from the article that I have read sections from for the last 3 weeks.

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That is the article that appeared in the New York Times on September 3, the Sunday before Labor Day, by Lester Thurow. Lester Thurow is a professor of economics at the Massachusetts Institute of Technology, and his opening paragraph still applies as we go toward this budget reconciliation, this budget reconciliation which will corporatize the power of the corporations of America. The budget reconciliation will freeze us into situations where corporations are going to be paying even less of the percentage of the total tax burden than they pay already.

The budget reconciliation is going to freeze us into a situation where nothing is being done or said about the more than $300 billion that we have already spent as taxpayers to bail out the savings and loans swindle. Nothing is said about trying to force the financial community to somehow repay some of those funds through some kind of tax policy, maybe a surcharge on banks and on accountants and lawyers, all of the people who were involved in that big swindle of the American taxpayers. Nothing is being said. The things that are not said are very important.

Nothing is ever said on this floor about this great tax swindle, how over a period from 1943 to 1995, the tax burden of corporations dropped so dramatically in proportion to the tax burden borne by the families and the individuals out there.

I agree with the Republicans. We need to tax cut. The tax cuts should come for individuals and families. At the same time, we need to get rid of the deficit and balance the budget by raising the taxes that are paid by corporations.

That all takes place within an atmosphere that is described best by this paragraph from Lester Thurow's article in the New York Times. Again I quote:

> No country without a revolution or a military defeat and subsequent occupation has ever experienced such a sharp shift in the distributions of earnings as America has in the last generation. At no other time have median wages of American men fallen for more than two decades. Never before have the majority of American workers suffered real wage reductions while the per capita domestic product was advancing.

I think that is a very profound statement. It very powerfully describes the situation that corporate America has generated in America.

We can take some tiny steps toward correcting our economy, toward making our society more workable, by agreeing to increase the minimum wage by 90 cents from $4.25 per hour to $5.15 an hour. That is what is being proposed, and that is the bill before us sponsored by minority leader GEPHARDT. I am a cosponsor of that bill. The President has endorsed that bill.

That simple step, I urge all Democrats to get on board and take that step. We only have a little more than half the Democrats who are now sponsoring that increase in the minimum wage.

Is it any wonder that the Republicans are treating the increase in the minimum wage with great contempt? And they have stated that they will not allow a single, 1-cent increase, in the minimum wage. Justice demands that on this anniversary, 57th anniversary of the minimum wage law, that we go forward and understand that this is just a tiny step that every lawmaker, every decision maker in Washington can take, not only for working people but for our overall economy.

Let us increase the minimum wage. Let us support the increase in the minimum wage bill now.

Mr. ROMERO-BARCELÓ. Mr. Speaker, today as we celebrate the 57th anniversary of the minimum wage, it is increasingly obvious that we must take action to raise the minimum

wage. Such action will benefit millions of American workers throughout the Nation.

Earlier this year, I was pleased to join in sponsoring the legislation embodying the President's proposal for a moderate 90 cent increase in the minimum wage over 2 years. This is necessary because minimum wage workers have actually seen their real incomes decrease in the last decade. The minimum wage has not been raised since 1989, and its purchasing power has simply not kept pace with the rising cost of living.

At a time when the majority in this Congress is drastically revamping our welfare system and slashing the social safety net, we must maintain the incentives that reward hard work. The minimum wage is one such incentive.

When I was mayor of San Juan and later Governor of Puerto Rico, I took the innovative and unprecedented step of asking the Federal Government to extend the minimum wage laws to Puerto Rico where at the time they did not apply. Special interests and many corporations complained and objected to this move. They lobbied hard against it, predicting both economic havoc and job displacement.

Such bleak scenarios did not materialize. In fact, the minimum wage has been a blessing for the 3.7 million American citizens of Puerto Rico. It raised the standard of living of thousands of working families and brought added dignity to their daily endeavors at their job sites.

Let this experience serve as an illustration of the benefits of our making a commitment to improve the standard of living of ordinary, hard-working Americans by ensuring them a decent, living wage. Both sides of the aisle should be doing everything possible to promote and secure a decent standard of living for all Americans.

Increasing the minimum wage is the right thing to do. It is a wise move and one which is based on both common sense and solid economic policy. Millions of hard-working Americans who deserve better economic opportunities will appreciate our leadership.

Mr. STARK. Mr. Speaker, today, a minimum wage worker who work full-time, year round, does not earn enough money to keep a family of two out of poverty. For decades prior to the late 1980s, that was not the case. Actually, until the early 1980s, the minimum wage was high enough to keep the average three-person family out of poverty.

The staff of the Joint Economic Committee has taken a close look at the effects of raising the minimum wage. Their report convinces me that raising the minimum wage is the right thing to do, and will help low-wage workers. Those most likely to be helped are women, because disproportionate shares of women are harmed by the low value of the minimum wage. I think that is important to note, given the majority's attacks on Medicaid, the earned income tax credit, and food stamps—all programs that help working-poor women.

There is general agreement that there would be no job loss for adults who make up the majority of all minimum wage workers. The only debate is whether and how many teenagers would lose jobs if the minimum wage is hidden. During the Joint Economic Committee's two hearings on the minimum wage, witnesses confronted members with reports showing both negative and positive effects of increasing the minimum wage.

The Employment Policies Institute Foundation supported most of the witnesses claiming a negative effect from raising the minimum wage. During the hearings, we uncovered the fact that, from the beginning, the institute has been headed by Richard Berman, who continued to serve as a registered lobbyist for the restaurant and fast-food industry until recently. The same man was a supporter of the Speaker's so-called college course only after winning apparent assurance of having an influence on the course's content favorable to low-wage jobs.

However, I had a substantive problem with the witnesses from the Employment Policies Institute Foundation. No one argued that, when we increase the minimum wage, all those low wage teenagers making less than the new minimum wage would be thrown out of work. Instead, the debate was over whether a 10-percent increase in the minimum wage caused a 1 or 2 percent reduction in employment for teenagers.

An economist invited by the Republicans, and who had done work for the Employment Policies Institute Foundation, wrote in a recent paper for an academic journal, that there were no significant net employment effects of increasing the minimum wage. So, the worse we were told was that 98 or 99 percent of teenage low-wage workers would not lose their jobs when they got a 10-percent pay increase.

Why is that bad? Further, how is that possible? If those workers were not worth a 10-percent raise, why do only 1 percent of them lose their jobs? Could it be that their lower wage was unfair?

The report of the Joint Economic Committee staff suggests that the low wage of minimum wage workers is much more the result of where they work, than the quality of their work. The study uses a set of jobs whose wages change with the minimum wage, more than with changes in other wages in the economy. Workers in those jobs are said to be on the minimum wage contour. The harm in holding down the value of the minimum wage is that the wages of those workers also are held down.

By asking a different question than, ''Can we count job losses or job gains after the minimum wage is increased?'' the staff sought to answer the basic question of what would be a fair wage. By answering that question, they could show that workers on the minimum wage contour are not so low skilled that they could not hold other jobs.

Unless we take as a matter of faith that the world always works just like the diagrams in an elementary economics textbook, the question of how changes in the minimum wage affect employment and earnings among low income workers is an empirical one. This study's major finding—that workers whose skills and other characteristics seem similar to those in minimum wage contour jobs, but who have non-minimum wage jobs, make around 30 percent more—calls into question simple textbook analyses of low-wage labor markets.

Why is that important? Because it means that there is some reason, not related to the ability to produce, that explains the lower wages of minimum wage contour workers. A reason could be that minimum wage workers have fewer options to give them bargaining power with their employers. Because the ranks of the minimum wage work force are disproportionately female, in an economy slanted by gender discrimination, seeing why these workers may have less bargaining power than workers in other jobs is easy. So when we raise the minimum wage, we are restoring some balance to the equation. The net effect would be to increase economic efficiency and make low-wage workers better off.

We have heard those in the majority scoff at such a notion. They snicker that if raising the minimum wage helps the economy, why not set it at a really high level. However, that is not what this research suggests. It shows that the gap in the wages of minimum wage and other similar workers is larger than the proposed increase in the minimum wage. So a modest rise in the minimum wage can be helpful.

The JEC staff study shows that when we increased the minimum wage from $3.35 in 1989 to $4.25 in 1991, the wage gap between minimum wage contour and nonminimum wage workers shrank. Also, the gap between the wages of women and men shrank.

Further, the study showed that many young workers with a high school education, or less, suffered a substantial loss in relative wages between 1986 and 1991 because some of their earnings' history was in a minimum contour job.

Most Americans agree on one way to approach falling wages. More than three-fourths of Americans in recent polls favor the raise in the minimum wage proposed by President Clinton. I might add that 64 percent of those who said they voted for Republican Members of Congress support the President on this. If we are going to listen to the voters, we must listen to the voters on this issue.

Why do they favor raising the minimum wage? Because, most minimum wage workers are adults. Because, minimum wage workers provide an average of over half their family's weekly earnings. Because there is a direct relation between the minimum wage and keeping families out of poverty.

In 1979, when the minimum wage was worth almost $6 an hour in today's terms, almost 1.4 million Americans were working full time, year round living below poverty. Today, during an economic recovery, with the minimum wage at $4.25, the number of full time, year round workers living below poverty is more than 2 million. Americans know that having an increase in the number of people working full-time year round living below poverty is not right. Americans know that having almost 20 million workers being paid less today, in real terms than we legally allowed in 1979, is not right.

Prof. Daniel Hamermesh was one of two economists the Republicans called as a witness who had not done research sponsored by the Employment Policies Institute Foundation. When I asked him whether we should raise the minimum wage, his answer was yes. Earlier this month, we learned that a large number of other economists agree with him.

I thank the gentleman for yielding me this time. We should listen to voters. But we should also study proposals to best serve the public's needs. I think the JEC staff study helps us know that raising the minimum wage would be the right thing to do. So I am happy to support your efforts in getting this bill to the floor.