

Instead of government setting aside a percentage of contracts on the basis of race, ethnicity, or gender, why not establish and foster a mentor program whereby established, experienced contractors provide advice, guidance, and contacts to new or small businesses, regardless of the race, ethnicity, or gender of their owners? This will benefit minority- and women-owned businesses without denying anyone such help. State and local governments, instead of trampling on equal opportunity by setting racial numerical requirements or goals, could sponsor seminars about the contract bidding process, methods of obtaining bonding, and so on—open to all, but located where they can benefit minority- and women-owned businesses. Rather than discriminate, why not enhance people's abilities to compete? This is what the Federal Government should be encouraging State and local governments to do.

The September/October 1995 issue of *The American Enterprise* mentions an Austin, TX nonprofit organization called the National Council of Contractors Association [NCCA]. It was formed with a small grant from the city of Austin. It is 2 years old, and its help is available to all small businesses, though most of the businesses it helps are minority or women owned. NCCA provides firms with expert advice on how to win contracts, donates accounting services, and helps them win bonding. In a year and a half, NCCA helped 83 firms win 171 contracts. We should encourage such programs, open to all, but located where they can benefit minority and women owned businesses.

I think we ought to take some calculated risks to help small businesses. I am willing to support a small pilot program at the Small Business Administration, where the Government insures the bonding of new, small companies owned by persons of any race or gender—with less net worth, fewer capital reserves, and less experience than current programs require. I am willing to see whether such an approach, especially if coupled with technical assistance, can make a difference in getting new small businesses off the ground and able then to compete in the marketplace. If it turns out that reducing current requirements in providing this help does not work, and these businesses do not successfully perform, we should then drop the program. If it does make a difference, we can expand it in an orderly way. But we have to try approaches that get us away from race and gender lines.

Government can look for more opportunity to contract out some of its services—creating more opportunity for businesses, at less cost.

Instead of racially exclusive scholarship programs operated by colleges, colleges could make aid available based on need, without racial preference. Instead of preferences in college admissions based on race, we need to strengthen elementary and secondary education so children are better able to

perform pursuant to the same standards. Of course, taking into consideration an applicant's overcoming poverty or other barriers to success, as one part of the evaluation of an applicant, is acceptable in college admissions so long as those criteria are applied equally to all races, and are not thinly veiled proxies for race. But we need to start earlier than that. Then New York City Schools Chancellor Cortines proposed a math and science institute for 350 seventh and eighth graders to help prepare them for the difficult examinations for admission to three academically selective high schools. Students of all races and all parts of the city are eligible under that proposal, but the emphasis would be on those parts of the city that send the fewest kids to those high schools. Mostly black and Hispanic kids would benefit from the extra preparation. And the standards for admission for the three high schools would not be altered. As I understand it, there is to be no racial or ethnic preferences for admission to the preparatory program or to the three high schools—but an effort to improve people's abilities in this urban school district.

We need to evaluate the concept of public and private school choice, through vouchers or similar programs. Businesses need to lend a hand to our public schools. It is in everyone's interest. Businesses need workers who can perform, or they lose out in this global economy.

I received in the mail a report of the Lindahl Foundation, founded in 1991 and privately endowed by the chairman of State Industries, Inc. of Tennessee, the largest manufacturer of water heaters in this country. John R. Lindahl established the foundation to ensure that any child of his employees has the financial aid to get an education after high school. He expanded it to other students in the county. It is based on need, aimed at academically worthy kids who may not be scholastic superstars, but who could do the work in college or vocational school, if only they could afford it. Nearly 350 young people have received awards of \$1,000 to \$4,000 as a result of this patriot's effort. The brochure has pictures and words of thanks from grateful young men and women, black and white, including one young woman who was able to fulfill her dream of attending Brigham Young University.

Our public schools need to improve. The August 20, 1994, *New York Times* carried a statement from Albert Shanker, president of the American Federation of Teachers. He tells the story of the principal of an inner-city elementary school in Baltimore. The principal eventually prevailed upon the Baltimore school system to use a private school's model for teaching. The model is conservative in both educational philosophy and curriculum, with a strong emphasis on reading and writing, and specific week by week, year by year benchmarks of what the

children should learn. The performance of the kids at this school is way up—a school which is 94 percent minority and where 82 percent of the kids are eligible for free or reduced price lunches.

Prof. Susan Estrich has written about the efforts of the new California Superintendent of Education. I'll summarize the gist of the column by citing its title: "A Novel School Plan: Back to Basics."

Some of us believe at least part of the answer also lies in reducing government barriers. This should include a meaningful entry level training minimum wage for teenagers, enterprise zones, repeal of the Davis-Bacon Act, and encouragement of private sector initiatives for everything from job training and mentoring young people from disadvantaged backgrounds, to ways of strengthening the family.

Local and State governments need to remove barriers to entry into different occupations.

I do not claim to have all the answers. I expect others have different ways of looking at these issues, and different solutions. But I do believe we need to talk about this in a civil and serious way.

And I believe that a stubborn defense of preferences sidetracks us from finding better, fairer solutions. I will have more to say about this in later remarks.

But, let us engage in this dialog. Let us examine the ramifications of our choice of the road to take. And let us not sweep these issues under the rug in our national debate. Let us deal openly with these issues and help lead our country down the road to a more united people.

(The remarks of Mr. KENNEDY pertaining to the introduction of S. 1668 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from North Dakota.

Mr. DORGAN. Mr. President, I yield myself 20 minutes from the time allotted to the minority leader.

The PRESIDING OFFICER. The Senator is recognized for 20 minutes.

#### THE MINIMUM WAGE

Mr. DORGAN. Mr. President, we will be dealing with some interesting and very important issues here in the U.S. Senate this week. This follows a break during which, in the intervening couple of weeks, most of us spent time in our States. I was in North Dakota, and I met a wonderful man in North Dakota who was our State's oldest citizen, 110 years old. His name is Nels Burger. He is a wonderful Norwegian man who grew up and lived on a farm in North Dakota. He has a vivid recollection and memory of farming in North Dakota all those many years.

I was thinking, as I was preparing to come to the floor today, of the things

that have changed during the lifetime of Nels Burger. If you think of what has changed in 110 years in this country, it is really quite remarkable. Nels was born in 1885. There was once a story about an old fellow being interviewed by a radio interviewer, and the interviewer said to him—he was 85, 90 years old—“You must have seen a lot of changes in your life.” The old fellow said, “Yep, and I was against every one of them.” Well, there are people like that. They are against every change as it is proposed. Yet, a series of changes have made life better in this country.

We are going to talk this week about the minimum wage. Some say, well, we ought not have the minimum wage at all. Others say we ought to have a minimum wage. For those that are working at the minimum wage, they ought to at least be able to keep pace with inflation.

We will have all kinds of economists weigh in on this subject. We have economists on one side and economists on the other side. It makes you yearn for the old days when Roman priests in ancient Rome were called augurs, performing something called augury, which was the body of knowledge we now know as economics. Augury. They would read the entrails of sacrificed cattle, or read the flights of birds, and from that portend what the future may or may not hold. Actually, the science of economics or the field of economics is probably not much more accurate than augury, but we will have plenty of economists weigh in on both sides of this issue.

It seems to me that the issue of the minimum wage ought to be simple for this Chamber. It ought to ask two questions: One, should there be a minimum wage? Some will answer no, but I think the prevailing mood in the Congress would be yes. We have had a minimum wage in our country for a long time. It has benefited those at the lower end of the economic ladder. Should we have a minimum wage? If the answer is yes, then the question is, What should it be? We now have a minimum wage that is about \$4.25 cents an hour. Eleven States have a higher minimum wage than the Federal Government has. There are a few States that have a lower minimum wage. Most of the States have a State minimum wage that is exactly the same as the Federal minimum wage.

If one thinks there ought to be a minimum wage in our country, then the question is, What should it be? Or, should it ever be changed? Should we decide that the minimum wage shall remain where it is, while others on the economic ladder in this country move up? During the past year, there was a story in the newspaper that said CEO's at major corporations got a 23-percent raise in 1995. The average salary has increased to \$991,000, but that was only a quarter of their earnings. The average stock option was \$1.5 million. The average bonus was \$1.2 million. So, they received a salary of \$991,000, a stock op-

tion of \$1.5 million, and a bonus of \$1.2 million. That is a 23-percent jump in compensation in 1 year. These are the folks at the top of the economic ladder.

Now, the question is, What about the people at the bottom of the economic ladder? It is interesting, when we discuss topics here in the Chamber, that there is a room off the Chamber called the reception room, where visitors come and where people who are interested in legislation will congregate. I can recall when we passed the telecommunications legislation, it was full. It was a traffic jam in the reception area in the hallway outside the Chamber of people who were interested in this legislation and of companies that had an interest in this legislation. When we passed the defense authorization bill, the hallways were jammed with people who had an interest in that legislation. Even when Senator BUMPERS and I brought to the floor a proposal to eliminate the National Endowment for Democracy, we had a “Who's Who” in corporate America, a “Who's Who” in the Republican Party, a “Who's Who” in the Democratic Party, a “Who's Who” in the chamber of commerce, and the AFL-CIO all sitting out there trying to kill our amendment because they all got money from the National Endowment for Democracy. So, there was a traffic jam outside this Chamber. All kinds of people who had an interest in the legislation were hanging around.

It is interesting, when we talk about the minimum wage, there is no one outside this Chamber. No one is waiting, no one is lobbying—except against it—no one is out there saying, “We have some people who get up in the morning and make breakfast for a couple of kids, and then work for 8 or 10 hours at \$4.25 an hour, and come home and try to figure out how far that stretches, how much milk can you buy with that.” Will it pay for the medicine, the milk, and the diapers? They do not have time to come out here and lobby. They do not have the capability. They do not have the money.

So, there is not a traffic jam out in the hallways when we talk about minimum wage because no one is speaking for the people who do not seem to have much of a voice in this system of ours. At least, not many are speaking for them. We have people in this Chamber who would not know the price of diapers or milk or bread who tell us \$4.25 is just fine. Never mind the fact that inflation means that \$4.25 purchases less than it did 6 years ago. It does not matter to us, they say. Never mind the fact that the top of the economic ladder gets a 23-percent pay raise. Let us freeze the bottom of the ladder, they say. Well, it may not matter to some people in here, but it matters to millions of people around the country who are trying very hard to go to work and to care for their families.

The vast majority of the people working for minimum wage are adults. Sixty percent of them are adult

women. Forty percent of the people on minimum wage are providing one-half of their families' income, and there are more than 1 million working for the minimum wage who are providing the sole support for themselves and their children.

I know some who will say minimum wage is for kids. That is not true. We ought to at least debate the facts. There are kids working for the minimum wage. I understand that. I accept that. But there are plenty of people who have nothing who are out there trying every day in every way to make a living on \$4.25 an hour, and after 6 years their wages have been decreased because \$4.25 an hour buys less. The question is, Who will speak for them? Who will stand up for their interests? This is our job.

Our responsibility is not to decide that the market system does not work. The market system does work. This is a wonderful country with a market system that has produced the richest capitalistic society that very few people could ever have imagined. I pay great tribute to the men and women who risk their resources, who work long hours in the day and night to start a business and try to make a go of it. I understand that as well. We have also understood that part of this system requires some rules and that we are the referee in this system.

Someone stood up at a luncheon meeting I attended the other day and said, “How do you justify speaking on behalf of the minimum wage?” I said, “Do you not support a minimum wage?” He said, “No.” I said, “Do you think there is not a minimum at all?” He said, “That is exactly the case.” He said, “I don't think you ought to interfere with the market system in any way. There should be no minimum wage in America.” Then I asked, “Should you be able to hire 12-year-olds and work them 12 hours a day? Should you be permitted to do that?” The Government has said with child labor laws that there are certain things that are not appropriate. We used to have 6-, 8- 10-year-olds working in textile mills in this country. We said, “That is not appropriate.” So we passed child labor laws. Even then we had people that said it is not appropriate for us to interfere with the market system, that children ought to be able to work, that people ought to be able to employ 10- or 12-year-olds in the mill. But we thought through that issue a little bit as a country and we decided no. The better part of judgment was to decide that there are certain rules within this market system which represent basic fairness. And among those rules was the minimum wage.

I am not here to suggest that there is anyone in here that does not care about people at the bottom of the economic ladder. I do not want to be judgmental about that. I do hope, however, that all of us in the Senate—and in the House—will understand a little

bit about what it is like to be on the bottom of the economic ladder.

I encourage everyone in the Senate to some morning before we vote on the minimum wage again to get up and go downtown to a homeless shelter and talk to a young woman whose husband left her, who has two or three children, who has no skills, who has no money, and who has no place to live. Talk to her about her experience working at minimum wage. When she works she loses AFDC. When she works she is told she cannot save any money to prepare for her first month's rent and 1-month security deposit. There is not any way she can save money to try to get an apartment to shelter her and her kids. After you have talked to her for a bit, think, "If it were me, how would I get out of this circumstance?" I will bet you that you would have, as I did, a difficult time understanding how you pull yourself up and out of that kind of circumstance.

I ask everybody in this the Senate as they think about the minimum wage to think about the people who are struggling to try to make a living every single day and who find now that their \$4.25 an hour buys a whole lot less than it did 6 years ago. We are now near in terms of purchasing power a 40-year low in the minimum wage. And we ought to pay as much attention to the needs of those at the bottom of the economic ladder as we seem to day after day to pay for those at the top of the economic ladder. My hope is that we will—Republicans and Democrats—understand that there are people who have no voice out there, or who feel they have no voice, and that we should raise our voices on their behalf. There are people out there who work hard but still feel they have no hope. We ought to offer hope to those people. That is what we ought to be about.

The easiest thing in the world is to be negative. The easiest thing in the world is to oppose and reject. The hardest thing in the world is to be a builder and to try to understand what is right and what improves life in this country. I hope we can decide in a bipartisan way to do that in the coming day or two, or week, when we discuss once again the minimum wage.

#### THE ISSUE OF TAXES

Mr. DORGAN. Mr. President, on the issue of taxes, today is tax day, April 15. And there will be a lot of discussion—I think even later this morning—on the floor about taxes. I do not think anyone in this country particularly likes to pay taxes. I understand that. I personally take great pride in paying taxes to help create wonderful schools that will educate our children. All of us ought to beam a little about that. We created opportunities in our country—building roads, building schools, doing a lot of things that have made life better in our country. So I understand that. But I understand that on tax day most people would prefer to pay a less-

er amount of taxes, and most people do not very much like the Tax Code that we have. It is too complicated. It is sometimes unfair. And there is not any reason that we ought to have a Sears Roebuck-style catalog in order to try to have to read through and understand the rules of our Tax Code. We ought to be able to do this simpler than that. I hope working together that we will find a way to do it.

But I want to focus on a couple of things in the Tax Code that kind of relates to what I was talking about on the minimum wage. There is always a way for the bigger interests to fill the hallways out here with really smart people who conceive of ways themselves to avoid paying taxes, or of ways for someone else to pay a little less in taxes. I will give you some examples of that. We have a provision in our Tax Code that I have talked about half a dozen times that says to companies close your plants in America, move it and your jobs overseas, get rid of your American workers, hire foreign workers, get a foreign plant and foreign work, produce the same product, and then ship it back to our country and we will make you a deal. If you do that, we will give you a tax cut. Most people would think that cannot be the case. Anyone who proposed that would have about a 2-second political life. No. That is true. It is in the Tax Code. I have tried to get it out of the Tax Code. I lost last year by a 52 to 47 vote on the Senate floor. We are going to vote on that again this week. I am going to offer an amendment to the immigration bill that proposes that we shut down the insidious tax loophole that encourages somebody to shut their American plant, move their U.S. jobs overseas and then produce the same product and ship it back into our country. We will have another vote this week on that.

We also have had this debate about the budget balancing proposal that was vetoed by the President. And it is interesting. When you take a look at some of these details that are put into these large pieces of legislation, which by the way alters in favor of the line-item veto which I supported—I am delighted the President will now have that—but in that big budget bill there a number of little provisions. Let me cite one of them.

One was a provision which called to repeal section 956(A) of the Tax Code. There are not two people awake in America who understand what that is except the companies who are going to benefit from it. That was a little provision stuck in the bill that was supposed to balance the Federal budget that went to the President and he vetoed it, a little provision that says, by the way let us spend \$244 million making it more attractive on top of the already perverse incentive we have in the Tax Code to move your jobs overseas—repeal of section 956(A). I have asked on four or five occasions, is there someone in the Chamber of the Senate—of

course, there is no one here now because we are not having votes today—when everyone gets here who would stand up and raise their hand and say, "Yes, I support that. That is my provision. I sure like that notion. Let us provide more benefits to people who move their jobs overseas?" Do you know something? I could not find one Senator who would stand up and support it. It is like the blimps in the defense bill. We wrote in \$60 million to buy blimps in the defense bill.

So I said, "Will anyone in the Chamber tell me who thought we should spend money in the defense bill to buy blimps?" I could not find a one. It is funny how difficult it is to find people in the Senate when you discover a provision in law or a provision that is proposed in the Balanced Budget Act that would actually reward, above the current incentive, companies for moving their jobs overseas.

Most of us understand what has happened to American jobs. There have been some jobs created in the service sector, but we have lost about 3 million good-paying manufacturing jobs in this country since 1979—3 million manufacturing jobs. When you talk about manufacturing, then you are not talking about minimum wage. Manufacturing represents the seed bed of good jobs with good income in this country, and that is why I have talked again and again in the Chamber about measuring America's economic progress not by what we consume but by what we produce, because what we produce is what matters. That is what economic health is about. Do we retain a strong manufacturing sector in this country? Do we retain strong jobs that pay well in this country?

At the same time we are all talking about wanting to do that, we have in the Tax Code—and I bring it to the attention of the Senate on tax day—a provision that says we would like to reward you if you leave America. Take your jobs and go, take your plant and run, and we will give you a reward. In fact, all the rest of the American taxpayers will pay for it; \$2.2 billion is the reward for companies that move their jobs overseas—\$2.2 billion.

That does not come from me. That comes from the Joint Tax Committee. That is their estimate of how much revenue is lost in this country because we provide an incentive for those who would close their American plants and move their American jobs overseas, produce the same product they used to produce here and then ship it all back to United States. And what has happened? The only thing that has happened is that we no longer have the jobs in America. Somebody overseas has those jobs, and someone who controls those jobs makes more money and pays no taxes.

In my judgment, that is no way on tax day to celebrate. What we ought to do on tax day is talk about things we all talk about—complexity, yes. Let us simplify the Tax Code. Let us make it