

legislation to refine portions of the Balanced Budget Act of 1997 that have adversely affected home health care agencies.

In everything he did, John Chafee brought a quiet dignity to his work and to the work of this body. We all benefited from the spirit of civility and bipartisanship he fostered during his 23 years in the Senate. I hope we can cherish and nurture that spirit in the years to come.

I extend my deepest condolences to John's family, his wife Ginny, his 5 children, and 12 grandchildren. John Chafee was a hero in battle, a distinguished Secretary of the Navy, a great leader as Governor of Rhode Island, and a towering figure in the Senate for more than two decades. His life was an inspiration to all those who believed public service can, indeed, be an honorable profession. All of us who had the opportunity to work with him will cherish his memory and do our best to honor his legacy to the Nation.

I thank the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I join with my colleagues, many who are honoring John Chafee today. He was a proud New Englander and a person, in my opinion, who embodied the spirit of service which characterizes so many of his contemporaries and those who came before him, not only from his State but across the Nation, especially from New England.

He came out of a culture which always put public service first. To him, public service was the purpose of being an elected official. He had no other cause or commitment other than doing well by the people he represented and by his Nation.

There is a lot of identity I have shared with John Chafee, more in the sense of a father figure than as a comrade or a contemporary, during my years growing up. He went to Yale at about the same time my father went to Yale. Then he went to Harvard Law School about the same time my father went to Harvard Law School. He was elected Governor not too long after my father was elected Governor. So there was a parallel career path.

In my household in New Hampshire, the name John Chafee, although it came from the distant State of Rhode Island, echoed with great respect. It was a name that had attached to it an understanding that there was a leader who was committed to his Nation and who understood that to be a good leader, you had to be concerned for others first. He was a person who set a standard for all of us.

When I arrived at the Senate and I met Senator Chafee as a contemporary, so to speak, I had great anticipation because he was literally a very large figure for me as I grew up and a large figure within the New England community. I would not have been surprised had he been a person who just sort of smiled at a new Senator and said: Nice

to have you here; we'll see you in a couple years when you get your feet on the ground.

No, that wasn't John Chafee's style. He reached out to me, as he reached out to so many Senators who had served with him, both new and those who served with him for a considerable period of time. He said: Join me; I have some ideas. Sit down with me and listen to them. I would like to hear your ideas.

He brought me into this council he had begun, the centrist group, and treated me as someone whose thoughts and concerns were equal to his and were of legitimate importance and significance. I greatly appreciated that, coming from someone with his senior status and great knowledge on issues such as health care. It was really an experience in how one builds consensus to deal with John Chafee at any time but especially during the first few years I served in this body. My respect for him only grew as I had the opportunity to serve with him over the years.

There was no issue he undertook that he did not undertake as a person committed to identifying and obtaining a thoughtful and substantive response to that issue. I never experienced at any time his addressing an issue in a partisan way or in a political way in the negative sense but always in a constructive way and in a manner in which he was looking towards resolution. He would take the most complex issues that this body had to address, issues such as Medicare, the general health care system, environmental laws, issues which created great fervor and intensity on both sides of the aisle. He would sit down and, through the force of his personality, which was one of generosity and intelligence, of sincerity and of commitment, sift through the issue and work with the parties and, more often than not, be able to reach a consensus position—an extraordinarily impressive individual.

His greatest strength, I think, was that he was just plain Yankee. He had a way about him that is personified by the Yankee mystique. It can be defined as being honest and committed, patriotic—of course, a lot of other people fall in that category, too—but there was also that willingness to be precise, curt, some may say, the willingness to cut through the large ferocity of this body to the essence of an issue quickly, and the understanding always that our purpose is to serve. His purpose above all was to serve the people of Rhode Island and the people of this Nation.

As with everyone else in this body, my heart goes out to Ginny and his family. We wish them, during this time of difficulty, Godspeed, and we are thankful for the time which we had with John as he showed us how to be a good citizen, a good legislator and, most importantly, a good American.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, twice I have spoken about John Chafee. He was one of the very special people. We just can't stop thinking about him or talking about him. I will not take a great length of time except to say that as I was listening to my colleague from New Hampshire and other colleagues, it really struck me that he was the quintessential, almost perfect public servant.

I believe service is the most noble human profession—service to family, service to church, service to community, service to friends, public service. There is no more noble pursuit than service. John Chafee epitomized public service.

I wish Americans could have known John Chafee and could have watched him and been with him during the day. If American schoolchildren were to have been with John Chafee, watched John Chafee, I know one thing, most everybody would have wanted to be a Senator. Most everybody would have wanted to emulate John Chafee; he was so good. He taught by example. Somewhat by words, somewhat by telling students what to do, but much more by example.

We are all almost in awe of John Chafee because of his example, what he did. He didn't make a big thing about it. He didn't brag about himself. He didn't try to take credit for anything. He just acted according to what he thought was in the country's best interest and in Rhode Island's best interest. It was just by accident that I learned only a couple years ago that he was a highly decorated Korean war hero. There are Senators on this floor sometimes who like to brag about their exploits in the armed services or at least allude to them and hope that somebody asks them more questions about it, pursue it a little more. Not John Chafee.

If John Chafee's staff would write a statement or a speech on his behalf and allude to his service in Korea or Guadalcanal as a veteran, he would strike it. He didn't want to brag about anything. He didn't want to brag about all the awards he had been given. He was that kind of guy. To me, they don't get any better. There aren't many cut from that bolt of cloth these days.

I wish more people could have seen and watched John as a person, as he was, and a Senator. I know this country would have a much higher regard for public service if they just knew who John Chafee was.

This is really John Chafee's day. I hope we all will savor the good thoughts and the wonderful memories of John, this day and in future days.

OPENING JAPANESE MARKETS

Mr. BAUCUS. Mr. President, when we go to H.R. 434, I am going to introduce a sense-of-the-Senate resolution encouraging the U.S. Government to pursue its bilateral measures with Japan and urge the United States to urge

Japan to go further to open up telecommunications markets, particularly its Internet services, and so forth. I will have a lot more to say at the appropriate time. I believe strongly that we, as a country, have to go further and, more importantly, Japan has to go a lot further in opening up its market. It would be in the best interest of Japanese consumers, if it were to do so, and it would surely be in the best interest of peoples all around the world. At the appropriate time, I will speak more at length.

THE PRESIDING OFFICER. The Senator from Massachusetts is recognized.

MINIMUM WAGE

MR. KENNEDY. Mr. President, I would like to take a few moments of my time under the bill to talk about a subject I am very hopeful we will be able to address in the very near future. It is a subject matter that has been outstanding during the course of this year and that we have still failed to act on, and that is to try to see an increase in the minimum wage for many of the workers in this country.

We have seen in more recent times the Congress move ahead to increase its own salary some \$4,600 a year. When we increase the minimum wage, it will mean approximately \$2,000 to those who are working the hardest at the lower end of the economic ladder but who perform extraordinarily important jobs that are really, in many respects, at the heart of the engine of the American economy today.

I think all of us are mindful that we have had the most extraordinary economic boom in the history of our country. But there are those Americans who have been left out and left behind. There is no group of Americans who have been more disadvantaged than those who are working at the minimum wage level. That is why I was very hopeful we would see fit to address this issue this year because we find that those minimum wage workers are falling further and further behind.

I want to remind our colleagues about what has happened on the issue of job growth because the most familiar argument we have in opposition to the minimum wage is that it will somehow dampen the increase in jobs and, secondly, it will add to the rate of inflation.

Let's look at what has happened in the most recent times. This chart goes from 1995 up through 1999 and it indicates when the Senate and the Congress actually increased the minimum wage. We increased the minimum wage to \$4.75 in 1996, and still we saw job growth continue through 1996 and 1997. We increased the minimum wage then in 1997 up to \$5.15. This was a two-step increase of 50 cents and 40 cents, up to what is now \$5.15.

There were those who warned the Senate of the United States that if we saw this kind of increase, we would lose anywhere from 200,000 to 400,000 or

500,000 jobs in the job market. But what we have seen is a continuation of the expansion of the job market, where we find it going up and up until September of 1999. Past increases in the minimum wage have not meant the loss of jobs.

Secondly, if we look at this chart, this is the employment rate. Another way of looking at the issue of jobs is the employment in our country with the increase in the minimum wage. The unemployment rate is at historic lows after a minimum wage increase. On the two steps here, if we look, we find that we went from almost 5.5 percent unemployment, and then in September of 1997 we were just below 5 percent. Since that time, it has continued to decline. So we have seen an expansion of the growth rate and a decline in overall unemployment in this country.

Well, you could say there must have been some impact in terms of the rate of inflation. But what we have seen, and as we know, is if you have an increase in productivity and the rise in productivity exceeds the increase in the payment, you don't get the rates of inflation. That is what we have seen.

According to labor statistics, we have seen what is represented by this blue line on the chart—an increase in productivity for American workers over the period from 1957 to 1959, up to 1998. This is the annual productivity increase. We have seen a significant increase in the productivity.

If we look at what has been the impact of the real minimum wage, the kind of decline here, now the spread between productivity and the purchasing power of the minimum wage is at one of its greatest since the enactment of the increase in the minimum wage. Productivity is up, and we should see an increase in terms of the wages for those workers.

If we look at what has happened in terms of the real value of the minimum wage, we see that in 1968 it would be worth \$7.49. If we had the minimum wage today in purchasing power of what it was in 1968, it would be \$7.49. This is what has happened in terms of real dollars.

We are now at this level of \$5.15 an hour. Without this increase, it will drop down to \$4.80, almost back to where it was at the time we saw the very modest increase 4 years ago. Even with the increase, it would put the real value at \$5.73. With two 50-cent increases over the next 2 years, the purchasing power would still be only \$5.73. We are always playing catchup with the millions of American workers who receive the minimum wage.

We are delighted to debate these issues with those who continue to give the old, worn-out, tired arguments in opposition: that raising the minimum wage will mean loss of jobs and that it is going to add to inflation. We are glad to debate those issues. But we are being denied by the Republican leadership the ability to consider an increase in the minimum wage.

This is a *Business Week* editorial, May 17, 1999. It is not a Democrat jour-

nal. It is not a voice for the Democratic Party. Of course, years ago when we had the increases in the minimum wage, we had bipartisanship. It has been only in recent times when it has become a partisan issue.

As *Business Week* points out,

Old myths die hard. Old economic theories die even harder . . . higher minimum wages are supposed to lead to fewer jobs. Not today. In a fast-growth, low-inflation economy, higher minimum wages raise income, not unemployment.

I ask unanimous consent that the full article with regard to the minimum wage be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From *Business Week*, May 17, 1999]

THE MYTH OF THE MINIMUM WAGE

Old myths die hard. Old economic theories die even harder. Remember the one about inflation rising as unemployment falls? How about productivity dropping as the business cycle ages? Or the U.S. is a mature economy doomed to slow growth? One old favorite is that higher taxes inevitably lead to recession. These days, none of these theories appears to work. A new economy driven by high technology and globalization seems to be changing old economic relationships. But one economic shibboleth still remains popular: the bane of minimum wages.

Congress is debating whether to raise the minimum wage from \$5.15 to \$6.15. Opponents of the bill cite reams of economic research showing that minimum-wage hikes curtail demand for cheap labor. Like the trade-off between employment and inflation once said to be inherent in the Phillips curve, higher minimum wages are supposed to lead to fewer jobs. Not today. In a fast-growth, low-inflation economy, higher minimum wages raise income, not unemployment.

For proof, look no further than the minimum-wage hike of 1996-97. The two-stage hike of 90¢ raised the wages of nearly 10 million employees. Nearly three-quarters of these were adults, and half the people worked full-time. In 1996, the unemployment rate was 5.4%. Today, it is 4.2% (page 42).

The economy is evolving at a tremendous clip—shedding its old skin before our eyes. In this ever-changing environment, the best policy aims at increasing flexibility and options. Keep markets free, promote growth and entrepreneurship, and open the doors to opportunity for all participants. A higher minimum wage can be an engine for upward mobility. When employees become more valuable, employers tend to boost training and install equipment to make them more productive. Higher wages at the bottom often lead to better education for both workers and their children.

In the New Economy, it often makes sense to leave old economic nostrums behind and take prudent risks. Federal Reserve Chairman Alan Greenspan, for example, has withstood pressure to raise interest rates in the face of strong economic growth. Traditional theory said that inflation follows fast growth. It hasn't. Greenspan bravely took a chance, and America has profited from higher growth. Congress, for its part, has withstood pressure to allow states to impose sales taxes on the Internet. Economic theory says this is harmful because it creates an unfair competitive advantage. But it is the right policy because it nurtures a pervasive technology that is driving the economy.

It is time to set aside old assumptions about the minimum wage, as well. We don't