

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

various job training programs. We heard testimony from a very distinguished professional from Arlington, VA, who said you cannot expect to move people out of welfare into jobs that pay less than \$7 an hour, because people cannot afford the cost of housing, transportation, health care—or day care if they have children—at a lower wage. Therefore, there is very little incentive for people to move off welfare unless the job they are moving into pays a livable wage.

Let me also point out this to the Senator from Illinois: The Senator is quite correct that 43 percent of the benefits of the last minimum wage increase went to families with earnings in the bottom 20 percent. But 45 percent of the benefits went to families with earnings in the middle 60 percent. Increasing the minimum wage is critically important to workers trying to support their families on a minimum wage job. But it is also a lifeline to families that are just on the border of middle income, and are dependent on the earning of someone who is working and supplementing the family's income with a minimum wage job to maintain their standard of living.

Mr. SIMON. Mr. President, if I may ask one more question of the Senator? So this talk that when we raise the minimum wage, we are really just helping the teenagers of people who are well off, that really is a myth and has no substance in fact?

Mr. KENNEDY. The Senator is quite correct. Two-thirds of those who are making the minimum wage today are adults—two-thirds.

It is a reasonable ask what is going to be the impact of this increase on jobs in our country? I hope, over the course of both the debate on this issue and in the course of hearings, to have a chance to review the most recent studies. David Card and Alan Krueger, of Princeton University did a very interesting study. They studied the effects on employment on the fast food industry in New Jersey, resulting from the 1992 increase in the State minimum wage from \$4.25 to \$5.05. This 80-cent increase in 1992 followed the 1990 increase in the Federal minimum wage from \$3.35 to \$3.80 and the 1991 increase of \$3.80 to \$4.25.

We listened to the Governor of the State of New Jersey speak the other night in her response to the President's State of the Union message about how strong the economy in New Jersey. This is a State that had a 45-cent increase, another 45-cent increase, and then had an 80-cent increase in the minimum wage after that, and the state economy is flourishing.

And that was borne out by the Princeton economists' study. It found no negative impact on employment from the increase in the New Jersey State minimum wage to \$5.05. And, interestingly, it showed some evidence of positive impact on employment. People who were outside the labor market came back because they could make a

decent living. So they added to the economy. Rather than a reduction of jobs, it increased jobs.

The Wessell study on the impact on restaurant employment of the 1990 and 1991 increases in Federal minimum wage from \$3.25 to \$4.25 also found there was virtually no impact on employment.

Similar results were found by Lawrence Katz of Harvard University and Alan Krueger of Princeton University, who did a 1992 study on employment in the fast food industry in Texas in 1990 and 1991 following the last increase in the Federal minimum wage. They also found no significant impact on employment. So we have similar results from studies of the impact of minimum wage increases in an industrial State, New Jersey, and in the State of Texas.

In addition, we have a 1992 study by Professor Card of the effects on teenage employment across 50 States resulting from the 1991 increase from \$3.80 to \$4.25. This study again found virtually no significant impact on teenage employment in low-wage as well as high-wage States.

And this was found true as well in another study in that looked at changes in retail trade and teenage employment in California resulting from the 1988 increase in the State minimum wage from \$3.25 to \$4.35.

We will hear a great deal during the course of the debate about the impact of minimum wage increases on employment. I think those issues are legitimate ones and have to be addressed. But any thoughtful and fair review of recent empirical evidence on the actual effect of minimum wage increases shows that the kind of increase proposed this morning by the President would have only a marginal, negligible effect on employment.

Most of all, this issue is really about making work pay. It is a hollow argument indeed, to say this increase is going to mean a lesser life for working families in this country. We are talking about permitting working families to participate in the prosperity of America. This is a fair proposal. It ought to be treated fairly here in the Congress. I believe it ought to be part of the Contract With America.

Profits are up. Wages across this country have been stagnant for most workers for many years. This is really a concrete effort to try to make a difference for working families, to give them a livable wage so they can live with respect and dignity, and with a real sense of hope for the future.

I hope at the appropriate time we will have a chance to have further debate and take positive action, hopefully in a bipartisan way, in this body.

WAS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID "YES"

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, February 2, the Federal debt stood at \$4,814,204,062,209.10. On a per capita

basis, every man, woman, and child in America therefore owes \$18,274.80 as his or her share of that debt.

COSPONSOR S. 228—BRYAN BILL ON CONGRESSIONAL PENSIONS

Mr. ABRAHAM. Mr. President, during the past year I have repeatedly been approached by citizens of my State of Michigan who have expressed their outrage about the current congressional pension system. Initially, their anger was focused upon what they believed to be an exorbitant level of compensation for Members of Congress. Later in the campaign, another issue also rose; namely, the shroud of secrecy which surrounded congressional pensions themselves.

Because of my experience, during the campaign I pledged to introduce or cosponsor legislation which would bring congressional pension plans into general line with the rest of the Federal Government and with the private sector. I also committed myself to eliminating the shroud of secrecy which has surrounded the pension system by pushing for full disclosure. Consequently, I am today announcing my cosponsorship of S. 228, the bill introduced by the Senator from Nevada, Senator BRYAN, which will bring the pension compensation for Members of Congress in line with that currently available to members of the Federal civil service.

However, because the Senator from Nevada's legislation does not include language on disclosure, I am also today introducing my own legislation which will require that information regarding Members' pensions be made available to the public. When the issue of congressional pension reform reaches the floor, the Senator from Michigan will offer this disclosure bill as an amendment if similar language is not already contained therein.

Mr. President, only when the American people are provided with accurate information can they make informed decisions regarding what level of pension compensation for Members of Congress and their staffs is appropriate.

Mr. President, I yield the floor.

REGULATORY FLEXIBILITY AMENDMENTS ACT OF 1995

Mr. BOND. Mr. President, yesterday I introduced S. 350, the Regulatory Flexibility Amendments Act of 1995, to provide for judicial enforcement under the Reg Flex Act. This bill is vitally important to America's small businesses who are suffering from the excessive burdens of Federal Government regulations. In support of my bill, S. 350, I have received letters from the U.S. Chamber of Commerce, the Small Business Legislative Council, and the National Roofing Contractors Association.

Mr. President, I ask unanimous consent that the letters and the bill, S. 350, be printed in the RECORD.