

Patrick Henry. I am John Paul Jones, the Green Mountain Boys and Davy Crockett. I am Lee and Grant and Abe Lincoln.

I remember the Alamo, the Maine, and Pearl Harbor. When freedom called I answered and stayed until it was over, over there. I lift my heroic dead in Flanders Fields, on the rock of Corregidor on the bleak slopes of Korea, in the steaming jungle of Vietnam, and in the desert sands of Saudi Arabia.

I am the Brooklyn Bridge, the wheat lands of Kansas and the granite hills of Vermont. I am the coal fields of the Virginias and Pennsylvania, the fertile lands of the West, the Golden Gate and Grand Canyon. I am Independence Hall, the Monitor and the Merrimac.

I am big. I sprawl from the Atlantic to the Pacific . . . my arms reach out to embrace Alaska and Hawaii . . . 3 million square miles throbbing with industry. I am more than 5 million farms. I am forest, field, mountain and desert. I am quiet villages and cities that never sleep.

I am Eli Whitney and Stephen Foster. I am Tom Edison, Albert Einstein and Billy Graham. I am Horace Greeley, Will Rogers and the Wright brothers. I am George Washington Carver, Daniel Webster and Jonas Salk.

Yes, I am the nation, and these are the things that I am. I was conceived in freedom and God willing in freedom I will spend the rest of my days.

May I possess always the integrity, the courage and the strength to keep myself unshackled, to remain a citadel of freedom and a beacon of hope to the world.

This is my wish, my goal, my prayer in this year of 1996, two hundred and twenty years after I was born.

HOW FORCING UP THE MINIMUM WAGE HURTS THOSE WHO NEED HELP MOST

My name is Herman Cain. I am President of Godfather's Pizza, Inc., a 525-unit pizza restaurant chain headquartered in Omaha, Nebraska. I am also President of the National Restaurant Association.

There are nearly 740,000 food service units in this country, including everything from fast-food chains to fine-dining restaurants. We are an industry dominated by small businesses, and we employ a diverse workforce of over nine million people. Our employees are white, African-American, Hispanic-American, Asian-American, and more. We expect to employ 12.5 million by the year 2005, with the fastest growth coming in the category of food service managers. More than 30 percent of Americans under age 35 had their first job in the restaurant industry. Restaurants offer an important boost into the job market for millions, as well as a clearly defined career path for those willing to work hard and stay in the business.

There are numerous reasons why I firmly believe a minimum-wage increase is attacking the wrong problem. Allow me to list the three reasons I believe to be most important.

First, mandated wage increases reduce entry-level job opportunities.

A few weeks ago, a colleague in Oregon told me about a homeless 17-year-old he hired in the mid-1980s. He gave the teenager a job chopping lettuce, deveining shrimp, and sweeping floors. That 17-year-old has worked his way up: He's now the executive chef at the restaurant. But the job that brought him into the business no longer exists. When Oregon raised its minimum wage a few years ago and the restaurant owner looked for ways to cut costs, this job was one of the first to go. Now, my colleague buys lettuce already chopped from a nearby automated facility.

It's a good example of the split personality of the minimum wage. When you make it

more expensive to hire people who lack basic work skills and experience, you risk shutting them out of the workforce.

My second point: A minimum-wage increase jeopardizes existing jobs by threatening businesses that may be marginally profitable. In my case, for example, Godfather's Pizza, Inc., has nearly 150 company-owned and operated units, and a few of them are either marginally profitable or not profitable at all. If you raise costs for the many thousands of enterprises like these, you risk shutting their doors permanently.

When you're running a restaurant that's on the edge, you're scrutinizing every penny. Can ninety cents an hour put me under? It could. Maybe not by itself—but when labor accounts for about 30 percent of my expenses, second only to my food costs, a mandated wage increase is one more factor tipping the balance. A mandated wage increase triggers wage inflation by rippling up through the entire wage spectrum and by causing increases in payroll-related expenses like FICA taxes.

Some people would say "Just raise your prices." It doesn't work that way. In a competitive market, that's the fastest way to drive away customers with limited discretionary income. That can close a business fast.

My third point: A minimum-wage increase is an ineffective way to raise someone out of poverty. Most minimum-wage earners are part-time workers under age 25—mostly first-time workers, students, people holding down second jobs or supplementing the income of their household's primary earner. In my restaurants, for example, nine out of ten of my hourly employees choose to work less than 35 hours a week—even though full-time work is available. These are not the poor people policymakers most want to help. By shooting wide and hoping to hit the right target, you're taking a gamble with harmful side effects.

The best way to lift a family out of poverty is to get people into the job market and give them a chance to acquire skills. I think of my father, who worked three jobs until he was skilled enough to cut back to two jobs, and who kept going until his skills were good enough that he could support us on one hourly job.

There are other dangers with a minimum-wage increase. Like the fact that a federal mandate prescribes the same wage for a mom-and-pop restaurant in rural Nebraska as it does for a restaurant located in a high-cost-of-living metro area. It's not a good idea to try to overrule the laws of supply and demand that do a pretty good job of setting local wages according to the specific conditions of specific markets.

Congress has recently been playing close attention to the state and local officials—Democrats and Republicans alike—who say "enough is enough" when it comes to picking up the tab for unfunded federal mandates. Please give businesses the same hearing: An increase in the minimum wage is also an unfunded federal mandate. Someone has to pay—and it's usually the entry-level employee.

I urge you to look deeper for solutions. Some people lack the skills to make them competitive for entry-level employment. This is why we have tax credits to encourage businesses to hire employees who typically have a hard time gaining a foothold in the job market. This is why politicians are setting up empowerment zones to help businesses hire in impoverished areas. These programs rightly recognize that some workers may be overlooked if it gets too expensive for a business to hire them. Congress should be looking for ways to encourage people to work, and businesses to hire, instead of mak-

ing it more expensive for employers to give the low-skilled a job.

You're getting a good dose of information lately on the theories behind successful welfare reform. In businesses like ours, real life crowds out theory. While our main expertise is in getting out good meals at good prices, as entry-level employers we've also become fairly expert at finding ways to help millions of troubled teens and troubled adults get beyond some daunting barriers to employment. We see that real entry-level jobs provide training in the fundamentals—reliability and teamwork, to name just two—and thereby yield long-term social payoffs that don't come in any other way.

Right now we have more than four million people earning the minimum wage in this country, 7½ million unemployed persons, and nine million adults receiving welfare payments. Tackle the right problems first. Focus on creating more jobs, not on raising the cost of entry-level employment and eliminating existing jobs. A minimum-wage increase doesn't attack the right problem. I urge you to reject it.

FACT AND FICTION ON THE MINIMUM WAGE

Minimum-wage workers are the most vulnerable Americans, right?

Actually, more adults who earn the minimum wage live in families with over \$30,000 in annual income than live in families making under \$10,000. Over all 22 percent of minimum wage earners are poor. The majority of poor Americans don't work at all, at any wage.

Minimum-wage work is undignified.

Fifty-five percent of minimum-wage workers are youths age 16-24. Many of these live with their parents. Only 2 percent of workers age 25 or older are paid the minimum wage.

You can't raise a family on the minimum wage.

Few have to: 89 percent of all workers now making less than the proposed minimum have no spouse or child depending on them as sole breadwinner. Of these, 44 percent are single individuals living with their parents or other family member, 22 percent are single individuals living alone, and 23 percent have a spouse with a paying job.

Minimum-wage jobs are a dead end.

Sixty-three percent of minimum-wage workers earn higher wages within 12 months. Seventy percent of the restaurant managers at McDonald's, plus a majority of the firm's middle and senior management, began in hourly positions. (This includes CEO Ed Rensi, who started at 85 cents an hour in 1965.)

Sources: U.S. Bureau of Labor Statistics; Employment Policy Foundation; Wall Street Journal; Industrial Relations and Labor Review.

INCREASE THE MINIMUM WAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized during morning business for 5 minutes.

Mr. PALLONE. Madam Speaker, I just wanted to make reference to my colleague, who I greatly respect, who just spoke from the other side of the aisle to point out that we continue to see many Republicans, and most importantly I would say the Republican leadership here in the House, and to some extent also in the Senate, that continue to oppose raising the minimum wage. Although I respect what my colleague from Nebraska has said, I

think it is very wrong to suggest that somehow raising the minimum wage is not going to help the average American wage earner who lives on it.

The bottom line is that we have seen over and over again, and most importantly in my home State of New Jersey, where the minimum wage was raised a few years ago to the level that we are now or somewhat close to the level that we are now proposing in Congress, and the result was that minimum wage workers actually had their wages increased, were able to go out and buy more goods, and more services had to be provided to them. Jobs in the State of New Jersey actually increased so that there were more economic opportunities, more work opportunities for jobs created in our State because of the increase in the minimum wage.

So this notion that somehow raising the minimum wage is going to decrease jobs and put people on the street and not help those who are now dependent on the minimum wage, I think is just a false issue. Clearly, the statistics show that that is a false issue.

I think this is important today because on the other side of the Capitol, in the Senate, they will be taking up the minimum wage. I am hopeful that crippling amendments that are being proposed again by various Republicans, that would create huge loopholes in the increase in the minimum wage for certain workers, that these crippling amendments do not pass, because over the last 6 months and over the last year the American people have basically been petitioning Congress and stating over and over again they they want an increase in the minimum wage.

That is the only reason that this is being brought to the floor of the Senate today, not because of the Republican leadership, who consistently opposed it here in the House and in the Senate, but because the American people have spoken out and said they want an increase. They want a livable wage for people who are working at a minimum wage level.

It would be a shame if crippling amendments, mostly coming from big business, were to pass. That would exempt a lot of workers in various categories from this minimum wage increase. I hope that that does not happen.

Madam Speaker, I have been outraged from the very beginning at the constant effort by the Republican leadership here in the House to deny millions of working Americans the opportunity to earn a livable wage. We have had a debate in the House, and now the same debate is happening in the Senate, with two constant themes.

First is that Republicans will do everything they can to fight for big business special interests and try to water down a minimum wage increase. It is the Democrats who continue to fight for the hard-working Americans who need an increase in the minimum wage to provide for their families.

Madam Speaker, the Republican leadership has used many different schemes and ploys to fight an increase in the minimum wage. First was the majority leader in the House who proposed doing away with the minimum wage altogether. Then in March of this year Republicans in the House used a parliamentary procedure to stop a vote calling for a modest increase in the minimum wage.

But gradually, Americans all over the country began to put pressure on the Republican leadership here in the House to at least have a vote on the issue, to let the vote occur. The Republican leadership, however, continued to persist as long as they could in preventing a vote. But finally the so-called moderate wing of the Republican party, many of whom were from my home State or from the Northeast, broke with their leadership and expressed support for the Democratic proposal on the minimum wage.

So we finally did have a vote, but if you listen to some of the dialog on the other side, if you listen to some of the ideology—as I said, some of it was expressed by my colleague from Nebraska today—you hear this constant theme that somehow this is not good for the average American.

According to the majority whip in the House, no one is actually raising a family on the \$4.25 an hour that is currently the minimum wage law. The majority whip used the addition of food stamps and the earned income tax credit to show that a single parent with two children could earn much more than the \$8,800 a year that is provided for in the minimum wage.

But the bottom line is that even with food stamps, even with the earned income tax credit, which many in the House Republican leadership oppose, it is very, very difficult if not impossible for someone today to live and raise a family on the minimum wage. That is why we need to have a vote on this issue, and that is why we need to have it passed in the Senate today, sent back to the House, and signed into law by the President, who supports the increase.

RECESS

The SPEAKER pro tempore (Ms. GREENE of Utah). Pursuant to clause 12 of rule I, the House stands in recess until 2 p.m.

Accordingly (at 12 o'clock and 51 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. SHAW] at 2 p.m.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are grateful, O God, that our prayers can express the essential emotions and ideas of the human spirit, that we are free to call upon You in all the moments of life—for better or worse, for richer or poorer, in sickness and in health. And so we call upon You this day from the secret places of our own hearts asking that You would bless us when we need blessing and forgive us when we need forgiving. Above all else, we pray for Your presence in our lives day by day and for Your spirit that nurtures us with the good graces of life. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from North Carolina [Mr. JONES] come forward and lead the House in the Pledge of Allegiance.

Mr. JONES led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF EMPLOYEE TO REVIEW PANEL OF THE OFFICE OF FAIR EMPLOYMENT PRACTICES

The SPEAKER pro tempore. Without objection, and pursuant to the provisions of rule LI, the Chair announces the Speaker's appointment to the review panel of the Office of Fair Employment Practices the following employee of the House of Representatives to fill the existing vacancy thereon:

Mr. Alan F. Coffey, Jr., General Counsel and Staff Director of the Committee on the Judiciary.

There was no objection.

COMMUNICATION FROM THE HONORABLE C.W. BILL YOUNG, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable C.W. BILL YOUNG, Member of Congress:

HOUSE OF REPRESENTATIVES,
Washington, July 8, 1996.

Hon. NEWT GINGRICH,
Speaker of the House, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you pursuant to Rule L (50) of the Rules of the House, that the office of Congressman BILL YOUNG has been served with a subpoena issued by the United States District Court for the Middle District of Florida.

After consultation with the Office of General Counsel, I have determined that compliance with the subpoena is consistent with the privileges and precedence of the House.