

I support a proposal to increase the minimum wage 90 cents over two years, from its current level of \$4.25 per hour to \$5.15 per hour. The first 45 cents of the new increase would not even restore the buying power the minimum wage has lost since the last increase five years ago. Inflation has already eaten away 81% of that increase. If we do not act to increase the minimum wage this year, it will fall to a 40 year low in terms of purchasing power.

WHO EARNS MINIMUM WAGE

The typical minimum wage worker is a white woman over age 20 working in the service sector or the retail industry. About 60% of the minimum wage earners are women, and about 70% of the 12 million workers who would benefit from a minimum wage increase—since their wages are less than \$5.15 per hour—are 20 years of age or older. The average minimum wage worker brings home half of the family's earnings, so an increase in the minimum wage can make a real difference.

An increase in the minimum wage would benefit over 315,000 Hoosiers, or 12.4% of the Indiana workforce, and would mean an additional \$1800 in earnings each year.

EFFECT ON JOBS

Opponents of a minimum wage increase claim that it will wipe out jobs. But the weight of the evidence today supports the conclusion that a moderate minimum wage increase would not have a significant impact on job levels, because it would help boost productivity and lower employee turnover. Over 100 economists, including several Nobel laureates, have urged the President and Congress to approve a minimum wage increase and have affirmed that it would not have a significant effect on employment.

Opponents of a minimum wage increase also criticize it as being an inefficient way to alleviate poverty. In a sense they are right. A minimum wage increase is not as well targeted as the earned income tax credit, which directly benefits low-paid workers either by cutting their taxes or, if they owe no tax, giving them a check from the Treasury. The credit is structured to encourage the poor to go to work without hitting their employers. My view is that the best anti-poverty strategy is probably to mix minimum wages with tax credits.

There are limits, however, to how much higher Congress can push the tax credit. The problem, of course, with increases in the earned income tax credit is that it costs the government billions of dollars that it does not have, and won't for many years. I do not, however, support efforts by Speaker Gingrich to reduce the earned income tax credit.

A MATTER OF FAIRNESS

Surely we want to help ensure that people who work hard can get ahead. Raising the income of America's lowest paid workers is part of meeting that challenge. If we value work, we ought to raise the value of the minimum wage. Most people believe that somebody who works a 40-hour week ought to make a wage they can live on. It is hard to believe that people can oppose that notion.

I have been particularly troubled by growing income inequality in this country, and the declining value of the minimum wage only contributes to that problem. For most of the past four decades the minimum wage averaged between 45% and 50% of the average hourly wage in the economy. After a small gain in 1990 and 1991, the minimum wage has now dropped to 38% of the average hourly wage.

My view is that the minimum wage should be increased as a simple matter of fairness to unskilled workers. These workers are not protected by unions. They cannot and do not

lobby Congress. The minimum wage offers a margin of security to those who want a job rather than a handout. For a rich country like America, that's not too much to provide.

I have been frustrated in Congress in recent weeks when we were even denied an opportunity to vote on a raise in the minimum wage. It is unfair to refuse to allow a vote on the increase in the minimum wage, which is supported by 75% of the American people.

CONCLUSION

I don't for a moment think that an increase in the minimum wage is ultimately the cure for low working wages in this country, but until we find an answer to that broader question fundamental decency requires us to increase the income of the lowest-income working Americans.

I talked to a person earning minimum wage the other day. When pay day comes, she is several days late on the rent, the fuel tank on her automobile has to be filled, she is unable to buy enough food, her family is not healthy and needs medical help, and the utility companies are about ready to shut the power off. She is faced with miserable choices. But she said she was proud to be a working person, and only wished she could make a living for her family.

An increase in the minimum wage would help families get by. It would reward work, giving 12 million workers a direct increase, and it would be good for the American economy.

PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 159, CONSTITUTIONAL AMENDMENT RELATING TO TAXES

SPEECH OF

HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1996

Mr. KLECZKA. Mr. Speaker, I rise in opposition to House Joint Resolution 159. This constitutional change is unnecessary and misguided, and I urge my colleagues to oppose it.

This initiative strikes at the very heart of our constitutional democracy, eroding the principle of majority rule. The Constitution requires a supermajority only in extraordinary circumstances, such as a veto override or impeachment of a President. This resolution would give a small minority of this House the power to block critical bills—even responsible legislation designed to balance the Federal budget—if you contain a tax increase. If Congress can declare war by a simple majority vote, surely we can pass a tax bill by the same margin.

I also foresee difficulties defining a tax increase. Earlier this year, the Republican House majority passed a bill reducing the earned income tax credit, a tax credit for our Nation's working poor. That measure effectively increased low-income Americans' taxes by reducing their credit. However, the GOP did not consider that bill a tax increase. It is likely we will see similar controversies. If Congress eliminates an unjustified tax deduction, thereby resulting in a tax bracket change for an individual or a corporation, does that constitute a tax increase? Would it require a supermajority to right this hypothetical wrong? The answer is uncertain as this legislation is currently written.

The resolution's provision waiving the two-thirds requirement for de minimis tax increases is also troublesome. By failing to define a de minimis increase, the resolution abdicates responsibility for developing this guideline and turns it over to the Federal courts. The courts will undoubtedly spend many years and thousands of taxpayers dollars delineating precisely what is meant by this term.

There are other technical difficulties with the measure. It does not define the time period over which a tax increase must be estimated in order to trigger the two-thirds requirement. Similarly, this amendment does not address situations where bills projected to decrease tax revenues actually increase taxes. Closing loopholes in the Tax Code could also be almost impossible if these efforts were subject to a two-thirds vote on the House.

Mr. Speaker, I would also note that the Republican-controlled House has not even been able to live under its own rule that income tax increases must be passed by a three-fifths vote. This rule has been waived three times in this Congress, allowing income tax bills to pass by a simple majority. If the GOP violates the spirit of its own rules, what will prohibit it from circumventing a constitutional amendment in a similar way?

House Joint Resolution 159 is the fourth attempt by this Republican Congress to amend the "Constitution—the most ever since the post-civil war period. I urge my colleagues to vote against this resolution.

A PROCLAMATION REMEMBERING SHELLY McPECK KELLY

HON. ROBERT W. NEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1996

Mr. NEY. Mr. Speaker, I commend the following article to my colleagues:

Whereas, Shelly McPeck Kelly, a United States Air Force Technical Sergeant that died in the plane crash along with Commerce Secretary Ron Brown, and

Whereas, Shelly McPeck Kelly, was a loyal and devoted wife, and loving mother of two; and,

Whereas, Shelly McPeck Kelly, served faithfully as an airplane stewardess in the United States Air Force achieving the rank of Technical Sergeant, and

Whereas, Shelly McPeck Kelly, should be commended for her service to the United States of America during the Bosnian Peacekeeping Operation; and,

Whereas, the residents of Eastern Ohio join me in honoring Shell McPeck Kelly for her brave and loyal citizenship to the United States.

PERSONAL EXPLANATION

HON. JUANITA MILLENDER-McDONALD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1996

Ms. MILLENDER-McDONALD. Mr. Speaker, yesterday, I inadvertently voted "no" on H.R. 842 the truth-in-budgeting bill, thinking that I was voting on an amendment. Had I known that I was voting on final passage, I would have voted "yes."