

legislation to make it easier for people to have insurance.

Rather than impose government mandates and create more bureaucracy, Republicans are getting government out of Americans' lives so they can do more for their families, children, and communities.

This Republican Congress is historic because we are keeping our commitments to the American people to end business as usual in Washington.

DEMOCRATS STAND WITH LAW ENFORCEMENT; REPUBLICANS RUN AWAY FROM IT

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, evidently today we will vote on an antiterrorism bill. No one knows what is in it. The Committee on Rules passed a blank check bill. It has not even been printed, but we know one thing for sure.

Mr. SOLOMON. Mr. Speaker, if the gentleman will yield, I will be glad to tell him what is in it.

Mr. SCHUMER. Mr. Speaker, I will yield only on the gentleman's time. I am going to say what I think, and he can tell everyone what is in it.

We know what will not be in it: the two things law enforcement requested, roving multipoint wiretaps and taggants to trace black powder explosives. These are the two things that law enforcement wanted. These are the two things the Republican majority will not put in this bill.

It is a rerun of the last antiterrorism bill, where they could not bring themselves to do what the law enforcement people wanted. There has been a big reversal, my fellow Americans. Democrats stand with law enforcement, Republicans are running away from it.

The bill today will be a weak Milque-toast bill just like the one we passed 3 months ago, and the only people who will suffer will be the American people.

GENETIC PRIVACY IS A VERY IMPORTANT ISSUE

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I believe the issue of genetic privacy is of the utmost importance. With new forms of genetic testing, we will be able to test an individual's likelihood of contracting a number of diseases. The possibilities that arise that employers and health insurance can use this information to discriminate is out there.

This is a civil rights issue and a civil rights issue we should be concerned with. People who are already at risk due to their genetic makeup should not have to worry about the additional hardship of losing their job or health insurance.

The Republican Congress and the bill we passed yesterday included for the first time in human history the words "genetic information." That is part of the bill that the gentleman from Illinois, DENNIS HASTERT, prepared as special task master to bring health care to the House floor, and we now have the words "genetic information" so that no one can be discriminated against because of genetic information.

□ 0915

And I think all of our colleagues and all of the people across this country should realize for the first time in human history, we now have those words in the bill and we are making a start.

MINIMUM WAGE INCREASE FINALLY COMES TO HOUSE FLOOR

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, as I prepare to retire I understand there are some wags around here who keep saying that will be a big mouth to fill. But this is a day when I am very proud of my big mouth and I am very proud of the results that we have seen, because the Republicans kept fiddling while the average working American got burned. There was no way they wanted to deal with the minimum wage, absolutely no way. And for 18 months they stalled.

Well, big mouths like myself went to work, and today we get to put out the fire. Today we get to finally get the minimum wage up here, which is so terribly important for so many mothers who are out there working on it. The majority of the people and more than a majority under minimum wage are women.

This is indeed a good day, and I wish everybody would put their big mouth to work on the right thing. When they finally do, they finally cave.

CONFERENCE REPORT ON H.R. 3448, SMALL BUSINESS JOB PROTECTION ACT OF 1996

(Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 503 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 503

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 3448) to provide tax relief for small businesses, to protect jobs, to create opportunities, to increase the take home pay of workers, to amend the Portal-to-Portal Act of 1947 relating to the payment of wages to employees who use employer owned vehicles, and to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate and to prevent job loss by providing flexibility to employers in complying with minimum wage and overtime requirements under that Act. All points of order against the con-

ference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore (Mr. COLLINS of Georgia). The gentleman from New York [Mr. SOLOMON] is recognized for 1 hour.

Mr. SOLOMON. Mr. Speaker, I see the distinguished gentleman from Boston, MA [Mr. MOAKLEY] sitting over there. It seems like only yesterday that we spent all day together, and all night too. I yield him the customary 30 minutes, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for debate purposes only.

Mr. Speaker, House Resolution 503 is a typical rule for a conference report. It waives all points of order against the conference report, and it provides that the conference report shall be considered as read as usual.

Mr. Speaker, I am so pleased that the House and Senate conferees were able to put together this bipartisan bill. They put partisanship behind them and reported a bill that raises the minimum wage in a responsible way by offsetting the additional costs to small business through tax relief, and is so important.

As one who ran a small business before coming to this body, I am particularly pleased that we are making a much needed effort to give some tax relief to hard working people who run these small businesses and provide most of the new jobs.

The small business provisions included in the conference report include an increase in the amount small businesses can expense, which will make it easier to start up and expand a small business. The provisions also include modifications of the rules governing subchapter S corporations, which is the way that many small businesses get along, and raise capital.

For example, it will increase from 35 to 75 the number of shareholders an S corporation may have, and the bill would permit S corporations to have wholly owned subsidiaries as well.

The small business relief also include much-needed pension simplification provisions, which are intended to strengthen and to encourage retirement plans for employees of small businesses. There are several other provisions designed to encourage and protect jobs as well.

Mr. Speaker, I represent a rural district that has many, many small businesses. They are an important part of the economy in my district just like some of the large Fortune 500's are an important part of the economy of the country. I know how difficult it is to start up and maintain a small business. Many small businesses fail before the first year is even over, and that is why they need to be able to utilize all of their operating capital early.

But even with all the difficulties, small businesses create more jobs than any other type of business in America.

In fact, small businesses account for almost 75 percent of all new jobs created every single year in this country. That means jobs for kids coming out of high school, and for young men and women coming out of college. So, Mr. Speaker, these tax provisions do not just help small businesses, they help everyone by encouraging job growth.

But, Mr. Speaker, that is not all. This conference report also includes provisions that increase the availability of spousal IRA's to help families plan for their retirement. And the bill includes needed extensions of several expiring tax provisions. One of those provisions is the employer-provided educational assistance tax credit, which allows employers to deduct up to \$5,250 for educational expenses for their employees. This is a tax credit that helps the employer, and it certainly helps those employees that are struggling to advance up the promotion ladder in life.

This conference report also would replace the expired targeted tax job credit with a new work opportunity tax credit. This credit will encourage businesses to hire individuals who are long-term welfare recipients that might otherwise not be employed. It is going to help them. It is going to help lift them up by the bootstraps. Certain disabled workers are going to have the same opportunity. That is why this is such an important bill.

Finally, Mr. Speaker, this bill contains something I have advocated and encouraged for so long: An adoption tax credit. The conference report provides a tax credit for up to \$5,000 of qualified adoption expenses. The gentlewoman from Ohio [Ms. PRYCE] is going to speak about this in a few minutes because this includes her language, and I commend her for the great job she has done in getting this written into this bill, which is going to become the law of the land.

Now, I know that this provision is not germane to a bill that raises the minimum wage and offers small business tax deductions to protect jobs, but the adoption tax credit has gotten bogged down in politics in the Senate and probably would not have passed Congress this year unless the gentlewoman from Ohio [Ms. PRYCE] and others had not been able to work it into this legislation. So I feel that this provision is so important that I am very glad that the conferees decided to include it.

In conclusion, Mr. Speaker, I would urge support of the rule we are considering now, and I urge support of the conference report so that the President can sign this important piece of legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume and I thank my colleague and dear friend from New York, Mr. SOLOMON, the honorable chairman of the Committee on Rules, for yielding me this time.

(Mr. MOAKLEY asked and was given permission to revise and extend his remarks.)

Mr. MOAKLEY. Mr. Speaker, on behalf of the 4.2 million Americans who work for the minimum wage, I want to say: it's about time.

The minimum wage in the United States has not been raised in more than 6 years.

For that reason, I congratulate my Republican colleagues for recognizing the importance of this increase today and I am proud to stand in support of this rule, making the bill in order.

Mr. Speaker, the value of minimum wage is at a 40-year low. A 40-year low.

Today, people who work for minimum wage, people who work very hard to support their families and try to stay off of welfare, earn only \$8,500 a year. That is not enough, Mr. Speaker, to support a family.

In fact it is \$3,800 below the poverty line for a family of three. That's right, Mr. Speaker. People who work very hard in full time minimum wage jobs earn almost \$4,000 less than people at the poverty level.

Yesterday we voted on a Republican welfare bill which President Clinton has said he will sign. That bill made significant changes in our Nation's welfare system. But I would argue, Mr. Speaker, that this bill we are doing today is the real of welfare reform.

Because, Mr. Speaker, instead of haggling over which benefits the Federal Government should provide to support children, as we were yesterday, we are working on making it easier for parents to support children themselves without the Federal Government. And that's the way it should be.

With this increase in the minimum wage, working parents will come closer to having jobs that enable them to support their families.

Instead of working full time for only \$8,500 a year, these parents will get a 90-cent-an-hour raise. It may not sound like much but to these 4.2 million people, it's a very good start.

It used to be, Mr. Speaker, that only one parent had to work to support a family. A father could go to work and earn a good living which would provide food and shelter and clothing for his family. But not anymore.

The earning power of a lower income worker in the United States has declined to the point that a person working full time for the minimum wage earns below the poverty level.

A lot of families chose welfare over work because it is absolutely impossible to make ends meet otherwise.

That's why this bill, this small increase in the minimum wage, is so important. Because it will make it just a little bit easier for lower income families to make those ends meet.

It will bring the minimum wage closer to what it should be: A safety net for primary earners and the best kind of welfare reform this Congress can enact.

I want to add, Mr. Speaker, that my home State of Massachusetts already

has a minimum wage of \$4.75. I think we did the right thing by raising the minimum wage in Massachusetts and we are doing the right thing today by raising it even further for the entire country.

Mr. Speaker, for the last year and a half my Democratic colleagues and I have been fighting for a minimum wage increase—if my Republican colleagues had listened to us earlier—12 million Americans would have gotten a raise by now.

But Mr. Speaker, they have joined us now. I am pleased to welcome them to this side of the issue and I urge my colleagues to support this rule to give hard working Americans a long overdue raise.

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Columbus, OH. [Ms. PRYCE], one of the very, very valuable members of the Committee on Rules. She has a major role in this legislation.

Ms. PRYCE. Mr. Speaker, I thank the gentleman from New York [Mr. SOLOMON], my friend and the distinguished chairman of the Committee on Rules, for yielding me this time, and I appreciate having the opportunity to work with him on some of the underlying legislation and in managing this important rule.

Mr. Speaker, as the chairman described, House Resolution 503 has the customary 1 hour granted for debating conference rules in the House, and I urge all my colleagues to give it their full support.

Mr. Speaker, the conference report on the Small Business Job Protection Act contains many very important elements. First, we provide for an increase in the minimum wage, a provision fought so hard and passionately for by the gentleman from New York, Mr. QUINN, my Republican colleague from New York, Mr. QUINN.

The report also provides for a series of tax incentives designed to make it easier to start up and then expand small businesses, and also the numerous provisions outlined by the gentleman from New York [Mr. SOLOMON] at the outset of his remarks.

Our Nation's economic health depends in large part on the success of America's small businesses. They are the engine of economic growth, creating nearly 75 percent of all new jobs in the United States in any given year, but we cannot expect them to survive, much less prosper given the regulatory and tax burdens imposed on them under current laws. That is why the tax incentives contained in the conference agreement are so important to the future of small business and jobs in this country. Together, they will provide small business owners and entrepreneurs alike with the financial tools they need to grow and compete and to create the kind of stable and lasting jobs that the American people need.

Mr. Speaker, the third, and to me the most personally significant, element of

the bill is made up of the provisions designed to remove barriers that currently discourage hundreds and hundreds of caring families each year from seeking to adopt children.

□ 0930

As many of my colleagues know, I am an adoptive parent myself. Since coming to this body, I have worked hard to find ways to make it easier for parents to adopt, especially young parents with moderate incomes. While progress is being made, the high costs associated with the adoption process, which can be as much as \$15,000 or more in many cases, still pose very significant obstacles.

To help families defray these costs, the conference report provides a valuable tax credit of up to \$5,000 for qualified adoption expenses, and it recommends the necessary offsets to pay for the credit.

In addition, the conference report seeks to remove barriers to interracial adoptions by prohibiting a State or any other entity that receives Federal assistance from denying or delaying a child's adoption because of the race, color, or national origin of the child or the prospective parents.

Hopefully, this change will make it possible for more children to find their way into loving, permanent homes regardless of the race of the family seeking to adopt.

Mr. Speaker, these pro-adoption provisions were originally included in legislation passed by the House earlier this year, but unfortunately the other body has not acted as quickly on this important measure. I congratulate the gentleman from Texas, Chairman ARCHER, and the conferees for ensuring that these beneficial pro-family provisions are enacted into law this year.

Mr. Speaker, this week we have passed major legislation to reform welfare and to expand access to affordable health care coverage. With this legislation, we will add to those victories by easing the financial burden on small businesses, by lifting the barriers that discourage more families from seeking to adopt. I urge my colleagues to support this fair rule and to vote for the conference report.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. PALLONE], a very active Member dealing with this matter.

Mr. PALLONE. Mr. Speaker, once again I want to point out that the Democrats can truly declare victory this morning with this minimum wage bill finally being brought to the floor. But two points need to be made. One is that the Republicans consistently over the last 2 years have opposed this minimum wage increase and, second, that this really does impact a lot of real people. It is not something that is pie in the sky that we are just talking about here that does not mean anything to the average Americans.

Democrats have been trying to pass this minimum wage increase since Feb-

ruary 1995, when President Clinton first proposed the bill and Democratic leader GEPHARDT introduced it into the House. But it took over a year to force the Republicans into acting. The Republican leadership remained strongly opposed to the minimum wage bill, and Republicans marched in lockstep behind them voting five separate times to kill Democratic efforts to bring it up.

Many of us were here many times trying to bring this up but we were opposed by the Republican leadership. Even when the moderate Republicans finally started to cave in, faced with polls showing that over 80 percent of the Americans supported this bill, Republican leaders continued to try to kill the bill. They offered amendments that would have gutted the bill in a failed attempt to appease the business lobby and blunt the Democratic initiative.

Mr. Speaker, let me just say we are talking about real people, over 10 million Americans that are going to be positively impacted by this legislation. Most minimum wage earners are not teenage children of the affluent. According to the Bureau of Labor Statistics, of current minimum wage earners, two-thirds are adults, with over 50 percent being 26 or older, while 62 percent are women.

These workers have to work almost twice as many hours just to live near the poverty level for a family of four. They work hard, they provide what they can for their family and they deserve the opportunity to earn a livable wage.

Mr. Speaker, yesterday and this past week both parties have been talking about welfare reform. We passed a good welfare bill. But reform is useless if we do not do something to improve wages. We need to reward hard work and make it less enticing to collect welfare. This bill will accomplish that. I urge support for the conference report.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

I have been around here a long time. It is not that politics is wonderful. It is no wonder that the American people hold us in such low esteem when they see that in every other speech we get up here and engage in partisan attacks. I long for the old days when maybe there was no television coverage, and we came on this floor and we hammered out the issues and we did not have this partisan bickering.

The man I am going to introduce right now is a man I have never heard utter one single partisan word on this floor. He is a standup Congressman. If it were not for him, this legislation would not be on the floor today. His name is JACK QUINN from Buffalo, NY.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. QUINN].

Mr. QUINN. Mr. Speaker, I thank the gentleman for yielding time to me today.

Mr. Speaker, I rise in support today of the rule and also rise in support of

the Small Business Job Protection Act. I also rise as a Republican Member of this body for almost 2 terms now who has never opposed the minimum wage and was pleased to join a number of Republican colleagues of mine to finally get this bill to a vote on the floor.

This has been a historic week in our House and in Congress. On Wednesday, the House voted to end welfare as we know it, and just last night we passed legislation to make health insurance more accessible to Americans who get sick or lose their jobs.

Today the House is considering legislation to raise the minimum wage and at the same time provide necessary tax incentives to small businesses. Mr. Speaker, in April, about the middle of April, I was proud to begin this process by submitting the bringing a bill to the floor that would have raised the minimum wage. Today, now as we take another historic step in raising the minimum wage for over 4 million Americans, it is an opportunity for me to thank the people who worked so hard in this effort.

I want to thank those sometimes-courageous 23 other Republican Members who joined me in my minimum wage increase bill. I also wanted to thank the Republican leadership who continued to meet with me and the others, who continued to work with us, our group, as we found ways to bring the bill in an acceptable manner to this floor.

Time after time during that often heated debate, there were times when it was not acceptable to one group or another; but in the end, leadership worked with Members who felt a need to bring this bill to a vote and we did. What we found out was that we thought was going to happen all along, the minimum wage increase in the House passed overwhelmingly with bipartisan support.

Mr. Speaker, it is also an opportunity for me today to thank my Democrat colleagues on the other side of the aisle who also, once we had the bill in acceptable form on the floor, joined in that bipartisan fashion to pass the bill and, at the same time, I believe, sent a message to the Senate, our colleagues across the building, that this was important legislation and that the House was prepared to act in a bipartisan way to get them a bill, to get a bill that the American people needed, the American people who had not seen the minimum wage increase in almost 7 years. I think we need to thank all of those Members who helped us get to this day today.

I believe, Mr. Speaker, that Americans who work a 40-hour work week ought to make a wage that they can live on. A lot of rhetoric has taken place in the well, a lot of rhetoric has taken place back and forth in these past 3 months since my bill was introduced. I think we are here today, again, on an historic event, to say that we are going to give those workers, the men and women of this country, a

raise. Today America will get the raise it deserves.

It is through the hard work of a lot of Members in this Chamber and in the Senate. I stand here before all of our colleagues today asking support for the rule, support for the conference report and also urge the President to sign this bill as quickly as possible to give Americans the raise they deserve.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. TRAFICANT], the Garrison Keillor of the House of Representatives.

(Mr. TRAFICANT asked and was given permission to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, everybody is declaring victory. I would like to declare a few facts today.

I am bipartisan, nonpartisan type of guy. I rise to indict both parties for subsidizing China and Japan, Mexico, and Canada with another continuing record trade deficit. Japan is over 60 million; China is approaching 40. And the analysts say in 5 years China will surpass Japan.

Anyway, I do not know, I do not think anybody is listening, but there is an old saying, God loves poor people. They say God must love poor people, he made so many poor people, and there are so many working poor people. They deserve a minimum wage increase. I support the rule. I support the bill. I want to commend Mr. MOAKLEY and Mr. SOLOMON, great job they have done over the years. Mr. QUINN fought hard from the Republican side. I want to commend him.

I just want to remind Members, between 1991 and 1993, 13 million Americans lost their jobs. As I speak today, 36 percent are still unemployed; 18 percent took pay cuts less than 50 percent of what they previously made; 10 percent are working for 75 percent less pay than they had 5 years ago. If you do your math, 60 percent of those 13 million people, 7.8 million people are worse off today than they were 5 years ago. So, yes, I support a minimum wage increase. But my colleagues, a minimum wage job is still the bottom rung of the ladder.

If we do not resolve our trade deficits, we will not balance our budget deficits. By God, we are going to have a Communist party fund raiser on the east lawn of this White House.

I thank the gentleman for the time.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. FAWELL].

(Mr. FAWELL asked and was given permission to revise and extend his remarks.)

Mr. FAWELL. Mr. Speaker, I thank the gentleman for yielding me the time.

I rise in support of the rule and I rise in support of the legislation, although with some doubts in reference to the minimum wage question. I have supported it before. I plan to support it again. There are many other fine provisions in the bill: the portal-to-portal

provisions, for instance; a lot of tax matters that are of importance to small business people.

I do, however, want to also apprise my colleagues of the fact that unfortunately there was a provision that was added in the Senate involving a Supreme Court case called the Harris Trust case back in December 1993, which involves the ERISA statute, involves pensions and indeed is, I think, one of the bad features of this bill.

As editorial in the Chicago Tribune of last week, entitled Reckless Attack on Pension Plans, tells the story. There are about anywhere from \$300 to \$700 billion held by the life insurance industry in this Nation for the benefit of pension plans. That is, they are deemed to be under the ERISA statute.

That statute requires that those assets are held exclusively for the benefit of the private pensions of America. But there has been a big argument about this and the life insurance industry has said they have a right to commingle those funds with their own assets so they did so for 20 years. Then the Supreme Court said, no, you are wrong. You cannot do that. You have to have separate accounts for these funds that belong to the pension plans.

This legislation unfortunately, which is a part of this minimum wage bill that is not germane at all, basically eliminates the U.S. Supreme Court case entirely and immunizes, the life insurance industry for all past misconduct in violation of ERISA going back to 1975. If that is not bad enough, it also goes into the future, and immunizes the life insurance industry for any wrongs it may do, including even civil fraud and self-dealing up to July 1, 1999.

Then, on the basis of some changes that we were able to effect in conference, then the traditional fiduciary standards of ERISA will be reinstated but only in the future, on July 1, 1999. So, this is still a very, very unfortunate piece of legislation. I think a lot of us are going to consider that we will have to introduce legislation to rectify it, to repeal it.

□ 0945

We cannot allow something like this, when you are talking about something like \$700 billion of pension funds which are going to be continually commingled in the assets of the life insurance industry in this Nation. That is not right. I simply wanted my colleagues to know about this.

Mr. Speaker, I rise to support this legislation overall. I support raising the minimum wage, with the conditions included in the legislation, and I support the small business simplification provisions of the bill. Thus, I will vote "yes" on the conference report, and, as a House conferee on the bill, I signed the conference report on title II.

I, however, continue to object to one provision that was originally added to title I by the Senate which will shield the insurance industry from suits arising from the Supreme Court *Harris trust* case, and seriously weaken the in-

tegrity of ERISA which has protected pension for more than 20 years. While through intense negotiations, Mr. Goodling and I were able to make some improvements to the Senate-passed Harris Trust language—and our amendment was adopted by the conference—I still must object to this language being included in this bill. For the record, I would like to explain why this provision should not be included in this bill.

Those who manage and invest retirement funds have been subject to the wise fiduciary standards of ERISA—the Employee Retirement Income Security Act—for more than two decades. ERISA overhauled Federal pension law in 1973 after Congress found many loyal, long-term employees weren't getting the retirement money they were promised under their pension plans. Most important, ERISA makes sure those in control of your money are held to the highest standard of conduct—that they manage and invest your money under a duty of complete loyalty to you.

Incredibly, this crucial standard of conduct—the backbone of our pension system—would be eroded by the legislation we are passing today as it applies to hundreds of billions of retirement dollars held by insurance companies. When the Senate passed their version of the minimum wage and small business tax bill, tucked within the bill was a provision exempting from ERISA's fiduciary standards the at least \$300 billion the industry holds in its general account contracts sold to pension plans. I can only assume the Senate, in passing this legislation, did not understand the implications for our retirement system.

The Senate bill overturns a 1993 Supreme Court decision, *John Hancock Mutual Life Insurance versus Harris Trust*, which conformed what the insurance industry has known for years—that these funds are in fact subject to the ERISA fiduciary standards put in place to protect America's retirees. Before the Court's decision, insurance companies had mistakenly relied upon an unrelated Department of Labor pronouncement which they claimed exempted these general account contracts from the traditional protections of ERISA. The insurance industry has been lobbying Congress for 20 years for the sort of change they're getting—clear evidence they knew ERISA applies to these assets.

Not only would this bill give the insurance industry a retroactive pardon for all past misconduct in handling these retirement dollars—even willful violations—it would create a new, prospective, until 1999, fiduciary standard weaker than ERISA, and prevent pension plans and participants—you—from suing under Federal law to recover your money.

As chairman of the employer-employee relations subcommittee with responsibility for ERISA matters, I strongly oppose letting this provision become law. As groups outside Congress become aware of this bill, opposition and outrage gelled.

The American Association of Retired Persons, acting on behalf of the Nation's retirees, voiced its opposition, as has the Financial Executives Institute, a group of pension plan sponsors with more than \$900 billion in assets—including BellSouth, Coca-Cola, Ford Motor Co., Motorola, and Procter & Gamble. Significantly, both the AFL-CIO and the Teamsters have also sent letters to Congress opposing this insurance industry bailout.

Ironically, President Clinton is out campaigning telling you how much he wants to improve

your pension system while his Department of Labor is at the same time supporting this serious weakening of pension protection. Is the President unaware that this bill would excuse any misconduct, however egregious, that's taken place over the past two decades, and would weaken the protections retirees have under ERISA? And the Department of Labor, which is supposed to be America's pension watchdog, is selling out the retirement security of American workers. That anyone who cares about the integrity of our retirement system could support his unprecedented move to excuse past and future abuses to retirees defies logic.

Perhaps most disturbing is the fact this provision has been attached to the unrelated minimum wage bill and is being passed without a single legislative hearing in the House or Senate. It has never been voted on by any Member of the House and was not included in the House-passed bill.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas, Mr. GENE GREEN.

Mr. GENE GREEN of Texas. Mr. Speaker, I rise in support of the rule and the bill.

Mr. Speaker, today is a good day for our Nation's working people, both men and women. What a difference a year makes. This Republican majority Congress passes a minimum wage increase. The world has definitely turned upside down. With the passage of this conference committee report, working Americans will finally see an increase in their wages. To again quote the late Senator from Texas, U.S. Senator Ralph Yarborough, we are putting the jam on the lower shelf for the little people to reach it. This is a day to celebrate.

But we should not forget the Republican attempts to stonewall, derail, and defeat the increase. The American people brought the Republican majority to this point, in some cases kicking and screaming, with a few exceptions. My colleague, the gentleman from New York [Mr. JACK QUINN], is to be commended for his leadership on this effort.

The credit should go to the American people, who made it absolutely clear to the Republican leadership that they expected an increase in the minimum wage. Eighty percent expected that. American workers understand that the purchasing power of the minimum wage will soon be the lowest in 40 years, and now they will make an additional \$1,800 a year in their pocket to spend. Let us stop talking about it. Let us give the American people what they want and deserve, an increase in the minimum wage. The best welfare reform is a job that pays a decent wage.

Mr. MOAKLEY. Mr. Speaker, it gives me great pleasure to yield 2 minutes to the gentleman from California [Mr. MILLER], ranking minority member of the Committee on Resources.

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in strong support of this legislation. It has been a long time coming, Mr. Speaker, to give the people of this country a minimum wage increase, to give those who work so very hard, sometimes at the lowest wages, with long hours and in difficult jobs, to finally give them a pay raise.

Let us remember, though, that this minimum wage increase has been fought tooth and nail by the Republican leadership. We had to have over a dozen procedural votes before we could finally get the attention of the Republican leadership on this legislation.

In the Senate they did everything they could to stifle the consideration of this legislation. It was only because of the tenacious nature of Senator KENNEDY and Senator DASCHLE to bring the Senate to a stall, to a stop, to a complete ending of business, before they could get consideration. Only after the Senate did that did we see the Republican leadership here concede that America was entitled to a minimum wage increase.

Mr. Speaker, the fact is, these Americans have been entitled to this minimum wage increase for many years. I want to commend our colleague, the gentleman from Michigan [DAVE BONIOR], who came to this floor on one vote after another and tried to force this issue. I want to commend our colleague, the gentleman from New York [JACK QUINN], who finally showed courage and separated from that leadership, and recognized the need of people to have this increase in the minimum wage.

I also want to remember the gentleman from Texas [Mr. ARMEY], the majority leader, who said he would fight this with every fiber of his body, he would fight this and never allow this to happen. The American people are about to win, and because of the persistence of the Democratic leadership in the House and Senate, an increase is going to happen for the minimum wage.

This is going to be an improvement for people's lives. This is going to allow people to leave welfare. This is going to reduce our food stamp contributions, our housing contributions, our other welfare payments, because now employers will have to start paying people a liveable wage and no longer have to subsidize unemployment.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Speaker, let me just say hallelujah, because when this Congress started a year and a half ago, I would not have predicted this day. There are a lot of things that I would have predicted would have happened in this session of Congress, but an increase in the minimum wage, the first legislated increase since 1989, I would not have predicted.

The good news is that miracles do happen. The good news is that those who say that they are going to fight a minimum wage increase with every

fiber of their being can often be proved wrong. This is a very important day for West Virginians as well as Americans.

There are 112,000 payroll jobs in West Virginia that will see an increase because of this minimum wage increase, going from \$4.25 to \$5.15. That is roughly 17 percent of the payroll jobs in our State. It means that the delay that people have been facing, in which \$2 million a week in payroll has been lost because there has not been a minimum wage increase, that will no longer take place.

Yes, Mr. Speaker, I have heard the complaints of small business. I appreciate them. I know many of our small businesses are struggling. But there are also tax provisions that will assist them and that will prove beneficial.

Additionally, Mr. Speaker, I think it has to be recognized that while the minimum wage has stayed the same since 1991, the last increase, all other costs of business have gone up. What about that minimum wage recipient? Nobody has said anything at the grocery store about keeping prices low because their wages have not gone up. Nobody said anything at the utility about keeping prices low because their wages have not gone up. Nobody said anything, when they have to go out and try and find an automobile to get to work, about keeping the price low because their minimum wage has not gone up.

The fact of the matter is, if we want people to be able to make it in today's society, we have to occasionally give them a minimum wage increase. This House yesterday passed a welfare reform bill. It stresses work. I supported that bill. If we are going to stress work, we have to make sure that people can make a livable wage when they get that work. The minimum wage increase today brings that a little closer to reality.

Mr. MOAKLEY. Mr. Speaker, it gives me great pleasure to yield 2 minutes to the gentleman from New Jersey [Mr. ANDREWS].

(Mr. ANDREWS asked and was given permission to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, I thank the gentleman from Massachusetts [Mr. MOAKLEY] for yielding time to me.

Mr. Speaker, sometimes the measure of a legislative body is who it listens to. The majority this year listened to a certain elite group of citizens who said they wanted to renounce their citizenship in order to avoid paying taxes, and they got what they wanted.

The majority this year listened to corporate America that wanted to continue to flood our campaigns with political contributions, and they got what they wanted. The majority this year listened to the huge agribusiness that get billions and billions of dollars of welfare checks from the public Treasury, and they got what they wanted.

Today a bipartisan majority of Republicans and Democrats is going to

listen to the people who sweep our floors, wash our dishes, take care of our children, and do the hard work of America, and finally they are going to get what they rightfully deserve, an increase in the minimum wage of this country.

We have had a lot of talk on this floor this week about the desirability of work. Talk is cheap. What is more important about the desirability of work is to say to someone who washes dishes or sweeps floors or works in a child care center, your work counts, too.

By rising today in support of this rule and this bill, we are finally going to say to the Americans that no one ever listens to, thank you for a job well done. America does need a raise. Today the most deserving Americans are going to get one.

Mr. SOLOMON. Mr. Speaker, yield 3 minutes to the distinguished gentleman from Stamford, CT, CHRIS SHAYS.

Mr. SHAYS. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, this is an historic day I am thrilled to be able to celebrate. This is, in fact, a bipartisan effort. Republicans wanted a tax cut, and some Democrats wanted a minimum wage, and some Republicans. We united in a common goal to do both. We have \$8 billion of tax cuts for businesses who are going to hire the most unemployable in our society. We have a minimum wage for those who work for the least amount.

As my colleagues, the gentleman from New York [Mr. QUINN], a leader in this effort pointed out, this is not just an historic day, it is an historic week, because we passed welfare reform. We want to get people off of welfare and onto work. It is very important that we have a minimum wage that is competitive with welfare.

Welfare recipients will have a minimum wage that will not pay them 20 percent more. In a 40-hour workweek they were making \$8,000. They will now receive \$10,000. This was an effort that would not have passed had it not been bipartisan.

I might just express one slight concern with the bill. We are kind of distorting the concept of how we classify workers, and this is an issue we are going to have to find a way to address, because we have too many workers who work as outside consultants who then are not paid certain benefits. I just want to lay that on the table for the record. We have to find a way to make sure that workers are properly classified.

But this bill does two things it needs to do. It provides tax cuts and it provides a livable minimum wage. No one can live, in my judgment, on a minimum wage if they only work 40 hours a week. But tell me, what people in society only work 40 hours a week and succeed? This, to me, is truly an historic day. I congratulate both Republicans and Democrats on their combined effort to provide a minimum wage and

tax cut for those businesses that need it.

Mr. MOAKLEY. Mr. Speaker, it gives me great pleasure to yield 1 minute to my colleague, the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, I congratulate all of those who helped bring forward this increase in the minimum wage, a small but important step toward social equity which we very much need.

I also want to express my appreciation within this bill to the U.S. Treasury Department, to the Committee on Ways and Means, the chairman, the gentleman from Texas, and the ranking member. My colleague, the gentleman from Massachusetts, and I approached them on behalf of fishermen in the greater New Bedford area who were caught up unfairly in a tax dispute. They found themselves, in effect, retroactively taxed, I believe. We made our case. These are very hardworking people, already facing great difficulties because of conservation-imposed restrictions.

I am very appreciative of the willingness of the Committee on Ways and Means, on a bipartisan basis, to entertain our requests; the Treasury Department, to make a rare exception and say retroactively would be acceptable in this case; and I am pleased that as part of this bill, some very hardworking people in the greater New Bedford area will get the tax relief they are entitled to. They are getting nothing they should not have had in the first place. They have been through a lot of expense and aggravation to get here, but at least from now on they will not have this burden.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. MARTINEZ].

(Mr. MARTINEZ asked and was given permission to revise and extend his remarks.)

Mr. MARTINEZ. Mr. Speaker, I thank the gentleman very much for yielding time to me.

Mr. Speaker, I rise, on a rare occasion that I take the well, to congratulate all those people whose persistence paid off in bringing us this minimum wage bill. It truly is a bipartisan bill. I know there were people in the leadership on one side of the aisle that had made comments, I think very drastic comments, about withholding this piece of legislation. Eventually, better minds prevailed and this is being brought to the floor now.

On behalf of my constituents, I very sincerely thank you. I do not care whether you make \$100,000 or \$10,000, you actually want a raise, because the cost of living continues to go up. Finally, the people that were persisting in this made people realize that we need to have a minimum wage increase.

Let me tell the Members that in California, though, we have an initiative on the ballot, and every poll has indicated that that particular ballot propo-

sition will pass overwhelmingly. It will pass overwhelmingly, for the reason I just stated.

If we need to be vindicated in what we do today, just watch that California vote, because I can guarantee the Members that it will be a landslide. It will be people from all walks of life, from both sides of the aisle, Republicans and Democrats alike, and even Libertarians, that will vote for that particular initiative. I guarantee the Members, we are in the right ball field in the right ball game.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Vermont, the Honorable BERNIE SANDERS.

(Mr. SANDERS asked and was given permission to revise and extend his remarks.)

Mr. SANDERS. Mr. Speaker, ever since my first day in Congress I have been fighting to raise the minimum wage. The simple truth is that the purchasing power of the minimum wage today is 26 percent less than it was in 1970, which means that our minimum wage workers today are much, much poorer and harder pressed than they were in the past.

The fact of the matter is that millions and millions of American workers cannot survive, cannot live in dignity on \$4.25 an hour, and I am glad now today, finally, we are going to be raising the minimum wage to \$5.15 an hour, although in truth, we should be raising it higher than that.

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The reality of the American economy is that more and more of the new jobs that are being created are low-wage jobs, they are part-time jobs, they are temporary jobs without benefits. Today we are saying to those workers that at least you are going to be getting \$5.15 an hour and that is long overdue.

The second part of this bill, which is also a positive step forward, is that we are saying to small businesses in Vermont and all over this country that we understand that you and not corporate America who are taking our jobs to China and Mexico but you, small businesses, are the people who are creating the new jobs in Vermont and in California and all over this country, and that you and not big business are entitled to the tax breaks that you desperately need so that you can reinvest in our communities and create more jobs.

So this bill ultimately does two very important things: It says to every worker in America that you are going to make at least \$5.15 an hour and it says to the small businesses of this country who are creating the new jobs that this Congress hears what your problems are and we are going to give you some tax breaks so you can reinvest and create more jobs.

Mr. SOLOMON. Mr. Speaker, Addison, MI, is very fortunate to have an outstanding representative by the name of NICK SMITH.

I yield 2 minutes to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Speaker, I thank the chairman for yielding me this time and certainly for that introduction.

It is so frustrating listening to the debate, pretending that Congress can somehow create more wealth by passing a law saying you increase wages. Do we think \$5.15 an hour is that great of an income? Do we think that is the correct rate for people to survive? If anybody thought Congress could do it, why in the world are we not raising it to \$10 or \$12 or a respectable living for an American family of \$14, \$16? It is because Government cannot set prices. That is not the way our system works.

Let me tell my colleagues how I think it works. I think competition is just as important in the labor force as it is in the total economy of this country. The free market with competition is what has made us so great.

If we want to improve the chances of people to increase their salaries, then one thing we need is to have competition in the labor market with better mobility of labor. The bill that we passed yesterday that allows a person working to be assured that their health care can go with them as they go looking for a better job is a good step toward improving mobility of labor.

Another area that needs attention if we really wanted to help mobility, to help assure the highest possible wage would be to allow accrued pension benefits earned to go with the worker to the next job. Another thing we could do would be to provide better information regarding jobs and job skills that are and will be in high demand.

The pretense by liberals that we can somehow magically pass a law and set prices and wages to improve our standard of living is ridiculous, and is contrary to the economic system that made this country great.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman from Massachusetts for yielding me this time.

We are going to do something for workers today, and I am delighted. I am delighted at last we will have a final vote on the minimum wage increase today. The American people wanted this, 8 out of 10, and I am pleased that both Democrats and Republicans also will make this a reality. Twelve million workers certainly deserve better than to be working at their current level. Yes, the minimum wage that we are raising is not sufficient, but indeed the minimum wage increase will raise that to a level which will be a livable wage.

The minimum wage worker now earns about 50 percent less if you equate the value of the raise now to the cost and the value some years ago. It means that the minimum wage we are increasing then is still not sufficient, but nevertheless this is an important first step. At least 117,000 or more persons who live in my State will have the benefit of this increase.

What will this mean to them? Obviously it will mean 90 cents over 2 years, for a 2-year period, but that increase will mean \$1,800 a year. That means it will make a difference in their lives and their families, their ability to provide for their families food and shelter, clothing and education. While indeed the cost of bread and eggs and a place to sleep and clothes to wear, a bus ride or even a ride to the doctor has increased, this minimum wage is beginning to approach that increase in the cost of living.

We are now at the threshold, I think an important threshold, of saying that the American workers also need to have some of the abundance of our economy. Just as our corporate structure has great profits and our executives have great increases in their salary, we are saying to the average worker, they too can have a benefit. I am delighted that we are going to pass this. This is a historic day.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. CARDIN].

(Mr. CARDIN asked and was given permission to revise and extend his remarks.)

Mr. CARDIN. First let me thank my friend, the gentleman from Massachusetts [Mr. MOAKLEY], for yielding me this time.

Mr. Speaker, there are many reasons to support this rule and the conference report. It contains very important provisions increasing the minimum wage and extending some very important tax credit provisions that will help create more jobs and investment in our community.

I would like to just mention one provision in the conference report that I take pride that we are finally going to get enacted, that is, pension simplification that will help many businesses in this country and many small businesses particularly. I started working on this issue 5 years ago when I filed legislation in this area. I did it because the savings ratios of this country indicate very clearly that we must encourage more private sector investment and savings.

Retirement plans, particularly for small companies, were on the decline because of the red tape and difficulty in establishing a pension plan for small businesses. In 1992 many of the provisions that are included in this conference report were passed by a Democratic Congress and vetoed by a Republican President for reasons totally unrelated to the retirement provisions, because they were included in an omnibus bill. Then again on 1995 these provisions were passed by a Republican Congress, vetoed by a Democratic President, again for reasons totally unrelated to the retirement provisions.

The third time is the charm. It looks like we are finally going to get these provisions enacted into law. I particularly want to thank the gentleman from Ohio [Mr. PORTMAN] for the work

that he has done on pension simplification. I want to thank the gentleman from Texas [Mr. ARCHER], chairman of the Committee on Ways and Means, and the gentleman from Florida [Mr. GIBBONS], the ranking member, for making sure that these provisions were included in this very important legislation.

This is a very important provision for the small businesses in our country. It will allow them to expand and set up retirement 401(K) plans that will encourage more people to be able to plan for their retirement. I congratulate the committees for including this in the legislation.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Mr. Speaker, I want to compliment the Rules Committee for bringing this bill forward today.

One of my friends spoke a little earlier and said that Congress cannot determine wealth or it cannot set wages. Yet every year for the 7 years that we have both been here, Congress has given our senior citizens a COLA, cost of living increase, on their Social Security check. For each of those 7 years, we have given retired Federal employees a cost of living adjustment on their check. For each of those 7 years, we have given our military retirees a cost of living adjustment on their check, not for what they are doing but for what they have done. And no one stood up and said we should not do this, because everyone realized that the cost of living has gone up.

This week speaker after speaker came to the podium and said that people should value work, and I agree. But if people should value work, then work must have value. And so, yes, the least fortunate in our society, those who by and large have the toughest jobs, they deserve a wage increase. I want to compliment the gentleman from New York [Mr. SOLOMON], and I want to compliment the gentleman from Massachusetts [Mr. MOAKLEY] for bringing this bill to the floor today. It is long overdue. Let us help those people out.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think it was the gentleman from West Virginia that stood up a few minutes ago and said, "Hallelujah, I never thought this day would come when we would have this bill on the floor." He was talking about raising the minimum wage. I guess I would have to turn around and say, hallelujah, I thought this day would never come, either, because for the last 2 years we have been trying to give some tax relief to working men and women, to small businesses in this country, and, yes, it is so terribly important that we do raise the minimum wage like the gentleman from Mississippi said. That is important. But just as important, Mr. Speaker, is the fact that

we have to give some tax relief to small businesses to help offset the cost of the minimum wage increase.

I could go down through this list. There is \$22 billion in tax relief for the American people in this bill: Increases in expensing for small businesses. That is terribly important. Home office deductions so that people can run their businesses out of their home, particularly women who have to stay home with children and still want to operate a business. There is tax relief in there. To expand eligibility for first-time farmers. Industrial development bonds. This is more for first-time farmers. I could go through this whole list. Employer-provided educational assistance. Contributions for stock to private foundations to help the charities in this Nation. It goes on and on and on.

Mr. Speaker, this is a good piece of legislation, it does provide for the increase in the minimum wage, but it also provides for \$22 billion in tax relief for the American people. That is why we should all come over here, vote for this rule, and vote for the outstanding bill that the gentleman from Texas [Mr. ARCHER] will be bringing to the floor in just a few minutes.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 503, I call up the conference report on the bill (H.R. 3448) to provide tax relief for small businesses, to protect jobs, to create opportunities, to increase the take home pay of workers, to amend the Portal-to-Portal Act of 1947 relating to the payment of wages to employees who use employer-owned vehicles, and to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate and to prevent job loss by providing flexibility to employers in complying with minimum wage and overtime requirements under that Act.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. LATOURETTE). Pursuant to House Resolution 503, the conference report is considered read.

(For conference report and statement, see proceedings of the House of Thursday, August 1, 1996, at page H9568.)

The SPEAKER pro tempore. The gentleman from Texas [Mr. ARCHER] and the gentleman from Florida [Mr. GIBBONS] will each be recognized for 30 minutes.

The chair recognizes the gentleman from Texas [Mr. ARCHER].

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the conference report on H.R. 3448.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that I allot 15 minutes to myself for distribution and, subsequent to the conclusion of that, 15 minutes to the gentleman from Pennsylvania [Mr. GOODLING], chairman of the Committee on Economic and Educational Opportunities, so that he may distribute that time according to his discretion.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today the House is on the verge of enacting the first major tax bill of this new historic did-something Congress. It is great to report to the American people that this bill provides tax relief and not tax increases. What a difference this new Congress is making in the lives of the American people.

This bill actually is three bills: We have combined many of the items in the Small Business Relief Act with the adoption tax credit and with the trade bill renewing the generalized system of preferences, also known as GSP. I am really not sure what to call this new bill, except to call it a helping hand for millions of Americans struggling to make ends meet.

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This bill awards three gold medals to the American people. The first gold medal goes to millions of small businessmen and women so that their companies can grow, prosper and create jobs.

The second gold medal goes to hundreds of thousands of loving families who seek the joy of adoption and the children who will benefit from that love.

The third gold medal goes to millions of Americans who worry about their ability to retire with comfort and security. The two dozen pension changes in this bill will make it easier for people to save for retirement and protect their retirement nest eggs so that these savings will be secure.

I especially want to note that this bill will end the discrimination against homemakers, usually women, that stay in the home to take care of children and to do what is so important to our society, and in doing so that has stopped them from getting the same individual retirement deduction allowed to those who work outside the home. So we have a new homemaker IRA that is a great addition to this bill. It is a part of this bill that also helps people retire with comfort and security.

Let me add one other thing. This bill, together with the health bill that we passed last night, updates and closes several corporate tax loopholes, particularly the section 936 tax break for companies doing business in Puerto Rico and a big loophole that benefitted insurance companies.

I am pleased to note that we are taking action to close tax loopholes just as we said we would at the beginning of the Congress last year. I am proud that the new Republican Congress is getting the job done.

Mr. Speaker, as I said earlier, by giving tax relief and pension security to the American people, this Congress is doing the people's business and doing it right. Democrats and Republicans, on a bipartisan basis, are working together, and that is good government.

Mr. Speaker, this new Congress is moving America in the right direction, and I am pleased that President Clinton is going to join with us by signing this bill. It has been a great week for the Republican Congress and it has been a great 2 years of accomplishment for our efforts to reform Congress and change America.

Mr. Speaker, I reserve the balance of my time.

Mr. GIBBONS. Mr. Speaker, I ask unanimous consent to yield 15 minutes of my time to the gentleman from Missouri [Mr. CLAY], and that he may further yield that time.

The SPEAKER pro tempore (Mr. LATOURETTE). Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GIBBONS. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, this is a very important piece of legislation, particularly the minimum wage part, but I shall dwell on the part that is germane to the Committee on Ways and Means and talk about that.

As best I have been able to tell, from all search and research and participation, this bill is a fair bill. It contains little if nothing that was not in either the House bill or the Senate bill and it stays within the germaneness of the topic that we are dealing with.

There are many fine adjustments in here that are perhaps warranted. I believe they are warranted because the Internal Revenue Code is probably the most complex document that exists on the face of this Earth and it, from time to time, needs adjusting.

The adjustments here were done with the help of a very competent staff and under the direction of, I think, a very conscientious chairman of the Committee on Ways and Means. The gentleman from Texas [Mr. ARCHER] was fair, he was principled, and he did a good job of putting this bill together and controlling it through conference.

I urge the Members to support this bill. It is extremely thick and complex. The conference report is about six inches thick. It will probably take a week to print, but I believe it is an important and well-produced document. I urge favorable consideration and passage of this bill.

Mr. CLAY. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I am pleased that at long last a Congress will provide hard-working wage earners a well-deserved raise. I commend the 93 Republicans,

the 1 Independent, and the 187 Democrats who made this increase possible with their vote to raise the minimum wage.

Mr. Speaker, I cannot resist expressing my disappointment with the Republican leadership that attempted to sabotage this badly needed increase for our workers. The Republican leadership has fought this effort with every fiber of their beings. For months the Republican leadership refused even to allow the committee of jurisdiction to hold a hearing on the minimum wage.

When forced to bring the bill to the floor, the Republican leadership tried to gut the legislation, tried to exempt most employers from the obligation to pay the minimum wage.

In this conference report the Republican leadership has needlessly postponed the minimum wage increase by 1 month in 1996 and, incredibly, by 2 months in 1997. At every turn the Republicans have felt compelled to nickel and dime low-wage workers and their families. Now some to them want the American workers to believe that the leadership of the Republican Party are giving them a raise.

Mr. Speaker, I am also extremely disappointed that the conferees included a special interest provision, the so-called Harris Trust provision, that weakens the protection for pension participants and beneficiaries. The final conference report moderates that provision somewhat by providing that ERISA shall be fully applicable to pension plan contracts with life insurance companies issued after 1998. However, the Harris Trust provision should never have been included in the first place.

Despite serious misgivings, Mr. Speaker, I support the conference report. American workers deserve a fair day's pay for a fair day's work and we cannot afford to delay an increase any longer.

Mr. ARCHER. Mr. Speaker, I yield myself 1 minute. I do so to thank my colleague, the ranking Democrat on the Committee on Ways and Means, the gentleman from Florida [Mr. GIBBONS], who will be retiring at the end of this Congress, for his kind comments about how we put this bill together.

We did it, Mr. Speaker, on a bipartisan basis, the way the Committee on Ways and Means should operate. Members from both sides of the aisle had a chance to make an input. I do agree with the gentleman from Florida, naturally, that I think we have a good bill, but I am grateful for his comments and I want to compliment him for his input in making this bill the good bill that it is.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], the distinguished chairman of the Subcommittee on Oversight of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. Mr. Speaker, this is truly a great day for the American people. This is a good bill but it is a result of outstanding leadership.

Let me make plain that as one of those who supports increasing the minimum wage, I feel honored to stand here today in support of a bill that not only does that but recognizes the ramifications of increasing the minimum wage on our society and protects, for example, job opportunities for teenagers in the summer, and protects small businesses by giving them a series of preferred tax treatments to lower their costs of doing business.

This bill opens up pension opportunities for employees of small businesses. It dramatically helps women. For the first time it puts in the law the legislation we need to give women who stay home and take care of the children the same IRA rights as anyone else in America.

This is a sea change. This is good legislation. This is about equality for all of us. This is about building a strong future for the families of our Nation.

Mr. Speaker, there is also a very important provision that we have worked on for many years, giving our small businesses greater expending rights so that they can expense out the costs of machinery and equipment, computers and so on, and add more jobs, grow more rapidly.

In a society where small business is driving job growth, the kind of help this bill gives to small business is indeed critical and key to leading our Nation to enjoy a more rapid rate of economic growth, job growth, and job opportunities for career advancement for our people.

Last, I want to mention the R&D tax credit in this bill. I regret we could not do it retroactively, I regret we could not do it many more years out to the future, but we have reformed it in a way that small, inventive little companies, our future, those companies will be able to take advantage of it.

We have also restructured it in a way that the old defense companies that we need to be able to turn around, we need to be able to do new product research, we need to be strong in 10 years, will also benefit from the R&D tax credit for the first time in many years.

This bill before us helps families in numerous ways, not only increasing the minimum wage but also increasing pension opportunities, saving opportunities, job opportunities, and it strengthens the very sector on which our future growth, job expansion, and well-being depends, the small business sector.

Mr. Speaker, I thank the chairman for his extraordinary leadership and for the work of both sides on this bill.

Mr. ARCHER. Mr. Speaker, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Speaker, I want to compliment the gentlewoman for driving the expensing for small business. She was the one who pushed and pushed and pushed to get this in the bill.

Mr. GIBBONS. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. NEAL].

(Mr. NEAL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman from Florida, and, like the gentleman from Texas [Mr. ARCHER], I want to thank him for the many remarkable years of service in this institution, and for those of us on the minority side of the Committee on Ways and Means, we want to thank him for the leadership he has provided during the past 18 months.

I also want to thank Chairman ARCHER for the provision in this legislation that deals with the New Bedford fishermen, which was a contentious issue for many years. I am grateful we were able to resolve this issue in an amicable manner.

I want to ask the following rhetorical question, if I can, for just a second. Last year in this House we voted more than 1,000 times. Here we are now, in the middle of the Olympics, with a tangible accomplishment for the American people in this piece of legislation. Why do we not ask ourselves this: What did we accomplish in this institution last year with 1,000 votes?

Well, we certainly satisfied the psychology of an element that got elected. We made them happy that they were able to go home and point to some headline-grabbing news that really had little consequence for the American people, but we spent 5 days a week and sometimes 5 nights a week on this floor and in this institution talking about things, again, that had little relevance to the American people.

So here we are on the day before the House recesses, with a tangible piece of legislation, and it is in the middle of the summer Olympics, so we cannot report back to the American people on what we have done during the last week.

We have a good increase in the minimum wage. What did the majority leader of the Republican Party say? He was going to do everything he could to stop that bill from ever happening. That is what we did last year.

There is an improvement here in spousal IRA's, which I have sponsored and pushed hard for. That should have been done last year. We, in fact, should have done a more expansive individual retirement account piece of legislation that we all could have taken satisfaction from its passage having occurred.

One thousand votes last year. We should ask ourselves, what did we accomplish?

□ 1030

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. OWENS].

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

Mr. OWENS. Mr. Speaker, I agree with the gentlewoman from Connecticut [Mrs. JOHNSON], my classmate, my Republican colleague, that this is a

“see” change. This is a very important change. This Congress should congratulate itself. We did in a bipartisan way finally come to grips with the common sense of the American people. The common sense of the American people came home to us.

The polls showed that almost 90 percent of the American people wanted a minimum-wage increase. This is important for people at the very bottom of the rung. It does not seem like much, an increase of 90 cents over a 2-year period. But it will buy shoes, it will buy beans, it will buy rice. This is very important to these other people that have been left out while prosperity soared in America. It is very important that we begin to reward work.

There are a lot of very powerful people who have spoken loudly about moving from welfare to work in the last few weeks. Well, the burden of proof is on them. Will there be work or jobs? In my district you mention a job, and people line up in long lines and hundreds of people go away disappointed because there are only a few jobs.

So let us create the jobs first, and let us make the jobs pay minimum wage. There is a lot of work to be done, but work is not a job unless it is paid properly. We need the minimum wage plus a health care package. A real job is minimum wage plus a health care package. It is up to us to try to create that. Start with the minimum wage.

We also want those health care packages for everybody. People on welfare find they are better off not going to work because they lose their health care. Let us finish the job, but begin with the minimum wage. We want work. The tremendous economic gap exists, with the top 5 percent of the American people, income earners, earning huge profits while at the very bottom they have found their wages have gone down in the past 20 years. If we really increase the minimum wage to a level where it would keep pace with inflation, we would be talking about a \$6.25 increase.

Mr. Speaker, let us reward work and pay what it is worth so that people will go to work.

MR. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. RAMSTAD], a distinguished member of the Committee on Ways and Means.

Mr. RAMSTAD. Mr. Speaker, I thank the chairman for yielding, and I rise today to enter into a brief colloquy with the gentleman from Texas [Mr. ARCHER]. First of all, I want to commend the gentleman for his outstanding leadership in bringing this legislation to the floor.

I am concerned, however, about regulations that were just issued by the IRS in May regarding the section 936 possession tax credit therein. I believe these regulations will have an unfair impact on companies during the phase-out of section 936 because they cast aside regulatory rules upon which companies have relied for many years per-

mitting arm's-length pricing in the purchase of components. They produce a discriminatory result that an arm's-length third party price can be used to value outbound sales of components but not inbound purchases by the possession company for purposes of the section 936 calculation.

Mr. Speaker, I believe that a fair and workable solution can be developed to address these concerns, and I would ask that the chairman join me in strongly encouraging the Treasury Department to seek such a solution.

Mr. ARCHER. Mr. Speaker, will the gentleman yield?

Mr. RAMSTAD. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Speaker, I am happy to join the gentleman from Minnesota [Mr. RAMSTAD] in strongly encouraging the Treasury Department to do that.

Mr. RAMSTAD. Mr. Speaker, I thank the gentleman for his agreement and also for his leadership.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. PORTMAN], a distinguished member of the Committee on Ways and Means.

(Mr. PORTMAN asked and was given permission to revise and extend his remarks.)

Mr. PORTMAN. Mr. Speaker, I thank the gentleman from Texas [Mr. ARCHER] for the time. This is a guy who has had his own legislative marathon this week during the Olympics, and he deserves a medal because he has achieved a lot of good legislation for America.

Mr. Speaker, I want to talk about a gem hidden in this bill, and I do not want it to be lost. It is simplification of our pension laws and strengthening of retirement savings for all Americans.

My friend from Maryland [Mr. CARDIN] and I have pushed this legislation, because we want to expand retirement security for all Americans. It is in this bill and something very important for America and for American workers.

These days 401(k)'s profit-sharing plans, and other pension plans are being used less and less because, frankly, they are overregulated. Today small businesses, for the most part, do not offer any kind of retirement savings at all. Of those companies under 20 employees, fewer than 20 percent of them offer any pension savings plans at all.

Since 1980, Congress has passed an average of one law per year affecting private sector pensions. Congress has increasingly complicated this area, and as these rules and regulations have multiplied, retirement savings plans have become less and less attractive. They are too costly to set up and too costly and burdensome to maintain, particularly for small businesses that cannot afford either the inside or outside professional help to make their way through the bureaucratic maze.

As a result, these days pension plans are being terminated around this coun-

try faster than they are being established. The bottom line is that if this legislation is enacted, which I think it will be now, it will encourage private savings, it will help the economy because we need to increase our savings rate, and, most importantly, it will allow more people to plan for their future.

Mr. Speaker, I applaud the gentleman from Maryland [Mr. CARDIN] and the gentleman from Texas [Mr. ARCHER], as well as the other conferees, for including this legislation in this report, and I hope that this legislation receives the support of all Members of the House.

Despite the fact that these important pension simplification provisions are included in the conference report, I am concerned that this bill will also raise the minimum wage. In my view, this is a misguided and regrettable effort, because I fear it will hurt the very working people we are trying to help. Thankfully, because of Chairman ARCHER'S leadership, we added the pension reform and other provisions that will help to mollify the effect of his legislation on small business. For that reason, I will vote in favor of this bill, despite my deep concerns about the effects of the minimum-wage increase on working people at the low end of the economic ladder, on small businesses and on local and State governments.

Mr. ARCHER. Mr. Speaker, I yield myself 15 seconds in order to compliment the gentleman from Ohio [Mr. PORTMAN] and the gentleman from Maryland [Mr. CARDIN] because it was their efforts that put this pension simplification provision in the bill.

Mr. GIBBONS. Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding. This is vital legislation, and I applaud those on the majority caucus that broke away from their leadership that was doing everything possible to stop a minimum wage increase and joined with us in the minority to reach the critical mass necessary to pass the minimum wage and get these workers at the lowest levels of earning power the raise they so desperately needed. It took guts to buck your own leadership and those of you who did that I applaud you.

While we address the immediate earning needs of those at the lowest level, this legislation should also be commended for what it does to advance pension and retirement savings policy. Our Nation has a looming crisis because Americans are not saving adequately for their retirement.

Three aspects of this bill advance pension retirement savings policy. The first is straightening out and clarifying how the pension administration occurring in the life insurance industry will proceed in the wake of the Harris trust ruling. Unlike previous comments made on this floor, I believe that the Harris trust language is very positive and helpful in clarifying this situation and should be in this bill.

Second, pension simplification: at a point when only 24 percent of employees and employers under 100 have the opportunity to save for retirement at the workplace, this simplifies pensions. This is going to make small employers more willing to offer pension and retirement savings opportunity for their employees. It is a vital part of the bill.

Third, the spousal IRA. Representing a rural area, I cannot think of a more unfair part of the Tax Code relative to retirement policy than the present provision which limits to \$250 a contribution by a spouse not employed in the workplace.

In a farm family where you have the husband and wife pitching in to make that farm go, it is just desperately unfair to limit to \$250 the contribution of the second spouse. By allowing the full contribution in the spousal IRA we have improved this law a lot.

Mr. CLAY. Mr. Speaker, I yield 1 minute to the gentleman from California [Ms. WOOLSEY].

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, it is about time. It is about time to make work pay more than welfare.

When I was on welfare 28 years ago, I had to go for aid for dependent children because my wages were so low that I could not afford the health care, the child care and the food that my three small children needed. Too many American workers face that same situation today. In fact, many minimum wage earners look like I did 28 years ago.

Sixty percent of minimum wage earners are woman; one-fifth are single parents. Increasing the minimum wage will mean that these parents and others can depend on work rather than welfare to support their children.

Increasing the minimum wage will prevent the need for welfare in the first place. Increasing the minimum wage is the right thing to do, it is the smart thing to do, and it makes work pay. It is about time, Mr. Speaker.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. ENGLISH], a distinguished member of the Committee on Ways and Means.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I would like to start by joining my colleagues in complimenting the distinguished chair of the House Committee on Ways and Means, who in my view has done a superb job of bringing to the floor a balanced conference report that not only addresses the needs of minimum wage workers, but also the needs of small business.

I particularly want to acknowledge his role in addressing a pension provision which is included in this package which addresses an inequity in the law that would have otherwise destroyed 1,100 jobs, including 150 jobs in Erie, PA, at Erie Forge & Steel, and I salute him for doing that.

Mr. Speaker, I am proud to rise in support of this conference report that

will increase the minimum wage for the first time in 5 years and at the same time provide significant tax relief to America's small businesses. This is a balanced approach, and this legislation is long overdue.

I remember last year when I was the first member of my party to introduce minimum wage legislation in the House. Since then, I joined some of my colleagues and ultimately supported the Riggs-Quinn-English-Martini amendment that increased the minimum wage and included it in this package of legislation. I am proud to see and very pleased to see that it has earned massive, bipartisan support.

In my congressional district in northwestern Pennsylvania, I have seen far too many families supported by one or more members working in minimum wage jobs. These hard-working people could very easily surrender to the welfare system, but they do not. Instead of taking tax money, they pay it, and I think they deserve more.

At the same time, I know of many small business people who are struggling to get by, who are struggling to grow their businesses, and they are finding it difficult because of the Tax Code. This legislation provides incentives for them to grow jobs, to create more jobs and at the same time bring part of the bounty back to minimum wage workers.

Mr. Speaker, this legislation, as has been noted before, includes important expensing liberalization in the Tax Code. It includes a home office deduction, subchapter S reforms and much-needed pension simplification. In addition, it extends some critical expiring tax provisions, including the work opportunity tax credit and employer-provided educational assistance.

In my view, Mr. Speaker, this is a balanced package that merits the support of every Member of this House. I am happy to endorse it. It is a great day for American workers and American small businesses.

Mr. ARCHER. Mr. Speaker, I ask unanimous consent to yield the balance of my time to the gentleman from Pennsylvania [Mr. GOODLING] to add to his original 15 minutes, and ask that he be allowed to control that time.

The SPEAKER pro tempore (Mr. LATOURETTE). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CLAY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. BECERRA].

Mr. BECERRA. Mr. Speaker, about a year and a half ago, January 1995, the gentleman from Texas [Mr. ARMEY], the majority leader, said, "I will resist an increase in the minimum wage with every fiber in my being."

Well, sure enough, on more than five occasions on this floor, Democrats tried to pass a minimum wage bill and each time it was defeated. The result, about 12 million Americans had no chance to see their wages increased. The result of that, well, about \$5.6 bil-

lion in lost earnings for these people. What does that mean? About 3½ months of groceries for an individual on the minimum wage or maybe 6 months of health care insurance payments or about 4½ months of payments of utility bills or about 2 months of housing for that particular worker were lost as a result of 18 months of delays.

□ 1045

It is about time, Mr. Speaker, that we got a message here in Congress, the message that America has known for a long time. American workers deserve a raise. I am pleased that we are finally going to get the message here in Congress.

Mr. GOODLING. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. THOMAS].

Mr. THOMAS. Mr. Speaker, I thank the chairman for yielding me the time.

I just want to take a minute because very often we forget that the legislation in front of us, although worked out in general by Members, is always finalized, structured, coordinated and made correct by staff.

Chief of staff on the Committee on Ways and Means, Phil Moseley, and those competent staff under him on our side, Jim Clark, Paul Auster, Tim Hanford, John Harrington, and Norah Moseley, and the Joint Committee on Taxation under Ken Kies, have worked a number of hours, along with minority staff, to make sure that what is in front of us is done accurately.

I want to make sure that they got credit because they certainly put in the hours.

Mr. GIBBONS. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. RANGEL].

(Mr. RANGEL asked and was given permission to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, I would like to join the gentleman from California [Mr. THOMAS] in expressing our appreciation for staff, both Democrat and Republican, because it was they that guided us when we were not actually in session for the conference. And the conference was a bipartisan conference inasmuch as we had very strong disagreements, but the issues were resolved at least in a civil manner.

I think it is a successful conference because I think we emphasize how important it is for people to have jobs. We are obsessed with the problems we get from immigrants, from unwanted children, from drugs, from crime and from violence. Yet education, job training and the opportunity to have hope for the future seems to have in great measure reduced these problems.

The minimum wage just makes a lot of sense, and I am glad the American people just did not say no but insisted that at least we move this far forward.

I also wanted to thank the Republicans for extending the targeted jobs credit, which means disabled people,

veterans, those that come from poor families, those that are on welfare will be provided with incentives to get jobs by giving credits to employers who take this risk and who hire people.

It is unfortunate that most of the moneys in this bill were raised just by cutting off economic development in Puerto Rico. I think it will take a long time before this country and especially this Congress would recognize these are citizens who fight and die for the United States of America and, if we want to change the support that we are giving them, I would think that you could put me first on the list to review it.

I think that it is insulting just to cut off economic assistance and job creation without hearing, without even thinking about the impact that this will have not only to people in Puerto Rico but those who will leave to come to the mainland because of lack of opportunity on the island.

I would hope, too, that those of us that intend to work together would realize that working together with civility makes a heck of a lot more sense than attacking each other in a partisan way.

(Mr. GOODLING asked and was given permission to revise and extend his remarks.)

Mr. GOODLING. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, throughout the sometimes fractious debate on the minimum wage over the past few months, it has been my observation that we were concentrating on our areas of disagreement. However, I think there was a fundamental thing on which Republicans and Democrats, liberals and conservatives seemed to agree, and that was that America needs a raise. But as most of my colleagues know, simply raising the minimum wage without making other reforms may do more harm than good. Economists and experts have let us know in no uncertain terms that raising the minimum wage will in fact hinder job growth, particularly for those in the lowest rungs of the economic ladder.

That is why a series of reforms and changes must occur before Americans truly see the economic situation improved overall so that everyone can benefit. Small business tax breaks proposed in our bill will help our Nation's mom and pop businesses better afford the minimum wage hike that they are receiving. We are past due in fixing the IRA system so that the spouse who works at home as the homemaker can enjoy IRA retirement savings and benefits similar to that enjoyed by the spouse who works outside the home.

We have also simplified and strengthened retirement plans through a number of reforms, including permitting a simplified plan for small businesses which will encourage pension plan growth for workers who currently do not enjoy those benefits.

The report also provides incentives for employers to provide their employees with educational assistance. These

reforms and others contained in the bill will help all Americans receive a raise.

With respect to the minimum wage itself, I supported the increase after modifying it to protect the most vulnerable workers. Many studies support the conclusion that a mandated increase in the minimum wage would jeopardize disadvantaged Americans, those least educated, senior citizens, young Americans looking for their first job. These people are the last hired, the first fired, and least likely to be hired with a higher wage. As we mandate an increase in the minimum wage, we must protect the most vulnerable Americans.

While some low wage earners reap the benefits of an increase in the minimum wage, other low wage workers would bear the brunt of the destructive effects of the minimum wage. The additional protection which we have included in this legislation helps to eliminate the negative effects. The opportunity wage allows employers to pay new hires under the age of 20 not less than \$4.25 per hour for the first 90 calendar days of employment. This will encourage employers to hire new workers and in turn help low skilled and entry level workers gain a foothold in the job market.

The current law cash wage paid by employers to tipped employees is maintained by the conference reports. Tipped employees typically receive wages of \$7 to \$8 an hour, so this modification will help to soften the negative impact of a wage increase on these types of workers. If tips are insufficient to earn the new minimum wage, the employer must pay the difference.

The conference agreement also maintains the current law requirements for the computer professional exemption, ensuring that the minimum wage increase will go to those most in need.

The conference report changed the effective date of the minimum wage increase to allow employers an opportunity to be notified of the new wage and to adjust for the wage increase.

I would like to note that the conference agreement will clarify the Portal-to-Portal Act of 1947 to allow employees and employees to agree on the use of employer-provided vehicles to commute between work and home without travel time having to be treated as hours of work.

Turning to section 1461 of the conference report, I want to briefly discuss the improvements in the bill that we were able to achieve through the House amendment concerning the Harris Trust decision:

Under the conference agreement, future general account contracts sold to pension plans will have to fully comply with the fiduciary standards of the Employee Retirement Income Security Act, ERISA. Under the Senate-passed language, these pensioners would never have received the protections of ERISA.

Under the new agreement, existing general account contracts, and new

contracts sold until full ERISA protection takes effect, now will have to be managed prudently and will have to meet reporting and disclosure requirements, requirements not imposed by the Senate-passed provision.

Insurers will now have to mention pension assets held in insurance company general accounts with a prudent man's level of care, skill, prudence, and diligence. The Senate version would have offered pensioners a significantly lower level of protection.

With respect to existing contracts, insurers will now have to meet stringent new reporting and disclosure rules. The insurer will have to provide periodic reports to the policyholder disclosing the allocation of general account income and expenses to the policy, and disclosing the effect of such allocation on the return to the plan under the policy.

While these improvements are important, compromises were made, and compromises by the very nature are not perfect. I do believe that this matter would have been better addressed in another area and not in this legislation.

Mr. GIBBONS. Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. HOYER].

(Mr. HOYER asked and was given permission to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, we are about to go home; 1995 was about the principles of the majority, and 1996 is about the politics of the majority. The Contract With America, does anybody remember that? It has not been mentioned much; unremembered, unhonored and not inclusive of what this bill does, because the central part of this bill is the minimum wage.

Yesterday we did something to try to do a little bit for health care for Americans: preexisting conditions, portability. It is not in the contract.

Today we do minimum wage; not in the contract. The contract has been forgotten. Why? Because it is not what the American public wanted. But this minimum wage bill is. It is the right thing to do.

DICK ARMEY was wrong to say that he would fight it until his last breath. I am pleased that we move today on America's agenda.

Mr. GOODLING. Mr. Speaker, I yield 3 minutes and 30 seconds to the gentlewoman from New Jersey [Mrs. ROUKEMA], a member of the committee.

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, I rise in strong support of the Small Business Job Protection Act and ask consent to revise and extend my remarks.

It's long past due that we raise the minimum wage and extend many of the tax provisions that are so beneficial to small business nationwide.

But Mr. Speaker, I rise this morning to address provisions of this bill that are designed to clarify uncertainties

raised by the John Hancock versus Harris Trust Supreme Court decision in 1993. Earlier this year, I introduced legislation that would address problems raised by the Court's holding that an insurance company's general account may contain plan assets because of the purchase by a plan of certain contracts issued from such accounts.

I want you to know that my legislation was cosponsored by a strong bipartisan majority of the Members of the Opportunities Committee and I am pleased that compromise language on this issue is contained in this conference report.

The specific provision we are debating is a modified version of the legislation I introduced in March. I believe it is a good compromise that balances the interests of plan participants and beneficiaries, plan sponsors, the Department of Labor and the insurance industry.

There are some who wrongly believe and I must stress this legislation eliminates essential Federal protections from billions of dollars of pension assets. In fact, the legislation requires any policy issued from an insurance company general account after December 31, 1998, that is not a guaranteed benefit policy to meet ERISA's standards.

With respect to contracts issued before that date, the legislation requires the Department of Labor to issue regulations which Secretary of Labor Reich states, "will hold the insurance companies to as high a level of fiduciary responsibility as any pension plan." In testimony before our committee the Actuarial Association assured us of the high judiciary compliance that is not violated.

There are those who are also concerned with the relief the legislation gives to insurers for lawsuits with respect to past transactions.

I am here to say that relief is appropriate. During this period, the insurance industry, along with the parties with which it did business, including employee benefit plans, relied on the Department of Labor guidance on how it was to act. In other words, Labor Department set the rules and the industry followed them. There is no dispute on this point.

I must add that during this period it has never been established that an insurance company violated any of ERISA's fiduciary responsibility provisions or caused harm to any plan participants.

Moreover, insurers still remain liable for violations of any Federal criminal law or for fiduciary breaches that also rise to the level of a Federal or State criminal violation.

Finally, the legislation does not affect any lawsuit brought prior to November 7, 1995.

Mr. Speaker, I recognize that this legislation has been controversial to some people and there are different points of view regarding its efficacy. However, this provision is a good com-

promise that will avoid undue disruption to the pension community while assuring that the rights and interests of participants are protected.

Again this is supported by a strong bipartisan majority of the committee.

Mr. Speaker, I urge support for this important legislation.

□ 1100

Mr. CLAY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Speaker, first I want to express my thanks to the gentleman from Missouri [Mr. CLAY] for his tireless and dedicated leadership on behalf of working Americans and to strongly support this legislation, H.R. 3448.

At long last this body today has the opportunity to provide some relief to working families in my district in New York and across the country. A 90-cent increase in the minimum wage will raise the earnings of a full-time minimum worker by \$1,872 a year. If we had raised the minimum wage last year as we advocated, in New York alone minimum wage workers would have earned an additional \$181 million last year. Nevertheless, this now will help thousands of families work themselves out of poverty and raise their standard of living.

While I would have preferred to see the minimum wage increased higher than \$5.15 an hour and put into effect sooner than October 1, I support this bill in its current form recognizing that it is the best we are going to get. In addition to raising wages, the tax relief contained in the bill will help small businesses hire more workers, invest in new equipment and create more jobs.

Finally the expansion of the availability of IRA deductions to home-makers is a good idea and one that I advocated since the beginning of this Congress. I am glad to see it finally enacted.

Mr. Speaker, this conference report is an example of how this Congress can overcome the objections of the leadership of this House and finally work in a dedicated and productive way on behalf of American families.

Mr. GOODLING. Mr. Speaker, I yield myself 5 seconds first just to remind everyone on that side that they had 2 years when I was a minority Member in the committee, and the words "minimum wage" were never raised.

Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. RIGGS], who added the amendment to the portal-to-portal bill, which brought about the minimum wage.

Mr. RIGGS. Mr. Speaker, I thank the gentleman for yielding me time to speak during what has, I think, truly been a remarkable and historic week and the most productive and significant Congress in modern history. In the last 72 hours we have enacted truly historic changes which will better the lives of millions of our fellow Americans.

We have made it easier to move from welfare to work, arguably a very difficult transition especially for single mothers. We are making work pay more than welfare by raising the Federal minimum wage, if not to keep pace with inflation at least to restore some of the purchasing power of the minimum wage that has been eroded by inflation, and we are making it easier for American workers in the workplace to get and keep accessible affordable health insurance.

Welfare reform, which we enacted earlier this week, fundamentally changes a system that, in my view, over time had come to replace compassion with a system of political patronage, and it is estimated that our welfare reform will help move 1.3 million of our fellow Americans into productive jobs by the year 2002.

Health insurance reform, which we enacted yesterday on this floor, will end job lock. For many of our fellow Americans, it will make it, as I said earlier, easier to get and keep health insurance. It will make it easier for people to move from job to job without the risk of losing their health insurance due to a pre-existing medical condition, and it will eliminate the longstanding insurance practice of excluding Americans from health insurance based on a pre-existing health condition.

And today we take up the minimum wage package, which is coupled with some very necessary and important small business tax incentives. I was proud to offer the minimum wage increase when that legislation first came to the House floor, and the minimum wage increase will help roughly 10 million of our fellow Americans, and it will reverse this perverse incentive where welfare is more attractive than work.

I think many of us recognize, and this is truly on a bipartisan basis, that we must in America, if we want to move people from welfare to work, make work pay more than welfare. We must make work more attractive than welfare.

Now, this stands in stark contrast to the last Congress, and I am not going to get real partisan for a moment, but I could not help but notice how many speakers on the Democratic side of the aisle have come down to the well during the debate on the rule and during this general debate on the legislation and have made extremely partisan remarks. I think that is unfair.

I think the record speaks for itself. The last Congress, the Democratically controlled Congress, did not pursue welfare reform legislation, did not pursue an increase in the Federal minimum wage, and, of course, did pursue a dramatic overhaul of the American health care delivery system, a 13,000-page bill that would have nationalized and arguably led to a big government takeover of the private health care delivery system in America.

But that partisanship aside, I think it is very important to look at the fact

that we have on a bipartisan basis in this Republican-led Congress been able to enact these very important and historic reforms that emphasize work, families, and personal responsibility while leaving in place a very strong safety net for the genuinely indigent and the desperately poor in our society.

We are, and I think we can all take pride in this as we prepare to go home and report to our bosses, our constituents, back home in our congressional districts, we are building a better America with more hope and more opportunity for millions of our fellow citizens and that is, again, why I say this is the most productive and significant and historic Congress in modern history.

Mr. GIBBONS. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding this time and thank him for his great leadership in this Congress. I know that we will continue to be well-served by him until the last day of this Congress and we will be the beneficiaries of his legacy for a long time to come. I thank him again for yielding.

Mr. Speaker, today is a good day, not a great day but a good day for the American worker. It is a day that the Republican leadership has finally been dragged kicking and screaming in support of raising the minimum wage.

Democrats can be proud that at long last the pressure that we have brought to bear on Republicans has finally produced real results for 12 million working Americans. The Republicans have finally caved after months of staunch opposition-voting five times to defeat Democratic efforts to bring up an increase in the minimum wage.

Even with polls showing over 80 percent of the American people support increasing the minimum wage, the extreme Republican majority tried to kill the bill or gut the bill and blunt its impact. These delaying tactics cost American workers \$5.6 billion. Faced with the failure of their extreme agenda, moderate Republicans finally have embraced this Democratic initiative, but in the meantime the American worker has paid the price for Republican extremism.

By refusing to take action on the minimum wage sooner, Republicans have cost American workers, as I have said, \$5.6 billion in lost wages. That increase in the minimum wage would have paid for 3½ months of groceries, 6 months of health care, 4½ months of utility bills or 2 months of housing. Too bad it took 18 months to shame Republicans into doing the right thing and raising the minimum wage from a 40-year low in purchasing power.

House Republican leader, the gentleman from Texas [Mr. ARMEY], has said, and we have quoted him many times, that he would fight an increase in the minimum wage with every fiber of his being. That was an earlier state-

ment. As recently as Monday he blasted the minimum wage increase yet again saying that it was not a matter of importance to real people and dismissing it as an inside-the-beltway issue.

I urge our colleagues to recognize the importance of the Democratic effort and increase the minimum wage.

Mr. CLAY. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Speaker, Members of the House, yes, it is a great day for the people of this country who are the working poor. That is right, they are the working poor. They are the lowest level in the financial status that we have, but they work just as hard as my colleagues and I do and everybody else does.

This should have been done a year ago. That meant that those people would have been able to buy shoes for the kids. Not at the retail store, but no, at the yard sale, at the Salvation Army secondhand store.

I challenge all of my colleagues to realize that these people who work every day for the minimum wage are not able to live like my colleagues and I. My colleagues must realize that these people scrape and save to just make ends meet every day.

I challenge those that are going to vote against this bill to take this month of August and go out and visit with some of the people in their home areas that earn the minimum wage and find out how they have to live and how my colleagues wanted them not to have that minimum wage increase.

Mr. GOODLING. Mr. Speaker, I reserve the balance of my time until they are all finished.

Mr. GIBBONS. Mr. Speaker, I yield 1 minute to the gentlewoman from Hawaii [Mrs. MINK].

(Mrs. MINK of Hawaii asked and was given permission to revise and extend her remarks.)

Mrs. MINK of Hawaii. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, it is very important for this body and the country to realize that the vast majority of workers in this country working for the minimum wage are women, and it is these hard-working women who are supporting their families that we need to celebrate today because they are finally going to get 90 cents an hour more, not a whole lot, but it is \$36 week, \$1,800 a year, something which they should have been getting many, many months ago. They are finally getting it. We have been preached at about the importance of work, so today finally they are getting a pay raise to help support their families.

Under welfare we are forcing single mothers to go to work. With this minimum wage they will have a chance to lift their families out of poverty. Not a single person in this body ought to regret the fact of minimum wage going up today.

Mr. GIBBONS. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, this is a great day that almost never came. America needs a raise. It is a tribute to the dignity and to the hard work of those Americans who get up every morning and go to work for the minimum wage that we are here today about to pass legislation raising the minimum wage by 90 cents.

The American people's overwhelming support for a minimum wage increase has won the day today, but we had to overcome the steadfast opposition of a Republican leadership who vowed to stop it and even denied that minimum wage workers exist in this country.

I know different. I have a letter from Janis Venditto, a working mother in Hamden, CT, whose husband fought in the Persian Gulf war. They are struggling to feed their kids and to pay their bills and my constituent says:

I really wish someone out there can really listen to me for once. Raise the minimum wage. I know I am not the only person in this situation. It is a shame that the most wonderful country in the world cannot give us moms a small break.

That is what this is all about. We need to pass the minimum wage.

Mr. GIBBONS. Mr. Speaker, I yield 1 minute to the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Mr. Speaker, there is a crisis of fairness in this country. The rich are getting richer and the poor are getting poorer. In real terms, the minimum wage is at its lowest level in 40 years. Where I come from if one earns the minimum wage and work full-time, they live in extreme poverty. More than 600,000 New Yorkers will benefit from this increase.

This is also a woman's issue; 5.7 million women earn the minimum wage. That is 59 percent of all minimum wage earners.

Raising the minimum wage promotes families. If we want to encourage work and make it pay, we need to do this for the American people. Unfortunately, it took a Democratic uproar in Congress and 80 percent of the American people to get the Republican Congress to give in and do the right thing.

The current minimum wage is indefensible, it discourages work, it demoralizes workers, and it makes a mockery of fairness.

Mr. GIBBONS. Mr. Speaker, I yield my remaining 1 minute to the gentleman from Maryland [Mr. CARDIN] to close debate on our particular part of this.

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Mr. CARDIN. Mr. Speaker, once again let me thank the gentleman from Florida [Mr. GIBBONS] for his leadership on this legislation.

Mr. Speaker, we are going to be able to enact this legislation. Why we are going to be able to do it, it is because it is the right mix. We have a well-balanced bill. It is good for small businesses and it is also good for those people who work for small businesses.

It provides real help to small businesses by extending tax credit provisions for work opportunity tax credits; employer-provided educational assistance; the R&D credit; retirement simplification that I talked about before, and which the gentleman from Ohio [Mr. PORTMAN] has talked about; the small business expensing, where it helps small businesses because it increases the minimum wage.

Mr. Speaker, I hope we will use this formula in the future in considering legislation, and rather than looking at extreme legislation, let us look at well-balanced legislation. It is in the interests of our constituents, and I urge my colleagues to support the conference report.

Mr. CLAY. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, House Majority Leader DICK ARMEY loves to quote country music lyrics.

Well, the Republican strategy on the minimum wage reminds me of another old country song. It's called, "Walk out Backwards Slowly So I'll Think You're Walking In."

Republicans have been walking up to the podium today to take credit for raising the minimum wage. But we all know that beyond a few people like the gentleman from New York, JACK QUINN, and a few others over there, they have been running away from this issue for months.

Five separate times, this Republican Congress blocked an increase in the minimum wage. NEWT GINGRICH implied that the minimum wage should be based on Mexican wages. TOM DELAY said that minimum wage families don't really exist. JOHN BOEHNER said he would commit suicide before voting to raise the minimum wage.

DICK ARMEY said he would fight a minimum wage increase with every fiber in his being. And just last week, he said the real people don't care about the minimum wage.

Well, I think they've found out the past few months that real people do care about the minimum wage. The American people understand that if we want to move people from welfare to work, we have to make work pay. You can't raise a family on \$4.25 an hour.

These are people who work hard—and work long hours—to give their kids a better life. They deserve to be treated with dignity and respect.

Mr. Speaker, it's sad that it took 18 months for Democrats to browbeat the Republicans into doing the right thing for America's families. But thanks to public pressure, and the hard work of people like Senator TED KENNEDY, an increase in the minimum wage will be signed into law by Labor Day.

Mr. Speaker, the Republican leadership can quote all the country songs they want. This is one song that has a happy ending for America's families.

Mr. CLAY. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Missouri [Mr.

GEPHARDT], the minority leader, who will be the majority leader.

(Mr. GEPHARDT asked and was given permission to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, in a few short moments I believe this House of Representatives will vote to raise the minimum wage, which is at a 40-year low. It is severely impacting, in a negative way, American families.

I realize that for many of my colleagues on the other side of the aisle this is a difficult vote to cast. Even for some who will support this increase, this is a vote of resignation, not one of joy. But while this might not be an easy vote for some of you, I believe with all my heart that this is the right vote and probably the most important vote of this Congress.

Let us put aside this morning all the ideology, all the partisan differences, all of the political argument, and let us put one thing and one thing only in our mind today, which is what the gentleman from Michigan [Mr. BONIOR] talked about: That is American families that are living day-by-day today on the minimum wage.

I had a woman in my district recently, as I went door-to-door, tell me that she had two minimum wage jobs, worked 16 hours a day, two children. She said, "Congressman, I cannot pay my bills. But that is not what I am worried about. That is my problem." She said, "What I am worried about is that I am never home to raise my children." She welled up as she talked about her failure of responsibility to raise her children to be productive citizens. She said, "I am not worried that they will be victims of crime, I am even worried they will commit crimes."

It went through me like a knife. We had women out here the other day who talked about living on the minimum wage, what it means to raise a family on \$8,500 a year. We had a woman go through her bills. She had her bills: How much she paid for rent, how much she paid for health care, how much she paid for groceries.

She said, "You know, at the end of the month I always have to put three bills aside because I cannot pay them." She said, "My son hurt his hand in football. We went to the emergency room. They gave me a bill for \$1,500 after he was treated." She said, "I will never pay that bill."

The people of this country are responsible. They want to work. They want most desperately to raise their children to be productive citizens. This bill, more than anything we will do in this Congress, gives those American families and those parents and those children the ability to do what they desperately want to do. Two years from now, \$1,800 more than they are able to earn today will make their lives better, and allow them to meet their most important and fundamental human responsibility, which is to raise their children to be productive citizens.

Mr. Speaker, Republican or Democrat, conservative, liberal, or moderate, please vote for this bill for the American people.

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, is it not amazing? I hope the American people have been listening to this discussion. We have heard from the other side today that yesterday we had welfare reform that was a bipartisan effort because 98 Democrats supported it, but the last speaker did not support it. Then on this side we had 93 who supported minimum wage, but that is a Democrat program. Is that not amazing?

What I want to remind the American people is that for 2 years this minority was in the majority, they had the majority in the House, they had the majority in the Senate, and they had the White House. Not one word in committee was ever mentioned about minimum wage, not one word. Oh, but thanks for the conversion: An election year conversion. We are happy to have you converted. It is good to have you with us.

But nevertheless, we realized from day one, as the President said, because he is the only one who mentioned minimum wage during the 2 years when they had this big majority, and what did the President say? "Hiking the minimum wage is the wrong way to raise the incomes of low-wage workers." That is what the President said, the only thing mentioned about minimum wage.

We knew on our side that we had to do more than just raise the minimum wage if we were going to help American workers, if we were going to help those most in need. We knew that just raising the minimum wage could be devastating if we did not do the other things that are now in this package, which makes it a good package.

We knew that changes would be necessary in the tax program. We knew that including spousal IRA's was important. We knew educational tax assistance to workers was important. So when we got the whole package together, we then had this wonderful election year conversation.

Mr. Speaker, I yield the balance of my time to the gentleman from Ohio [Mr. KASICH].

The SPEAKER pro tempore. The gentleman from Ohio [Mr. KASICH] is recognized for one and three-quarters minutes.

Mr. KASICH. I just wanted to rise and make the point, Mr. Speaker, that was raised by the delegate, the gentleman from Puerto Rico [Mr. ROMERO-BARCELO], regarding the 936 program that currently exists, where we try to create incentives for companies to create jobs. We believe that that whole 936 had a very big element of corporate welfare, where companies were able to get significant tax reductions without providing the kind of jobs and income levels that we had anticipated.

A lot of folks in Puerto Rico and a lot of economists would argue that we

should be very careful as we work our way through the wage credit, where we more approximately give a tax incentive based on what you have actually done for an individual in Puerto Rico to get a job. I understand that over the course of the next 10 years we are going to phase this out.

I have to tell the Members, I have been thrilled with the work of the chairman of the committee, the gentleman from Texas [Mr. ARCHER], to close loopholes in the Tax Code that have been given to folks that do not represent strong economic incentives to create growth. What I would say, through, as we move through this period in the next few years, we should take our time to make sure that that wage credit is viewed carefully. There may be a way to reform that program where we in fact can help people in Puerto Rico and provide economic growth, but yet not have tax loopholes that represent giveaways to large corporations.

Mr. Speaker, I appreciate the chairman of the committee yielding to me. I think he made an outstanding statement on this bill.

Mr. GIBBONS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise to support the Democratic-led fight to raise the minimum wage.

Mr. Speaker, I rise today to voice my reluctant support for the conference report on H.R. 3448, the Small Business Job Protection Act and minimum wage increase.

It was my hope that we would not turn the issue of raising the minimum wage into a political football. The weight of public opinion is squarely on the side of raising the minimum wage, but the Republican leadership of both Houses of Congress could not provide a clear victory for the working poor of this country.

This conference report would eliminate the existing provision which requires employers of tipped employees to pay at least 50 percent of the statutory minimum wage in case, and replaces it with a provision which locks the cash wage at the current standard of \$2.13 an hour. It would also deny any automatic future increases in the minimum wage to those who work and earn tips as a part of their income.

To further add insult to hard working Americans, this conference report delays the initial start of the 45 cents an hour increase to the minimum wage from July of this year until October 1.

The conference report also eliminates the existing provision exempting certain computer professionals from requirements that they receive overtime pay. This would mean that no additional computer professionals will be protected by the Fair Labor Standards Act's time and one-half overtime requirements.

In my Houston, TX district that would mean a real income drop for computer professionals who would no longer be subject to this protection.

This conference report would make permanent a failed experiment contained in the 1989

Amendment to the Fair Labor Standards Act that expired in 1993. Where employers were allowed on a temporary basis to pay a rate lower than the minimum wage. This change if widely used would create an incentive to displace older workers.

Paying this lower wage to workers under age 20 for 90 days presumes that it must cost them less to live than you or me. This sub-minimum wage workers will not get a corresponding break in the cost of living. They will still have to care for their children and families just as they are required to do today. This change in the Fair Labor Standards Act would restrict these worker's freedom to seek other employment opportunities that may be presented to them for fear of taking lower pay for a quarter of their first year of employment.

Some would argue that a raise in the minimum wage would result in high unemployment so the idea to limit the number of workers who would qualify for the increase is a good idea. If the proposal was more than a mere 90 cents divided between 2 years their might be some merit to that position. The real discussion should be about supporting those poor families that choose work over welfare.

The first step to moving people from poverty to self sustainment is to raise the minimum wage for all workers with malice toward none. I will support this bill to raise the minimum wage because this is consistent with the long-standing fight we have waged to help hard-working Americans, of which some 69 percent are women with children, get a fair wage for a days work.

This is long overdue.

Mrs. MINK of Hawaii. Mr. Speaker, today is a great day for American workers and their families—not only because we are raising the minimum wage, but because the voice of the American people was heard by the Congress of the United States.

This bill is a true example of how government and this Congress can work together for the people of this Nation. Despite opposition to raising the minimum wage from the major party, the workers and families all across the country rose up and made their voices heard in support for an increase in the minimum wage. And today we are finally responding to their cry for a decent wage for an honest day's work.

The people of this Nation know they are working harder today for less, struggling to make ends meet, and barely getting by even in a strong economy. Over the last decade they have watched as the salaries of CEOs and their corporate bosses skyrocket, as the value of the minimum wage decreased—falling 50 cents since the last increase in 1991.

Mr. Speaker, this increase is even more critical today because of the passage of the welfare reform bill which will soon become law. The new welfare bill will force many women into the work force. It is fine to emphasize work, but we must assure that work pays a living wage.

Many women currently on welfare work at minimum wage jobs. One of the biggest misconceptions about welfare is that welfare mothers stay at home and collect welfare check. In most cases this is simply not true. Forty percent of women on welfare combine their income from work and welfare in order to care for their children. A minimum wage income is not enough to support the basic needs of a family, so women must continue to

receive welfare assistance while they work in order to care for their families.

This bill moves us in the right direction for many women in the work force. Ninety cents an hour, \$36 a week, \$144 a month. It's not much, but it could mean the ability to buy a desperately needed pair of children's shoes or to pay the extra cost of heating in the winter. Raising the minimum wage means women—those on welfare and many who are not—will now be able to better care and provide for their families. Women make up 64 percent of the minimum wage work force. It is for the women of this country that we must pass this bill today.

In addition, Mr. Speaker, I would like to note the small business tax relief provisions and the assistance we are providing to this important sector of our economy. Also, I want to express my support for the provision which allows women who work at home—home makers to invest in IRAs. This is an important step for the economic self-sufficiency and economic security of women in this Nation.

Mr. Speaker, I urge my colleagues to support this conference report.

Mr. POSHARD. Mr. Speaker, today this body can be proud to be passing legislation that will directly impact the lives of millions of American workers. I wholeheartedly support this legislation, and while we have met our goal of providing a more livable wage for those hard-working, citizens who desperately need it, this bill also provides tax incentives to help our small businesses as well. Provisions such as the Work Opportunity Tax Credit will allow our small business owners to claim substantial tax relief at the same time they are giving vital opportunities to new workers.

This measure also rewards the invaluable efforts of housewives across the Nation by allowing nonworking spouses to contribute \$2,000 annually tax free to an IRA, finally acceding the raising of children and other home-related activities the respect they deserve in regard to the tax code. Many more pension reform provisions are included which will help empower the American people to save for their own retirements, which in time will help to take the load off of Federal entitlement programs. At the same time, we have taken strides toward curbing corporate welfare, and have provided incentives in the tax code for the adoption of children.

Perhaps it has taken too long to reach this goal, but we have truly given hope to legions of citizens with this bill. This legislation is all about rewarding work, and it, combined with the welfare reform legislation of earlier this week, goes a long way toward giving incentives to individuals and families to gain economic independence and self-sufficiency through viable work opportunities and wage rates. I urge all of my colleagues to vote in favor of the conference report.

Mrs. COLLINS of Illinois. Mr. Speaker, I would like to say that I am pleased that the Democrats and the Republicans have come to an agreement on raising the minimum wage. It should have been simple: No one can support a family working in a job that pays the current minimum wage. But because the Democrats stayed on task and on track, we were able to convince the Congress that this was the right thing to do for the American economy and for the American family.

For the minimum wage worker, a 90 cents an hour increase means a lot. It could mean

the difference between having a roof over your head or living in substandard housing. It could mean the difference between providing a healthy, balanced diet for your family or waiting in line at a soup kitchen so your children can have a square meal. It could mean the difference between having a telephone or being isolated. It could mean the difference between a car or relying on expensive public transportation to get to your job, the doctors, or the grocery. With the increase in the minimum wage, after the 2-year phase in, the American worker will have about \$36 a week extra.

In Illinois, nearly 11 percent of the wage earners are paid the minimum wage, currently only \$4.25 an hour. There are over 12 million Americans currently working in jobs that pay the minimum wage, and with that, the average wage and salary paid per hour for employee compensation in the private, nonfarm labor sector in 1995 was \$12.25 per hour.

According to the Bureau of the Census, women make up 46 percent of the work force, and 40 percent of those women are working mothers. A single mother cannot work at a minimum wage job if she has to pay for non-family child care because she can't afford it. When President Clinton declared a "National Pay Inequity Awareness Day" his statement provided the information that last year American women earned only 75 cents for every \$1 a man brought home, with African-American women and Hispanic women collecting just 66 cents and 57 cents, respectively, when compared to the male wage earner. Raising the minimum wage will help women achieve a better payday.

Students are a large proportion of minimum wage earners. Students who are supplementing their family's income by working are not a thing of the past; they are the foundation of many communities. In 1980, the minimum wage was raised from \$2.90 to a whopping \$3.10, and since then it has only gone up to \$4.25 where it has stayed since 1991. Since 1980, the cost of college has gone up 260 percent, but the minimum wage for earners trying to pay their way through school only went up by about 30 percent.

Raising the minimum wage will not fill anybody's wallet or bank account, but it will help change lives.

I urge my colleagues to support this conference report and put a little more in the pockets of the American worker by raising the minimum wage.

I yield back the balance of my time.

Mr. STOKES. Mr. Speaker, I rise in strong support of the conference report to H.R. 3448, the Small Business Job Protection/Minimum Wage Increase Act. After months of staunch opposition from our Republican leadership, I am pleased that my colleagues on the other side are finally able to join in support of a minimum wage increase.

At a time when wage inequality has widened dramatically in the United States, this piece of legislation would give over 21 million hard-working Americans a well-deserved wage increase. In addition, a higher minimum wage will serve to benefit families with the least income, those families which have been the target of many of this Republican led Congress' pernicious legislative efforts—low-income and lower middle class families.

Mr. Speaker, research has demonstrated that at least 10 million Americans working at

minimum wage would take home an additional \$1,800 a year when this legislation becomes law. There can be no doubt that this modest increase in the minimum wage will make a substantial difference for thousands of minimum wage earners in my district in addition to millions of other workers across the Nation who, despite working hard every day, still find themselves in the midst of poverty.

According to the Department of Health and Human Services, with this 90 cent wage increase, as many as 300,000 families could be lifted above the poverty line, including more than 100,000 children.

Mr. Speaker, in my congressional district, 22 percent of my constituents live below the poverty line. There is no doubt in my mind that our Government must do all that it can to provide wage equity for the thousands of working families who work hard but most still live in poverty.

It's been 5 long years since America's minimum wage workers got a raise. The proposed minimum wage is a logical step in our efforts to enable families to be productive and self-supporting.

Mr. Speaker, H.R. 3448 is an historic effort toward economic justice. I urge my colleagues to support this vital legislation.

Mr. BENTSEN. Mr. Speaker, I rise in support of H.R. 3448, the Small Business Job Protection Act of 1996, and in strong support for America's working families who are finally getting the raise they deserve.

Increasing the minimum wage will help ensure that holding a job pays more than being on welfare and it will help lower-income families struggling to make ends meet, it puts our values of work, family, and responsibility ahead of partisan gain or bottom line accounting. This increase will restore not just the purchasing power that has eroded to nearly a 40 year low, but the self-esteem and pride that can't be scored by the CBO or OMB.

Mr. Speaker, families living on the minimum wage do exist and a living wage is integral for workers to provide for themselves and their families in dignity. These are not families seeking a handout, or special provision in a nonrelated tax bill, or line item in an appropriation bill. What they are seeking is the opportunity to provide for themselves and this Congress should not frustrate their determination to pursue this better, dignified life.

Mr. Speaker, we may disagree on a number of social economic theories. However, this disagreement cannot overshadow the pressing concern that families of goodwill are entitled to pursue a living wage.

I also support the provisions in this legislation to help small businesses provide retirement security for their workers and their families. While there are a number of measures not included in this legislation that should have been, I strongly support the SIMPLE plan and the increase in the contribution to an Individual Retirement account for nonworking spouses. These provisions will allow more families to save for their retirement and not penalize parents who choose to stay home and raise their children.

However, I am disappointed that we didn't do more to help families provide for their retirement. This conference agreement should have further expanded IRA eligibility and allowed penalty-free withdrawals from an IRA for a first home purchase, tuition, major medical expenses, or during long-term unemploy-

ment, but doesn't. That being said, I do support this conference report and pledge to pursue these changes in future legislation.

Mr. FRANKS of New Jersey. Mr. Speaker, I rise today in strong support of the conference report for H.R. 3448, the Small Business Job Protection Act.

Mr. Chairman, I voted against the original House bill which increased the minimum wage by 90 cents because I firmly believe that losing one American's job is not worth 90 cents. Statistics prove that eight of the last nine increases in the minimum wage have resulted in either a loss of jobs or an increase in the inflation rate. In fact, President Clinton said that raising the minimum wage is not the way to improve the economic well-being of the lower class. I believed that we must include tax reforms for small business. Unfortunately, the House chose not to combine the minimum wage bill and the small business tax reforms. The Senate bill did combine the two initiatives.

Had the Senate bill been considered in the House, I would have unequivocally voted in favor of the bill. The wage increase and the small business tax reforms will prevent the loss of jobs and the raising of product prices.

Mr. Chairman, I proudly rise in support of the conference report Small Business Job Protection Act.

Mr. SABO. Mr. Speaker, today is a great day for American workers who will get a pay raise on October 1 because the Republican majority finally allowed a vote to increase the minimum wage. While \$.90 an hour is not a total solution to the growing income gap that plagues our society, it will make a big difference to the 12 million workers who will receive this boost in pay.

American working families have been forced to sit on the sideline while congressional leaders went through legislative maneuvers, made empty promises, and generally used dilatory tactics. By refusing to take action on the minimum wage sooner, Republicans have cost American workers \$5.6 billion in lost wages. Had the increase taken place when it was first proposed in this Congress, it would have paid for 3½ months of groceries, 6 months of health care, or 2 months of housing. Today, however, the majority realized they could no longer stall and the minimum wage will increase from a level that left it at a 40-year low in purchasing power.

For many years, I have been speaking about the growing income gap in America. Several months ago, due in large part to the Republican Presidential race, this issue finally catapulted to the forefront of the Nation's consciousness. In fact, it has been hard to open a newspaper op-ed page or turn on a television news program without hearing something about declining worker wages, increased layoffs, and increasing corporate profits and CEO pay.

Thanks in part to the deficit reduction measures we passed in 1993, the American economy today is in good shape. We enjoy strong growth combined with low unemployment and low inflation. The stock market has reached record highs, as have profits of many American companies. This should have all seemed like good news for the average American family; for, in the past, Americans at all income levels shared in our Nation's prosperity. However, in recent years while we have seen stock prices and corporate profits rise, the incomes of most middle-class American families have stagnated or dropped.

If stagnating wages were the only problem that working Americans had to face, things might not be so bad. But, in recent years our Nation has also seen unprecedented worker layoffs in corporate America. Of course, it is understandable that such upheavals may occur as our economy becomes more technology-based and integrated into global markets. What is difficult to understand, however, are the tremendous bonuses and pay increases enjoyed by the very CEO's who lay off thousands of workers.

The United States has prided itself on being a nation of the middle class—one in which if you work hard and follow the rules, you can expect to do well enough to support yourself and your family. Alarming, this is no longer true for an increasing number of Americans.

In the decades following World War II, all American workers shared in the Nation's prosperity. Over the past 20 years, however, only high-income Americans have moved ahead economically. Between 1977 and 1990, for instance, the average after-tax income of the wealthiest 1 percent of our population increased by 67 percent, after adjusting for inflation. During this same period, the average after-tax income of the bottom fifth decreased by nearly 27 percent.

This is not a problem that affects only the poor. Every year, thousands of Americans are laid off from well-paying middle-class jobs, to be left with a choice between a new job that pays less or the unemployment line. Clearly, this trend cannot continue.

America's level of income inequality is already higher than that of any industrialized nation. Our middle class is evaporating, and we are well on the road to becoming a Nation divided between a few very rich and many who simply struggle to get by. None of us, in the words of Labor Secretary Robert Reich, will "want to live in a society sharply divided between winners and losers."

The widening income gap lays before us the question of what kind of country we want to be: One sharply divided between the rich and poor, or one in which all citizens can benefit from a strong economy. I believe that our choice is clear. America has always been the land of opportunity. We should work together for policies that do not favor any income group, but enable all Americans to share in our Nation's strength and prosperity.

Today we take a small step in the right direction for those at the very bottom of the income ladder by passing this increase to our Nation's minimum wage. The bill increases the Federal minimum wage from its current \$4.25 an hour to \$5.15 per hour. I applaud this action and the victory for American workers.

The American people should feel good today because they forced NEWT GINGRICH and the Republican leadership to sit up, listen, and act. The public said that America needs a raise, and on October 1, millions of working Americans will get that raise and find it just a little easier to provide for their families.

Mr. BLUMENAUER. Mr. Speaker, providing for their families is a daily struggle for the working poor. Basics like food, shelter and healthcare are out of reach for too many full-time employees and their children.

Congress, so far, has not chosen to improve upon this sad situation. What we have seen is welfare reform which threatens the little assistance available for those with low-paying jobs. I fear, Mr. Speaker, that poverty may continue to be the reward many receive for their work.

There are solutions to these problems—the proposed minimum wage increase being the most obvious. This simple act will do more to create self-sufficiency than any government program or bureaucracy. I am pleased to be a part of this long overdue adjustment.

Mr. FAZIO of California. Mr. Speaker, I am very pleased to rise in support of H.R. 3448, a bill to increase the minimum wage and provide various tax incentives.

After a long, hard battle, we can be proud of passing a bill that will produce real results for 12 million working Americans.

This increase will pay for an extra 3½ months of groceries, 6 months of health care, 4½ months of utility bills, or 2 months of housing. America's working families are finally getting the raise that they deserve.

This bill, like the health insurance reform bill that was passed yesterday, isn't an "inside the Beltway" issue like some in the Republican leadership have claimed. It's common-sense, pro-family legislation that many of us in Congress have been championing from the beginning.

In addition to the minimum wage increase, this bill also contains some important tax provisions for Americans and small businesses.

The conference agreement includes a pension provision to allow spouses who do not work outside the home to contribute \$2,000 annually to an IRA. Now couples living on one income can save the same amount as two-income couples. Not only does this provision encourage saving for thousands of households across the country, it reinforces a feeling that we have started to lose: staying at home to raise a family is one of the most important jobs in America. It is a full-time job which should be rewarded with the opportunity to save for the future.

Along the same family-strengthening lines, H.R. 3448 includes a tax credit up to \$5,000 for parents who adopt children. Also included is a \$6,000 credit for parents who adopt children with special needs. This provision is a powerful one. It encourages the union of couples who long to be parents with children who might not otherwise belong to a loving family.

Finally, while reinforcing our nation's family structure, H.R. 3448 also strengthens our Nation's economic structure by extending the research and development [R&D] tax credit. Federal support for R&D is the quintessential investment in our Nation's future. R&D is responsible for approximately one-half of the productivity in the Nation's economy and is the single most important source of long-term economic growth.

In my home State of California, R&D has been particularly important to the growth of the State's economy. California received about \$722 million in energy R&D funding in 1995. We are heavily involved in programs like energy conservation research and research on fusion energy development. These programs would have suffered severe setbacks under the original bill the house passed in May. Fortunately, an extension of the R&D tax credit is included in the bill before us today.

All of these measures will strengthen the economic foundations of our families and will allow them to invest in themselves and their futures. I urge my colleagues to support the conference agreement for H.R. 3448.

Mr. COSTELLO. Mr. Speaker, I rise in strong support of an increase in the minimum wage. The 90-cent increase that is being con-

sidered today by the House of Representatives will begin to address the erosion in American workers' purchasing power. If the minimum wage is not increased, it will fall to its lowest level in 40 years.

Mr. Speaker, this is essential legislation that directly impacts millions of American workers. Over 500,000 of these workers are in Illinois. Because the majority of American workers who are paid the minimum wage are over 20 years old, the increase will aid these workers in supporting themselves and their families. As we encourage people to find jobs instead of relying on public welfare, we must work to ensure that the minimum wage is a living wage. Receiving a living wage makes workers more productive for society and more willing to work. As a result of the reduction in turnover, the employer's costs of recruiting and retraining are lower.

Raising the minimum wage is expected to immediately lift it 300,000 families out of poverty. My colleagues who charge that a 90-cent increase is nominal and unnecessary probably are not aware that a 90-cent increase in the minimum wage could pay for seven months of groceries, rent or mortgage payments for 4 months, or a full year of health costs. These are real expenses that working people have and that can be addressed by a minimum wage increase.

Many of my colleagues also charge that the minimum wage increase will result in lost jobs. However, many economists dispute this claim. In addition, according to the Bureau of Labor Statistics, 10 million jobs have been created since the last increase in the minimum wage.

These are among the reasons why I strongly support a 90-cent increase in the minimum wage and urge my colleagues to join me in voting for the increase.

Mrs. MORELLA. Mr. Speaker, I rise in strong support of the conference report on H.R. 3448, the Small Business Job Protection Act. I commend the members of the Conference Committee for their diligence in sending to the House floor a bill that will provide tax relief for small businesses, equal individual retirement account [IRA] treatment for spouses who work at home, and will raise the minimum wage for our Nation's workers.

I have long supported a so-called Home-maker IRA, which is part of the Women's Economic Equity Act (H.R. 3857) which I introduced last month in my role as co-chair of the Congressional Caucus for Women's Issues. Current law penalizes one-income families by limiting the tax deduction that spouses who work at home can take for money put aside for retirement. Presently, spouses who stay at home to raise children or to take care of an elderly parent can only save \$250 above the \$2,000 allowed for the spouse who works outside of the home.

Women face a number of barriers when it comes to saving for their retirement. They live longer, earn less than their male counterparts, and receive less from Social Security. The spousal IRA, included in this bill, will go a long way toward helping American women during their retirement years.

This conference report also extends, until June 30 of this year, the tax exclusion for graduate level education assistance provided by an employer. I have supported, since coming to Congress, legislation that would restore and make permanent the exclusion from gross income of employer-provided education assistance. This partnership between employer and

employee has enabled millions of Americans to upgrade their work skills in order to improve their productivity and better support themselves and their families.

I am also pleased that the adoption tax credit is part of this package. The provision is similar to the tax credit approved in the Adoption Promotion and Stability Act, which passed the House in May, and which I strongly support. The conference report allows individuals with adjusted gross incomes below a certain level to deduct, over 5 years, up to \$5,000 per eligible child—\$6,000 for the adoption of hard-to-place children—from their income tax liability. This adoption tax credit will help ease the expenses of adoption, allowing more families to adopt.

Recently, I introduced a resolution regarding tuition prepayment plans by States to allow families to save for their children's college education at a fixed rate. I am very pleased that this conference report includes an amendment which would prohibit the Internal Revenue Service from taxing State-sponsored prepaid college tuition plans until the funds are distributed. These State-sponsored plans have allowed more than 500,000 American families to save years in advance for their children's college tuition. The provision regarding prepaid tuition plans will make it possible for more States to adopt similar programs, affording more families the opportunity to save for their children's education.

From raising the minimum wage to providing tax relief for small businesses, this conference report is an example of bipartisan cooperation for the benefit of all Americans. Again, I commend the conferees, and I urge my colleagues to support this fine legislative effort to promote economic prosperity.

Mr. CAMP. Mr. Speaker, I rise to strongly support H.R. 3448, the Small Business Job Protection Act and congratulate and thank the chairman of the Ways and Means Committee, Mr. ARCHER, for his leadership and success in this matter.

I am very pleased that the bill includes the Tax Fairness for Agriculture Act which I sponsored with bipartisan support from many of our colleagues. The Tax Fairness for Agriculture Act will help State and county farm bureaus across the country continue to serve the farm families which are their members.

I am particularly pleased that the conferees agreed with the Senate to make this proposal effective for taxable years beginning after December 31, 1986, and to provide transitional relief for organizations that had a reasonable basis for not treating amounts received prior to January 1, 1987, as unrelated business income. This is consistent with, and an improvement upon, my original bill.

For these purposes, as I have said many times, reasonable basis includes the long-standing recognized practice by agricultural and horticultural organizations of relying upon the 1983 IRS position that associate member dues are not taxable.

With the passage of my legislation, these unfortunate controversies should be put to an end once and for all. Accordingly, I thank the many Members of this and the other body who have supported me in this important effort.

Mr. CRANE. Mr. Speaker, today I regret that I must speak in opposition to H.R. 3448, the

Small Business Job Protection Act. Despite the fact that as one of the conferees on this bill I worked to incorporate, and support, many of the tax provisions contained in the legislation, and despite the fact that as chairman of the Trade Subcommittee I support a key trade provision contained in the bill, I must oppose this bill because of the minimum-wage increase it contains.

Increasing the minimum wage will not protect jobs as the title of this legislation implies, but will do just the opposite—it will destroy jobs. Although I do not intend to dwell entirely on this issue in my statement, as I do not intend to dwell entirely on this issue in my statement, as I do want to discuss the tax and trade portion of the bill as well, I do want to include in the RECORD following my statement, the testimony from someone who certainly knows something about the impact of the minimum wage on a business. Herman Cain, president of Godfather's Pizza testified before the Joint Economic Committee on the subject of a minimum-wage increase, and I must say that his inciteful comments are indicative of conversations I have had over the years on this subject with economists and employers. I would urge my colleagues to review his testimony because he makes clear that this feel good legislation is for people with blinders or rose colored glasses who do not care to acknowledge the real economic consequences or raising the minimum wage.

Supporters of the minimum wage, while they might be well intentioned and might receive an award from the media establishment for being politically correct, are hurting the very people they purport to help—the young, poor, unskilled individual who wants to work. Raising the minimum wage raises the costs for businesses that operate on a thin margin—such as those in the food industry—and leaves them with the choice of marginally raising prices in a highly competitive sector of our economy or cutting costs—i.e. jobs. All too many companies must choose the later, and estimates I have seen indicate that this minimum-wage increase will cost Americans 200,000 jobs. So how does increasing the minimum wage help the young, poor unskilled worker? Good question.

While I oppose the minimum-wage increase, as vice chairman of the Ways and Means Committee and as one of five House conferees on the tax portion of this bill, I would be remiss if I did not comment on the tax provision of H.R. 3448. The tax provisions of the bill, for the most part, will make a positive economic contribution and will hopefully blunt, to some degree, the negative impact of the minimum wage. While this is by no means an all inclusive list, some of the highlights of the bill include the expansion of the expensing provisions for small businesses, the package of S corporation reforms, pension simplification items including critical spousal IRA provisions, the employer provided educational assistance exclusion, the extension of the research and experimentation credit, the clarification of worker classification language relating to independent contractors, and the 6-month delay of the IRS' electric payment system. Also included in the bill was an adoption credit which had passed the House of Representatives by a substantial margin earlier. As I indicated,

there are many other positive tax proposals contained in this legislation too numerous to mention here. If signed into law, these provisions will help blunt to some degree the negative fallout from the minimum-wage increase.

Although the overwhelming number of tax provisions in the bill are positive, I must also express my concern, as I did when the bill first passed the House, with regard to that portion of this bill which would phase to section 936 of the Tax Code over a 10-year period. Section 936 of the Tax Code provides tax incentives to companies that locate production facilities in Puerto Rico. I must say that it is most likely that the vast majority of members in this House do not fully appreciate the negative impact that eliminating section 936 will have with regard to the economic vitality of Puerto Rico and what the decline in that regard will mean to our Federal budget in the long run.

Having served on the committee with jurisdiction over this issue for the past 20 years, the Ways and Means Committee, I can unequivocally state that section 936 has been one of the most successful provisions in our entire Tax Code. Section 936 has spurred economic development in Puerto Rico which has in turn created thousands of jobs—American jobs—dramatically reducing the unemployment rate in Puerto Rico. Sadly, all too many people view Puerto Rico as a foreign country rather than as the American territory that it is. Jobs created in Puerto Rico are U.S. jobs. Moreover contrary to what many critics contend, the majority of jobs created in Puerto Rico through section 936 would not have been created on the mainland absent section 936. The production facilities in Puerto Rico would likely have been located in a foreign country if not in Puerto Rico. In short, don't expect a wave of new production facilities opening on the mainland United States because section 936 is being phased out.

By removing this incentive for companies to locate in Puerto Rico, an economic vacuum will be created which I do not see being filled any time soon. This void will bring on increased unemployment, and hope and opportunity, which has been on the rise over the last 20 years in Puerto Rico, will decline steadily. As the economy declines there will be an increased dependency—dependency on Uncle Sam to help those that no longer have jobs. Just what form this dependency will take, whether it be statehood or some other arrangement, remains to be seen, but mark my words, it will mean greater expenditures by the U.S. Treasury. So I would say to those that think they are saving taxpayers dollars when they vote to eliminate this so-called corporate welfare in the Tax Code, that you can either pay now by encouraging economic growth and opportunity, or you can pay later by increasing Federal outlays for welfare and creating a dependency which I don't think the American citizens—either on the mainland or in Puerto Rico—will appreciate. It is my urgent hope that the Ways and Means Committee will revisit this issue at a later date—and sooner rather than later.

Having discussed the minimum-wage provisions and the tax provisions, I must finally comment on the lone trade provision contained in H.R. 3448. As chairman of the Trade Subcommittee, I am very pleased to report that this conference report extends the Generalized System of Preferences [GSP] Program through May 31, 1997. The extension of GSP is critical to our free trade efforts, and I have included a more detailed and separate statement on this subject later in the RECORD.

Mr. Chairman, again I would say that I am disappointed with the minimum-wage portion of this bill. And while I am extremely pleased with the extension of GSP and the long overdue tax provisions contained therein, I must still oppose this bill because of the loss of jobs that will result from the minimum wage provision.

[From the American Enterprise, July/Aug. 1996]

**BAD SOLUTION FOR THE WRONG PROBLEM—
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 fulltime 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 making 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 field 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.

Mr. CRANE. Mr. Speaker, as chairman of the Trade Subcommittee, I want to highlight that the conference report on H.R. 3448, the Small Business Jobs Protection Act, contains provisions that extend the Generalized System of Preferences [GSP] Program, through May 31, 1997.

The GSP Program promotes three broad policy goals: First, to help maintain U.S. international competitiveness by lowering costs for U.S. businesses, as well as lowering prices for American consumers; second, to foster economic development in developing countries and economies in transition through increased trade, rather than foreign aid; and third, to promote U.S. Trade interests by encouraging beneficiaries to open their markets and comply more fully with international trading rules.

This important legislation will help American businesses across the country, both small and large, by eliminating unnecessary tariffs on certain imported products. Extension of GSP will expand trade and prevent job losses in a wide variety of U.S. industries currently suffering increased tariff costs as a result of the expiration of GSP.

Reauthorization of GSP, in this difficult budget environment, should be viewed by our trading partners as indicative of our continued commitment to the expansion of international trade and economic opportunity. H.R. 3448 is important trade legislation, which, I believe,

will be followed next year by an extension of fast-track trade negotiating authority, and legislation to expand trade with Caribbean Basin region.

H.R., 3448 makes modest reforms and technical changes to title V of the Trade Act of 1974, which are intended to simplify and improve the administration of the GSP Program. For example, the bill recodifies a 3-year rule whereby specific products may only be considered for addition to the GSP Program every third year. The bill would exclude high-income countries from GSP, and would have the effect of reducing the per capita gross-national-product [GNP] limit from \$11,800 to \$8,600, a number which would be indexed. Beneficiary countries that exceed the per capita GNP limit will be removed from the GSP Program.

The bill would reduce the competitive need limit [CNL] in the expired law from about \$108 million to \$75 million, to be increased by \$5 million annually, but would retain the competitive need waiver authority. Also, a beneficiary country that exceeds the CNL on a particular product would lose GSP on that product. Under certain circumstances, however, the President could waive the CNL and restore the product to GSP status for that country.

The bill also contains new authority, which was requested by the Administration, to designate any article from a least developed developing country [LDDC], if the President determines that the article is not import-sensitive in the context of imports from LDDC's.

Designed to promote economic development through increased trade, rather than foreign aid, GSP is a valuable program, both for beneficiary countries, and for U.S. businesses and consumers. I urge my colleagues to support its inclusion in H.R. 3448.

Mr. RAMSTAD. Mr. Speaker, I rise in strong support of the Small Business Job Protection Act and to discuss a related issue regarding the tax treatment of independent contractors.

The Ways and Means Oversight Subcommittee, on which I serve, has been aggressively working to rationalize the tax laws governing independent contractors. As we learned from the White House Conference on Small Business and through testimony before the subcommittee, sound rules covering employee classification are sorely needed. I commend Chairman ARCHER for the improvements in the bill before us, as they are an important first step in achieving this goal.

I do, however, want to speak to one improvement that is needed to ensure the proper balance between consumer protection and appropriate application of employee classification laws.

I was pleased to see that in the recently issued IRS Worker Classification Training Manual, the Service acknowledged the importance of balancing competing regulatory demands—those designed for consumer protection purposes and those driven by tax considerations. The training manual made significant progress by stating that rules imposed by a business on its workers in order to comply with Governmental agency requirements should be given little weight in determining a worker's status.

Unfortunately, the manual goes on to state that if the business develops more stringent guidelines for a worker in addition to those imposed by a third party, more weight should be given to these instructions in determining whether the business has retained a right to control the worker. As you know, the amount

of control exercised over a worker is indicative of that employee's status with respect to classifying workers as independent contractors. It is this second portion of the rule that could unintentionally compromise consumer protection.

For example, in the securities industry, the Securities and Exchange Commission [SEC], the National Association of Securities Dealers [NASD] and State regulatory agencies' regulations are broad in scope and require securities dealers to exercise significant discretion in their implementation. I am concerned that this ambiguity may force businesses to comply with only the most minimal standards in order to avoid potential conflict with the tax laws. It makes no sense to place companies that exercise higher standards of due care in meeting their regulatory obligations at a greater tax risk than more lax competitors. I do not believe this was the intention of Congress.

I urge the IRS to revise its guidelines so that no weight is given to any business policies or procedures that are reasonably designed to achieve compliance with applicable laws and regulations of Government or self-regulatory organizations, including the supervision of activities of workers and associated person to ensure compliance thereto.

I would like to thank both Chairman ARCHER and Subcommittee Chairwoman JOHNSON for their leadership in this area. I look forward to working with them to develop rational employee classification tax rules in general, and also to ensure that our Nation's complex regulatory laws are not undermined by the Tax Code.

Mr. MARTINI. Mr. Speaker, I rise today in support of the American worker and in strong support of raising the minimum wage. To me, this has never been an issue of politics, but rather a simple issue of fairness. Too often Americans are working long hours and even taking second jobs, yet they feel like they are running in place. If we really want people to move from welfare to work, we have to make work worthwhile. Americans deserve a fair wage for a hard day's work.

Raising the minimum wage will reward those able bodied individuals who chose work over welfare by improving their quality of life. Ultimately, that's what this is all about. Mr. Speaker, people want to support their families without Government help, but we have to make work worthwhile. I believe one way to do that is to raise the minimum wage. It just comes down to basic fairness.

Congress has not raised the minimum wage in over 7 years. In comparison to other wages, the minimum wage is now at a 40-year low. I don't think that is fair. I believe people deserve a fair return on a hard day's labor. My record reflects a strong commitment to working people's issues and that is why I joined JACK QUINN and 21 other Republicans to introduce legislation to increase the minimum wage back in April.

It's time to help people earn more and keep more of what they earn. Raising the minimum wage is just one aspect of the kind of economic growth and opportunity package this country desperately needs. In 1 week this historic Congress has done more to advance the agenda of working Americans than any legislative session in recent memory.

We have successfully passed comprehensive welfare reform, the most significant health insurance reform legislation in a generation,

and today we will finally give low wage earners a much needed raise. Mr. Speaker, the verdict's out. The 104th Congress has been a champion for working Americans. This Congress has stood up for fairness.

Mr. Speaker, I believe in raising the minimum wage, but I also believe that we have an obligation to our small businesses and mom and pop shops to ease the Federal tax and regulatory burden placed on them. True small businesses are often the most vulnerable and have extremely high rates of failure. Today we are increasing the minimum wage and providing necessary tax relief to our small businesses.

Mr. Speaker, I am proud to have helped introduce a minimum wage increase bill and I am also proud to have cast my vote for the successful tax relief, welfare reform, and immigration reform bills. We need a responsible and fair government for a change, and this Congress is on the right course.

This legislation is a victory for low wage earners, a victory for small business, and a victory for the American people. I strongly urge my colleagues to support the conference report on H.R. 3448.

Mr. ROTH. Mr. Speaker, I rise in strong opposition to this conference report.

While this legislation has some strong points—increased expensing and pension simplification for small businesses—it would also impose a massive unfunded mandate on American businesses, and it would destroy Puerto Rico's enterprise zone status.

Both are grave mistakes with real consequences for real people.

The minimum wage increase will kill 600,000 jobs for low-skilled workers. These are the people who can least afford to lose their jobs. Without work, what will they do?

Phasing out section 936 and immediately repealing QPSII would have a devastating impact on the economy and people of Puerto Rico.

Today, section 936 businesses employ one-third of Puerto Rico's entire work force. They produce 40 percent of Puerto Rico's annual economic output. They are responsible for 200,000 mainland jobs.

Section 936/QPSII has also attracted \$15 billion in additional capital to the island—capital that would otherwise have gone elsewhere.

As a result, more entrepreneurs can start new businesses, more consumers can buy household appliances, and more families can purchase homes.

Mr. Speaker, let's not abandon the people of Puerto Rico. Let's not cripple our Nation's job creators with needless unfunded mandates.

Vote for opportunity. Defeat this conference report.

Ms. VELÁZQUEZ. Mr. Speaker, I rise today in support of the conference report.

Legislation to increase the minimum wage is long over due. For months, Democrats have been calling for a raise for the American people, but that wasn't enough. Even when 85 percent of the American people voiced their support for an increase, that wasn't enough. I'm glad to see that the Republican majority is finally starting to get it.

The increase in the minimum wage will help to lift millions of Americans out of poverty. For years, single mothers have been struggling to feed their families on a poverty wage. This

takes on even more importance, now that this Congress has shredded the safety net of welfare. We must make work pay, and make the pay a living wage.

Although I support this conference report, I also want to express my great anger over the price that some will have to pay for the adoption of this legislation. In classic Republican style, they give a helping hand to the needy while using the other hand to stab someone in the back. By removing the 936 tax credit, Republicans are taking the lifeforce that keeps Puerto Rico alive.

I urge my colleagues to support the conference report. But keep in mind the 300,000 U.S. citizens that live in Puerto Rico, who will not gain but lose under this legislation.

Mr. THURMAN. Mr. Speaker, I rise today to support the conference report on H.R. 3448. I am particularly happy about a provision that protects the tax exempt status of State-sponsored prepaid tuition programs, which mirrors, H.R. 3842, legislation that I introduced. This provision is of great importance to working parents and their children across this Nation.

For years, parents have been looking for a financially sound way to fund their children's education. In this era of continually rising costs and reduced Federal aid, that desire appears even more unattainable. In response, 16 States, including my home State Florida, have formed innovative partnerships known as prepaid college tuition programs. In fact, Representative ROS-LEHTINEN and I worked on this issue in the Florida State Senate.

Prepaid tuition programs allow individuals to purchase contracts that provide for the cost of college tuition in the future, locking in today's tuition rates. As a result, more than 500,000 mostly middle-class families are taking part nationwide in these programs.

Earlier this year, the IRS announced its intention to tax these programs. This makes no sense because the contributors of this fund have no access to it. As a result, I introduced H.R. 3842, which would clarify that prepaid tuition programs are tax exempt. I was happy then to get 60 bipartisan cosponsor of this bill. But I am even happier today that the conferees included this valuable and meritorious provision in this bill.

Mr. Chairman, the conference report on H.R. 3448 is good policy because it guarantees American workers a higher wage and a better standard of living. But it is even better policy because it guarantees that a good number of our children, our future workers, would be educated and not have to struggle with the notion of a minimum wage. I urge my colleagues to support the report.

Mr. NEAL of Massachusetts. Mr. Speaker, today we are voting on a piece of legislation that is long overdue. We are increasing the minimum wage by 90 cents over 2 years. The value of the minimum wage has dropped to a 40-year low.

Today, by increasing the minimum wage we are doing something tangible for the American worker.

Two days ago on this floor we passed a tough welfare bill. The major goal of this bill is to move individuals off of welfare and to work. Increasing the minimum wage goes hand in hand with welfare reform. To encourage individuals to work we have to make work more attractive. Increasing the minimum wage is a step in making work a better alternative.

By earning more there will be less of a need for Federal assistance such as food stamps.

We are helping workers become more self-sufficient.

The Small Business Job Protection Act includes many tax provisions that many of us have been working on the past few years. Many of these provisions have been long awaited.

The tax provisions do not include everything I would have liked, but I believe it's a good package that will go along with helping small businesses.

This bill includes a provision which would assist the fishermen of New Bedford, MA. I cannot think of a better example of a small business.

I am a strong supporter of IRA's and believe we should provide tax incentives to encourage savings. This legislation includes a provision which increases the availability for spousal IRA's. The provisions permit deductible IRA contributions of up to \$2,000 to be made for each spouse, including those who do not work outside the home. This will help women to increase savings for their retirement. It corrects an inequity that existed in our Tax Code.

This legislation extends the exclusion for employer provided educational assistance. This provision allows for exclusion from income up to \$5,250 for tuition paid for by an employer. As a former professor, I have seen how helpful this provision can be. Unfortunately, the exclusion only applies to graduate-level education until June 30, 1996. I plan on continuing to work on including graduate education. Education is important to increasing our competitiveness in this global economy. We are creating more high wage jobs and we need education workers. The exclusion for education workers helps more than lawyers and doctors.

This legislation provides an extension of the R&D credit. The credit is reinstated for July 1, 1996 to May 31, 1997. This is the first time the credit has not been extended retroactively. I am pleased the credit has been extended and I will continue toward making the R&D credit permanent. We need to assist corporations with research and development. R&D is necessary for global competitiveness. The R&D credit will help keep high wage jobs in the United States.

This legislation contains a package of S corporation reform provisions. The package includes a provision I have worked on the last couple of years. This package will help small businesses that are organized as Subchapter S corporations.

The legislation includes pension simplification provisions. The purpose of this package is to strengthen and simplify the pension provisions of the Tax Code. The package includes provisions which make it easier for small businesses to offer pension plans. Church pension simplification provisions were also included in this package.

This pension package takes a step toward making retirements more secure. These provisions will help increase the access to retirement savings for many American workers. We have to continue to work to make it easier for more American workers to have pensions.

Today is a good day for the American worker and small businesses. The bill is a good compromise and it should make a difference.

Mr. MONTGOMERY. Mr. Speaker, I want to commend the conferees on this measure for including changes to the Tax Code which ensure that employers who reemploy veterans

after military service are not penalized for restoring their pension benefits. Two years ago, the Congress enacted the Uniformed Services Employment and Reemployment Rights Act of 1994 [USERRA], Public Law 103-353. This law was a restatement and clarification of the existing veterans reemployment rights law, and like that law, it guarantees that reservists and other persons who go on active military duty will be restored to their civilian jobs without any loss of seniority.

This law originated in 1940 and has been the subject of a number of Supreme Court decisions. The Supreme Court has held that one of the most important benefits of seniority, the high to a pension, is a protected benefit to which a veteran is entitled.

In discussions with various pension experts over the past several years, it was pointed out that technical amendments to the Internal Revenue Code were needed. The Tax Code limits employer and employee contributions to tax-favored pension plans and thus benefits payable to reemployed veterans. Other limits on deductible contributions, and qualified plan non-discrimination, coverage, minimum participation, and top-heavy rules do not take into account the veteran returning from active duty and his right to have his pension rights restored as if he had never left.

Last year, I introduced legislation, H.R. 1469, to allow employers who reemploy veterans to comply with both USERRA and the Internal Revenue Code when they endeavor to restore veterans' pension benefits as required by USERRA. The bill would provide assurance to employers that such contributions would not in any way disqualify a tax-favored plan. I am pleased that the bill before the House today includes the text of H.R. 1469 with minor technical changes.

It is very important to note that the legislation before the House today would allow employers and pension plans to make contributions for any veteran, World War II, Korea, Vietnam, as well as Persian Gulf. In essence, this provision corrects an oversight contained in the 1974 ERISA legislation which failed to take into consideration the rights of reemployed veterans, and is a good measure for employers as well as veterans. Again, I thank the conferees for including this provision in the conference report.

Mr. FAZIO. Mr. Speaker, I am very pleased to rise in support of an increase in the minimum wage.

After a long, hard battle, we can be proud of passing a bill that will produce real results for 12 million working Americans.

This increase will pay for an extra 3½ months of groceries, 6 months of health care, 4½ months of utility bills, or 2 months of housing.

America's working families are finally getting the raise that they deserve.

This bill, like the health insurance reform bill that was passed yesterday, isn't an inside the Beltway issue like some in the Republican leadership have claimed.

It's common sense, pro-family legislation that many of us in Congress have been championing from the beginning.

In addition to the minimum wage increase, this bill also contains some important tax provisions for America's small businesses.

The bill includes an important provision that increases the amount that a small business can deduct from the costs of business-related equipment.

This will allow our Nation's small businesses to expand and contribute even more than they already do to our national economy.

It will also allow homemakers to invest up to \$2,000 a year in an individual retirement account, and provides a tax credit of up to \$5,000 for parents who adopt.

These measures will strengthen the economic foundations of our families and will allow them to invest in themselves and their futures.

This is a good bill that will help America's workers and small businesses. I urge my colleagues to support the conference agreement.

Mr. BALLENGER. Mr. Speaker, I am opposed to the conference agreement on H.R. 3448, the Small Business Job Protection Act because of my concern that the increase in the minimum wage or starting wage will make it much harder for those with few skills and training or a limited education to get a first job. Minimum wage jobs are often the first rung on the ladder of upward mobility and this increase will likely move that rung beyond reach for many workers. By raising the wage rate, we end up denying job opportunities to thousands of workers.

The conference agreement raises the Federal minimum wage from \$4.25 to \$5.15, in two increments. The first increase becomes effective on October 1, 1996 and will raise the wage rate to \$4.75. The second increase would take effect on September 1, 1997, raising the minimum wage rate to \$5.15. It is well known by economists and lawmakers that higher minimum wages lead to job losses. Dozens of studies show that raising the minimum wage costs entry-level job opportunities, and does little to help the working poor. Job loss estimates for this increase range from 100,000 to over 600,000 jobs. In my home State of North Carolina, an estimated 19,100 jobs will be lost. A 90-cent increase is meaningless for the individual who no longer has a job.

Just recently, the Washington Post featured a story on the Kiddie Junction Learning Center in Zachary, LA. The owner of the day care center indicated that an increase in the minimum wage would be bad for her business, her employees, and her customers—and that it will likely force her to let go one employee and increase prices. This is just one more example of how a minimum wage increase does more harm than good by costing some low-wage workers their jobs and raising costs for others. A copy of the article follows.

While I am voting "no" on the conference agreement to signal my concern about the effect wage increases have on job creation, I do support the final agreement to bring tax relief for small businesses and their workers and as well as the provisions bringing long overdue reform to our pension system. These changes will do much to help ease the middle class crunch and help many people make more and save more.

[From the Washington Post, July 30, 1996]

(By Gary Younger)

ZACHARY, LA.—Jeannette Boggs started her working life making \$1.25 an hour as a service representative for a utilities company in Baton Rouge in 1965. Since then, she says, she has "bettered myself in dollars and cents" to get where she is today—the proud owner of Kiddie Junction Learning Center, a day-care center 12 miles away in Zachary.

Zachary is a rural town of about 10,000 where churches outnumber banks by about

three to one. Like many in the area, Boggs describes herself as religious and conservative. She believes that in America, if you work hard you will be rewarded, and she says her six employees work very hard indeed.

"It's a tough job. It's wiping noses, cleaning butts and tying shoes all day long," she said. None of her staff earns more than \$6.50 an hour. Two are paid at or around the current minimum wage of \$4.25. Many of the parents who use Kiddie Junction also are minimum-wage, or slightly better, earners.

When it comes to increasing the minimum wage, many low-paid people here are understandably eager to see it happen but recognize that, like a boomerang, that very increase may well come back and hit them in the form of higher costs. Many cannot decide whether it will spark a vicious circle that will fuel inflation or a virtuous one that will help alleviate poverty.

But Boggs has definitely made up her mind. She argues that an increase will be bad for her business, her employees and her customers. If, as appears likely to happen as early as this week, Congress passes a 90-cent increase in the minimum wage, pushing it up to \$5.15 an hour, Boggs contends it will force her to let go one staff member and increase her prices.

"When people talk about the minimum wage, all they think about are kids working in the fast-food chains. If people work hard, they should get paid well, and that's why we have labor laws to protect them," Boggs said. "But I have lots of hidden costs as well as payroll taxes and workers' compensation. All these things cost money, and if you add them up the minimum wage is not so minimum any more. It's going to add about 12.75 percent to my cost, and I'm going to have to pass some of that on."

That would be bad news for Annette Ponthier. She started her working life at minimum wage six years ago as a driver for a medical transportation company. A few years later, she gave birth to her son, Alex, and soon after that, Alex's father left. At first Ponthier's mother looked after Alex, but she has a heart problem so Annette took Alex to Kiddie Junction, where she pays \$62 a week. She now makes \$5.50 an hour selling swimming pools and pool chemicals.

At age 23, she still lives with her parents in Zachary because, she said she cannot afford her own place. A minimum wage increase would be good, she said, although "you still couldn't live on it." But if the price of Kiddie Junction went up even by a few dollars a week, she said, she could not really afford it, and "with no child care, there's no job."

There are 4.2 million people earning the \$4.25 an hour minimum, and 7 million earning \$5.15 or less. With 19.9 percent of its workers earning between \$4.25 and \$5.15, Louisiana has the highest proportion of working people who will be affected in the country, according to figures compiled in 1994 by the Economic Policy Institute.

During the debate that has raged in Washington over increasing the minimum, both supporters and opponents said they were arguing in the name of the poor and low-skilled.

Opponents said the raise would break small businesses like Boggs's and would price low-skilled workers out of their jobs. Supporters protested that the minimum wage level had been eroded by inflation and that an increase would help alleviate the kind of poverty that is prevalent in Louisiana. The measure passed by the House on a 288 to 144 vote would raise the minimum wage from \$4.25 to \$4.75 an hour on July 1 and to \$5.25 a year later. The Senate also has passed it, and minor differences in the two bills are being worked out in conference.

But Zachary is a long way from Capitol Hill. "It's just a little town on the go," said

Norabeth Alexander, who has earned \$5.25 an hour as a cook and teacher at Kiddie Junction for the past year and a half. With a large influx of new families eager to take advantage of the local schools, which have a good reputation, Zachary is suffering some growing pains. The community is far less tightknit than it used to be, and urban evils are beginning to arrive from the metropolis. "Drugs and crime are working their way out from Baton Rouge," Alexander said.

The days when doors could be left unlocked are gone here, said Boggs, 48. Last year, Kiddie Junction was broken into twice in one month. "Parents just aren't spending enough time with their children anymore. There's too much divorce and no morals and very little discipline in the family. Kids just won't say 'Yes, ma'am' or 'Yes, sir' anymore like they used to."

Kellie Valloton is an exception, Boggs said. Valloton is 17, still in high school, and works at Kiddie Junction as part of a work experience program for \$4.50 an hour. "Kellie is mature," Boggs said. She wants to be a teacher, but her only experience working with children before she came to Kiddie Junction was baby-sitting for friends. Valloton says there is no way she could live on her own on her wage. "Sure, it would be nice to have a raise. But it would be hard for some of the adults with more experience because if I got an increase, I suppose they would want one, too. I'm just here really to learn some responsibility and hopefully have something to show for it," she said.

Boggs is certain there will be a chain reaction as high-paid workers demand that a differential be maintained between them and their minimum-wage colleagues. Brenda Dugas, co-director of Kiddie Junction, thinks that is unlikely. Dugas says that when she was raising her two children, she earned no more than minimum wage, and sometimes less. Now she makes \$6.50 an hour, on which she helps support a son working his way through college. Her daughter makes the minimum at a local Lowe's Lumber store. "Of course it's hard on the young people, but it teaches them responsibility and survival skills," Dugas said.

But Dugas is in the apparent minority here in thinking it is possible to live on the minimum wage. "I think it would be very difficult for the head of the household to live on that," Boggs said. "I do think it is morally wrong for employers to just exploit people."

She prides herself on the benefits Kiddie Junction gives its workers—a week's vacation and two annual sick days after one year; two weeks' vacation and four sick days after three years. "I used to work in personnel. I know that the best way to keep staff is to invest in people," she said.

But, federal and state law imposes tight—and often costly—restrictions on day-care centers. Boggs can have no more than 16 4-year-olds, 14 3-year-olds or 12 2-year-olds for every staff member. There must be 35 square feet inside and 75 square feet outside for each child. She must pay for fingerprinting (to help detect convicted child molesters), a physical and tuberculosis test for each new staff member, and CPR classes and an additional training day for each worker annually.

Boggs charges \$62 a week for children age 1 to 3, \$56 for those 3 or older and \$30 for school-age children who are there before or after school. With 39 children on its books and a waiting list of 11, Kiddie Junction has made a profit for the last eight years.

Boggs's husband, Louis, who build Kiddie Junction in spare time away from his job as an instrument technician for Georgia Pacific Corp., is proud of its success. Louis Boggs is a fan of conservative talk show host Rush Limbaugh and has few good words to say

about President Clinton. "Every time I turn around, he's got his hand in my pockets and trying to take my money away in taxes," he said.

It is senseless to talk about poverty in Louisiana, Louis Boggs said, let alone to try to fix it with federal help. "For people at the low end of the wage scale in a state like this, a minimum wage increase is just a vicious circle. People keep talking about poverty. What's poverty? There's no such thing as poverty. There's just workers without skills."

Mr. BEREUTER. Mr. Speaker, this Member rises to express his strong support for the conference report providing an increased minimum wage. This Member supported the bill when it was originally considered by the House and believes the time is right to increase the wage of working Americans. This Member is also pleased to see that the conferees included many important reforms which are designed to offset any potential costs associated with the increased cost in wages.

The minimum wage was last increased on April 1, 1991, from \$3.80 to \$4.25 per hour. Inflation has increased 15.90 percent since April 1, 1991. At that rate, to have the same purchasing power as the minimum wage did when it was last increased, the minimum wage level today would have to be set at \$4.93 per hour. With the buying power of the minimum wage at a 40-year low, this Member has advocated a modest 45-cent-per-hour increase, which would have appropriately returned the minimum wage close to its strength following the latest increase in 1991. Although the measure goes beyond his preferred position, this Member simply could not in good conscience vote against raising the minimum wage up to the level it should be after the effect of inflation. The September 1, 1997, figure of \$5.15 per hour will only be 22 cents more than it should be to adjust to the inflation level of July 1, 1996, so the prospective increases put in place are not out of line.

This Member is very pleased that a \$5,000 tax credit for adoptions is included in this conference report. As you know, the House passed this provision several times in the past 2 years; however, each time the overall bill was vetoed by the President. It is time that this family-friendly tax credit becomes law.

Additionally, this Member is extraordinarily pleased to see that conferees agreed to include the so-called Homemakers IRA. This Member joined 34 of his colleagues in sending a letter to the conferees requesting that they include the provision in the conference report. This Member would like to thank the gentleman from Texas [Mr. ARCHER], for his prompt response to the letter and thank the conferees for including this provision. The Homemakers IRA will allow America's middle-class families to prepare for their future by raising the tax-deductible amount nonworking spouses may contribute to individual retirement accounts. For a family which contributes the new maximum of \$2,000 for a nonworking spouse, assuming they begin when they are 30 years old and retire at 65, they would have contributed an additional \$63,000 to their retirement. This figure is strictly their contributions and does not take into account earnings on their savings.

Mr. Speaker, this Member believes the conference report should be approved and urges his colleagues to vote aye.

The SPEAKER pro tempore (Mr. LATOURETTE). All time has expired.

Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

Pursuant to House Resolution 440, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 354, nays 72, not voting 7, as follows:

[Roll No. 398]

YEAS—354

Abercrombie	Dreier	Johnson (SD)
Ackerman	Duncan	Johnson, E. B.
Andrews	Dunn	Johnston
Bachus	Durbin	Kanjorski
Baessler	Edwards	Kaptur
Baker (LA)	Ehlers	Kasich
Baldacci	Engel	Kelly
Barcia	English	Kennedy (MA)
Barrett (NE)	Ensign	Kennedy (RI)
Barrett (WI)	Eshoo	Kennelly
Bass	Evans	Kildee
Bateman	Everett	Kim
Becerra	Ewing	King
Beilenson	Farr	Klecicka
Bentsen	Fattah	Klink
Bereuter	Fawell	Klug
Berman	Fazio	Knollenberg
Bevill	Fields (LA)	Kolbe
Bilbray	Filner	LaFalce
Bilirakis	Flake	LaHood
Bliley	Flanagan	Lantos
Blumenauer	Foglietta	Latham
Blute	Foley	LaTourette
Boehlert	Forbes	Lazio
Bonior	Fowler	Leach
Bono	Fox	Levin
Borski	Frank (MA)	Lewis (CA)
Boucher	Franks (CT)	Lewis (GA)
Brewster	Franks (NJ)	Lewis (KY)
Browder	Frelinghuysen	Lightfoot
Brown (CA)	Frisa	Linder
Brown (FL)	Frost	Lipinski
Brown (OH)	Furse	Livingston
Brown (TN)	Galleghy	LoBiondo
Bryant (TX)	Ganske	Lofgren
Bunn	Gejdenson	Longley
Bunning	Gekas	Lowe
Buyer	Gephardt	Luther
Calvert	Gibbons	Maloney
Camp	Gilchrest	Manton
Canady	Gillmor	Markey
Cardin	Gilman	Martinez
Castle	Gonzalez	Martini
Chambliss	Goodlatte	Mascara
Chapman	Goodling	Matsui
Christensen	Gordon	McCarthy
Chrysler	Goss	McCrery
Clay	Graham	McDermott
Clayton	Green (TX)	McHale
Clement	Greene (UT)	McHugh
Clinger	Greenwood	McInnis
Clyburn	Gunderson	McKeon
Coble	Gutierrez	McKinney
Coburn	Gutknecht	McNulty
Coleman	Hall (OH)	Meehan
Collins (GA)	Hamilton	Meek
Collins (IL)	Harman	Menendez
Collins (MI)	Hastert	Metcalfe
Condit	Hastings (FL)	Meyers
Conyers	Hayes	Millender-
Costello	Hayworth	McDonald
Coyne	Hefner	Miller (CA)
Cramer	Heineman	Minge
Creameans	Hilleary	Mink
Cummings	Hilliard	Moakley
Cunningham	Hinchee	Molinari
Danner	Hobson	Mollohan
Davis	Hoekstra	Montgomery
de la Garza	Hoke	Moorhead
Deal	Holden	Moran
DeFazio	Horn	Morella
DeLauro	Houghton	Murtha
Dellums	Hoyer	Nadler
Deutsch	Hunter	Neal
Diaz-Balart	Hutchinson	Neumann
Dicks	Hyde	Ney
Dingell	Jackson (IL)	Norwood
Dixon	Jackson-Lee	Nussle
Doggett	(TX)	Oberstar
Dooley	Jacobs	Obey
Dornan	Jefferson	Olver
Doyle	Johnson (CT)	Ortiz

Orton	Sabo	Thompson
Owens	Sanders	Thornton
Oxley	Sawyer	Thurman
Pallone	Saxton	Torkildsen
Parker	Schiff	Torres
Pastor	Schroeder	Torricelli
Paxon	Schumer	Towns
Payne (NJ)	Scott	Traficant
Payne (VA)	Seastrand	Upton
Pelosi	Serrano	Velazquez
Peterson (FL)	Shaw	Vento
Peterson (MN)	Shays	Visclosky
Petri	Shuster	Volkmer
Pickett	Sisisky	Vucanovich
Pomeroy	Skaggs	Walker
Porter	Skeen	Walsh
Portman	Skelton	Ward
Poshard	Slaughter	Waters
Pryce	Smith (MI)	Watt (NC)
Quillen	Smith (NJ)	Waxman
Quinn	Smith (TX)	Weldon (FL)
Rahall	Smith (WA)	Weldon (PA)
Ramstad	Solomon	Weller
Rangel	Spence	White
Reed	Spratt	Whitfield
Regula	Stark	Wicker
Richardson	Stenholm	Williams
Riggs	Stockman	Wilson
Rivers	Stokes	Wise
Roberts	Studds	Wolf
Roemer	Stupak	Woolsey
Rogers	Tanner	Wynn
Ros-Lehtinen	Tate	Yates
Rose	Tauzin	Young (AK)
Roukema	Taylor (MS)	Zeliff
Roybal-Allard	Tejeda	Zimmer
Rush	Thomas	

NAYS—72

Allard	Ehrlich	Myers
Archer	Fields (TX)	Myrick
Armey	Funderburk	Nethercutt
Baker (CA)	Geren	Packard
Balenger	Hall (TX)	Pombo
Barr	Hancock	Radanovich
Bartlett	Hansen	Rohrabacher
Barton	Hastings (WA)	Roth
Boehner	Hefley	Royce
Bonilla	Herger	Salmon
Burr	Hostettler	Sanford
Burton	Inglis	Scarborough
Callahan	Istook	Schaefer
Campbell	Johnson, Sam	Sensenbrenner
Chabot	Jones	Shadegg
Chenoweth	Kingston	Souder
Combest	Largent	Stearns
Cooley	Laughlin	Stump
Cox	Lucas	Talent
Crane	Manzullo	Taylor (NC)
Crapo	McCollum	Thornberry
Cubin	McIntosh	Tiahrt
DeLay	Mica	Wamp
Doolittle	Miller (FL)	Watts (OK)

NOT VOTING—7

Bishop	Ford	Young (FL)
Brownback	Lincoln	
Dickey	McDade	

□ 1146

Messrs. MCCOLLUM, JONES, MICA, MYERS of Indiana, and KINGSTON changed their vote from "yea" to "nay."

Mr. BACHUS changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 1316, SAFE DRINKING WATER ACT AMENDMENTS OF 1996

Mr. MCINNIS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 507 and ask for its immediate consideration.

The Clerk read the resolution, as follows: