

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

know how low unemployment can go before inflation is once again triggered. But Greenspan is testing the limits. We don't know how high the minimum wage can rise before it hurts demand for labor. But with the real minimum wage no higher than it was under President Reagan, we can afford to take prudent risks.

Mr. KENNEDY. Mr. President, in reading that particular article, you will see that they make the point that the money that is actually used or actually received by minimum wage workers is spent and adds to the economy.

Take a State such as Oregon, that has the highest minimum wage in the country. Since Oregon went to a higher minimum wage more people are working, because it brought people who work back into the labor market because they were able to provide meaningful income to themselves and to their families. It provided an additional boost to the economy.

That concept has been supported by the Card and Krueger studies that have been referred to in other debates on the minimum wage.

Raising the minimum wage is an issue of fundamental and basic fairness, fairness and justice for men and women who are working at the lower economic rungs of the economic ladder. These are people working as assistants to school teachers in many of the schools across the country. These are people who are working as assistants in nursing homes that are looking after our parents and grandparents. These are men and women working in the great buildings in our major cities cleaning up after long days. These buildings effectively would not be functioning unless people were willing to provide that kind of work.

This issue, as I have said many times, is a women's issue because the majority of individuals will benefit from increasing the minimum wage are women. This is an issue of civil rights because one-third of minimum wage workers are men and women of color. This is a children's issue because more than 80 percent of families earning the minimum wage are headed by women. Providing for the children in these families is directly related to the incomes that people have, and many have not just one job but the two jobs held down by many minimum wage workers who are heads of households.

We hear a great deal about family values. How are parents going to be able to spend their time with their children when they are out there working on two different jobs trying to put food on the table, a roof over their heads, and trying to clothe their children?

It is amazing to me when we have this greatest economic boom in the history of this country, this body is going to be begrudging to men and women who work hard, 40 hours a week, 52 weeks of the year, and who value work. How many speeches did we hear on the other side of the aisle that we honor work, and we want them to go out and

work? People are out there working, and you refuse to give them the kind of income they need so that they can work in dignity and not live in poverty.

I know we have a lot of important pieces of legislation. This isn't a very complicated issue. Every Member in this body knows these issues. Everybody knows this issue. We are not talking about a complicated policy question. It is just a question of whether we are prepared to stand up and speak for those individuals who have fallen further behind economically than any other group—any other group in our society. They are the minimum wage workers. They haven't even been able to maintain the purchasing power of their wages, they have fallen further and further behind and continue to do so.

With all respect to all the other items we have in the Senate in terms of public policy questions, certainly the issue of fairness to our fellow citizens is something the American people understand.

The obstinacy of the Republican leadership in refusing to permit a limited period of time for us to vote on this issue, I think, is a real tragedy for these families. It certainly is. But they have refused and refused and refused with these tired, old arguments. We cannot get this issue on the agenda. They say we are the majority and we will set the agenda.

Let us have an opportunity to vote on those issues.

We saw our colleagues on the other side of the aisle say: Well, all right; if we are going to find an increase in the minimum wage for 2 years, we are going to require \$35 billion in unpaid tax breaks that are going to swell to \$100 billion over ten years.

If you want to look after the working poor, Senators, they say, you are going to have to provide \$100 billion in tax breaks—not related to small businesses, not related to minimum wage individuals, but to the highest paid 10 percent of taxpayers in this country who will get over 90% of the benefit from those tax breaks.

Still we can't even have a chance to debate, they refuse us the time even to debate that. They ought to be ashamed of themselves.

The last time we provided an increase in the minimum wage was the first time we added all the tax goodies. Now the Republican leadership understands they have a train coming along the tracks, and they are piling up and piling up.

They may consider doing \$1 over 3 years.

We have already delayed a year—2 years now. They refused to let us bring up the issue up last year, and they are refusing to let us bring it up this year. They want to spread it out three more years. That won't even keep up in terms of inflation for those working families. And to be able to do even that, you have to tag on \$100 billion

over a 10-year period of tax goodies, unpaid for.

If these individuals end up contributing and paying taxes, they will be paying some of their taxes to try to offset the increase that the Republican leadership wants in these tax breaks.

We may see another hour that goes by without facing the minimum wage issue. We may see another day that goes by without facing the minimum wage issue. But I will tell you, it is inevitable that we will one way or the other bring these measures to the attention of the Senate and try to get accountability.

How many times do we have to hear about accountability on the other side of the aisle? We want accountability. We want accountability for this. We want accountability for that. We want accountability for everything except being willing to vote up or down on the increase in the minimum wage. Yet they were quite prepared to vote themselves—all of the Senate, and the House of Representatives—a \$4,600 raise. But they won't even permit a vote on the Senate floor on an increase in the minimum wage.

Mr. President, maybe that goes over well someplace. But it doesn't seem to me that it will go over well with the American people. We intend to continue to press this issue.

Mr. President, I withhold the remainder of my time.

AFRICAN GROWTH AND OPPORTUNITY ACT—MOTION TO PROCEED—Continued

Mr. WELLSTONE. Mr. President, I had a chance to speak this morning and I don't really want to repeat what I said, except to mention one point which is both an argument I want to make to my colleagues here and an argument I want to also make to the administration.

We have a WTO meeting coming up next month in Seattle. There will be many rank-and-file labor people and labor leaders attending, farm organizations, nongovernment organizations, environmentalists. We have been told by the administration that maybe within WTO we can have some enforceable labor standards, some enforceable environmental standards, so we are raising everything up rather than racing to the bottom.

This is important because with NAFTA, in spite of what was said, the truth is, the environmental standards and labor standards were an afterthought and not enforceable. What kind of message are we sending to people when, on the one hand, we have the administration and others saying with WTO we will try to have enforceable standards, and then we have a bilateral agreement, several trade agreements, without enforceable labor standards, without enforceable environmental standards?

As a Senator my bottom line is that I am in favor of the right of people to