

authorized incentives for certain owners of HUD-insured projects not to pre-pay their mortgages and keep their units affordable for low-income tenants. Owners of some 400,000 rental units are, or soon will be, eligible to apply for these financial incentives, including equity take-out loans. In these cases, the Government will pay increased section 8 assistance to owners to cover the cost of the incentives. The HUD IG Susan Gaffney recently identified this program as a "rip-off" to the American taxpayer. In fact, the costs for these additional subsidies will run into the billions of dollars.

As I have indicated these are issues that require congressional attention and responsible action. It took decades of neglect, through many Congresses and several administrations, both Democratic and Republican, to create a problem of this enormous magnitude and complexity. HUD cannot be fixed overnight, or by simply passing a law with the word "reform" in its title. I stress that we need to redirect Federal housing and community development policy from Federal micromanagement to the consolidation of programs with an emphasis on State and local decisionmaking.

We need to get away from the one-size-fits-all mentality and provide flexibility at the State and local level—we need to do this by making housing more affordable through approaches such as public-private partnerships, employment incentives for low-income families, mixed income projects, and the demolition of sub-standard housing where the demolition makes sense.

Mr. President, I raise these issues now because it is important that all of my colleagues and those in the administration and those who are concerned about housing focus on the difficult problems we face and help us develop the drastic solutions that we need to continue our commitment to housing, yet to do so without bankrupting the budget or taking away from other very needed programs.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Under the previous order, the Senator from Texas is recognized to speak for up to 10 minutes.

UNFUNDED MANDATES

Mrs. HUTCHISON. Mr. President, last week the Senate approved landmark legislation to protect States and communities from unfunded Federal mandates, and yesterday, the House followed suit. When the President signs this legislation, we will witness a sea

change in the relationship among Federal, State, and local government.

Let me remind my colleagues, however, that when we consider the staggering load of unfunded mandates the Federal Government imposes on State and local governments, southern border States such as Texas bear a huge share of the burden.

Last year, I asked Congress to allocate \$350 million to the affected States for incarcerating illegal alien felons. Congress took a significant step in rectifying this situation when it appropriated \$130 million for the purpose. This was the first time in history the Federal Government has ever acknowledged its fiscal obligation to States directly impacted by Federal policies—and failures.

But that appropriation was merely an initial installment on what is actually a huge, crippling debt incurred by the Federal Government.

This year I am calling on President Clinton to include that \$350 million allocation in his budget proposal—to move closer toward Federal acknowledgment of the true magnitude of the costs of illegal immigration to this country.

Illegal aliens, who enter our States and take up permanent, unlawful residence, are there as a result of the Federal Government's failure to carry out one of its most important functions—the securing of our borders. Texas, California, Arizona, New Mexico, and even Florida, absorb the brunt of these costs.

My State and others similarly affected are required by Federal law and Federal courts to pay for incarcerating illegals who commit crimes and also for the costs of education, welfare, medical services, and a host of other government-funded programs serving illegal aliens.

The Federal Government underwrites very little of these expenditures. But under the threat of penalty imposed by Federal law State and local taxpayers are coerced into footing the bill.

Texas, alone, must spend more than \$60 million a year to keep illegal alien felons in prison—California nearly \$400 million.

Texas also spends more than \$60 million annually on unreimbursed Medicaid services to illegal aliens.

Texas like other States—is experiencing a seemingly insoluble school funding crisis, due in part to the presence of illegal alien children which the Federal courts have ruled must be educated.

In several Texas school districts, close to 50 percent of the students enrolled are the children of illegal aliens. In some cases, children cross the border from Mexico every day to attend school in Texas.

In La Joya, a small lower Rio Grande Valley town near Brownsville, a third of the school district's enrollment comes from Mexico. Yet school officials are forbidden to ask students for proof of residency—in their school district.

A study by Rice University in Houston estimates that Texas pays, all told, \$1.4 billion a year to provide federally mandated services to illegal immigrants.

This is \$1.4 billion a year we do not have, or, if we did, could be put to better use for Texas taxpayers.

For instance, that \$1.4 billion would more than make up for the funding shortfall in Texas schools.

The situation has become intolerable—and resulted unfortunately in a backlash against all immigrants such as we witnessed in California during the debate over proposition 187. I am thankful the situation in Texas has not yet reached this point.

But the unfunded mandates situation has reached the crisis stage in its impact on our State and local budgets.

To put it plainly, the Federal Government is shifting the responsibility for these mandated expenditures onto the backs of Texas taxpayers. Texans are being forced to provide social benefits to individuals who have broken our laws, jumping ahead of those who play by the rules—while the Federal Government looks the other way. Illegal immigrants ought not be entitled to State taxpayers' money for simply crossing the border—and breaking our laws in the process.

In the past, I have supported the assignment of more Border Patrol agents to make our border areas more secure. The immigration reform bill I introduced in the 103d Congress would have put 6,000 more agents in the field to stop this flagrant and habitual violation of U.S. law.

Now my colleague, Senator GRAMM, has introduced another illegal immigration bill which would put even more new agents on the border, realizing that we are going to have to get serious about stopping the influx of people who are illegal into our country.

One of the reasons I am a strong advocate of the unfunded mandate legislation is that it will enforce a kind of truth-in-lawmaking we have not seen in Washington for decades—putting a clear price tag on programs and policies when they are foisted onto the States.

This correction in our country's course is long overdue.

THE BALANCED BUDGET AMENDMENT

Mrs. HUTCHISON. Mr. President, we have seen the debate this week in the Senate on the balanced budget amendment.

I am very pleased that the House of Representatives has taken this step already, and now it is up to the Senate to decide if Americans finally will have the opportunity for their legislatures to vote to adopt a very important amendment to our Constitution. It is

an amendment that will make the difference for our future generations because it will say to our future generations we are not going to rack up the bill and give you the opportunity to pay for what we are doing today. That is what this balanced budget amendment is all about.

Mr. President, we have heard all kinds of reasons why people are now saying that they might not support the balanced budget amendment. But I hope the American people realize that these are in fact excuses. This is a solid, plain, simple, understandable balanced budget amendment. Maybe I would have changed a few words. Maybe others would change a few words and make exceptions. But we cannot make exceptions if we are going to take the responsible approach of saying we are going to set parameters on the amount of spending that we can do in this country. Every business in America does that. Every household in America does that. Every State government and every local government does that in America. Why, Mr. President, should Congress be the one entity in America that does not have to live within a budget? And every day that you see someone standing up on the floor and giving an excuse why they are not going to support the balanced budget amendment, I hope the American people realize that is what it is.

We will make the cuts that are necessary. We will save Social Security. We have done it every year except last year when there was an increase in taxes, and they did increase the taxes on Social Security recipients. Not one Republican voted for that bill; not one.

So I do not think the American people need to fear that a Republican majority is going to do something that would in any way impact Social Security in not a beneficial way. It is not our side that has done anything on Social Security. What we are trying to do is make sure that people on Social Security know that their children and grandchildren are going to have a responsible government in Washington, DC.

Mr. President, that is what the argument is about on the balanced budget amendment.

I thank the Senator from Utah for his great leadership in this effort. He has been there fighting the cause this whole week and for years before saying this is what is right for America. I appreciate the time and effort that he is putting in. I just hope that when it comes down to the bottom line that this Senate does the right thing and sends an amendment to the people of our country through its legislatures to say we are going to be responsible like every State government, every local government, every business and every household in America has to be responsible.

It is the most important vote I will ever make in my time in the U.S. Senate.

Thank you, Mr. President.

I yield the floor.

INCREASE IN THE MINIMUM WAGE

Mr. KENNEDY. Mr. President, I commend the President for his leadership in bringing together so many Members of Congress this morning in support of an increase in the minimum wage for working families. The increase proposed by the President would raise the wages of more than 7 million hard-working Americans who currently earn less than \$5.15 an hour. The increase would lift substantial numbers of working families out of poverty and diminish its severity for many more. The increase would also help millions of middle-class families who depend on the earnings of low-wage workers to get back on the track toward a better standard of living for themselves and their children. It is simple justice for working Americans.

Since the enactment of the first Federal minimum wage law in 1938, bipartisan majorities of the Congress have seven times reaffirmed the Nation's commitment to the minimum wage by voting in favor of minimum wage increases. Once again, Democrats and Republicans must join together to address the decline in the real value of the minimum wage. If we fail to act, by next year the real value of the minimum wage will be lower than it has been at any time since 1955.

Our economy is growing, corporate profits are up, and so are the incomes of the wealthiest 20 percent. But the vast majority of Americans are still losing ground. An increase in the minimum wage is long overdue. It ought to be part of any contract with America, and I hope we can vote on it in the first 100 days.

Mr. President, just an hour ago, the President of the United States in the White House reminded us that in 1989, when Congress last addressed this issue and voted overwhelmingly with bipartisan support to increase the minimum wage, we had a Republican President and Democratic majorities in the House of Representatives and Senate, but The President and the Congress came together, Republicans and Democrats alike. More than 85 percent of the Republicans in the Senate in 1989 supported legislation providing for two increases of 45 cents an hour each, to go into effect in 1990 and 1991.

The President made the point that he is hopeful that now, with a Democratic President and Republican majorities in the House and Senate, we too would go forward on a bipartisan basis and vote for two similar 45-cent increases.

The legislation enacted in 1989 provided for a 45-cent increase in 1990, and a 45-cent increase in 1991. And now the President is proposing a 45-cent increase for this year, 45 cents for next year.

The economy is much stronger today than it was in 1989 when we last voted to increase the minimum wage. In the past 2 years, we have seen the creation

of over 5 million jobs. Business profits are up. The wealthiest individuals are doing well, the top 20 percent. And what we are basically saying with the President's proposal to increase in the minimum wage is that men and women in this country who are prepared to work 40 hours a week, 52 weeks of the year, ought not to live in poverty. They ought to be able to earn a living wage. That is not such a radical concept or radical idea, Mr. President.

The history of the minimum wage in this country teaches this very clearly. If we look at what the real value of the minimum wage has been and what the income needed to keep a family out of poverty was from 1960 right up to 1980, the minimum wage was a livable wage. It kept working families out of poverty. And what we are seeing now is that unless we act to increase the minimum wage, by next year, in real purchasing power, the minimum wage will be the lowest it has been in 40 years.

What we are saying when we renew our commitment to a livable minimum wage is that work makes a difference. We ought to reward work in this country. We ought to say to families that we believe those who can and do and want to work and are working should be able to support themselves and their families and not be forced to rely on taxpayer-financed safety net programs to feed, house and adequately provide for their families.

If working people are not able to earn enough at the minimum wage to support their families, then it is other workers who in effect are called on to make up the difference through taxpayer-financed support programs. Thus, by raising the minimum wage, not only are we giving opportunity and prosperity to workers who want to work, we are also reducing, cutting the need to rely on public support programs.

Mr. SIMON. Will the Senator yield?

Mr. KENNEDY. Increasing the minimum wage will save taxpayer dollars because individuals will raise their incomes and no longer have to rely on the wide range of support programs which otherwise they are eligible for today. Increasing the minimum wage is a winning proposition for families that want to work, that will work. It is a winning proposition for taxpayers. It is a well-deserved increase.

I will be glad to yield for a question.

Mr. SIMON. Since the bottom fifth in terms of income in our country get 43 percent of the benefits from this, is it not true that if we were to raise the minimum wage as is suggested in this legislation, along the lines of what the Senator has just talked about, it probably would do more to provide real welfare reform than 90 percent of the talk of welfare reform that is going on around right now?

Mr. KENNEDY. The Senator makes a very important point that has been reiterated in our recent Labor and Human Resources Committee hearings chaired by Senator KASSEBAUM on the