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Minimum Wage [Folder 1]

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# Minimum Wage Increase Act of 1996 (H.R. 3448)

Separate bills have passed both the Senate (July 9, 1996) and the U.S. House of Representatives (May 23, 1996) that include several provisions related to the minimum wage. The provisions do not become effective as law until after the differences in the larger bills, in which the minimum wage provisions are only a part, are resolved in a Conference Committee, are approved by votes in both Houses of Congress, and then signed into law by the President.

The minimum wage provisions in both bills include:

1. **Minimum Wage Increase:**
   Raises the minimum wage by $.90 an hour in two steps -- a $.50 increase to $4.75 the first year, and a $.40 increase to $5.15 and hour beginning the second year.

2. **Portal-to-Portal Act (Travel Time) Amendment:**
   Eliminates minimum wage and overtime pay for home-to-work travel by employees in an employer-provided vehicle, and for activities performed by an employee during the course of the work day which are "incidental to the use of such vehicle for commuting," if the travel is within the "normal commuting area of the employer's business" and use of the vehicle is "subject to an agreement" between the employer and employee or employee's representative.

3. **Computer Exemption:**
   Modifies the existing exemption for certain "computer professionals" from minimum wage and overtime pay if they earn more than 6½ times the minimum wage by replacing it with provisions exempting those workers from overtime if they earn more than $27.63 per hour. This replaces an index formula (6½ x applicable minimum wage) with a fixed rate (flat $27.63/hour).

4. **Tip Credit:**
   Eliminates the existing provision which requires employers of tipped employees (e.g., waiters and waitresses) to pay at least 50% of the statutory minimum wage in cash, and replaces it with a provision that freezes the cash wage at the current hourly standard -- $2.13 per hour. Tipped employees must receive the balance of the hourly minimum wage in tips.

5. **Youth "Opportunity" Wage:**
   Establishes a permanent, fixed sub-minimum wage -- at the flat rate of $4.25 per hour (not 85% of the minimum wage) for youth under 20 years of age in their first 90 days of employment with any employer. It does not include employer training requirements. Includes a deterrent provision intended to discourage employers from using the sub-minimum wage to displace older workers.

# IT'S TIME TO RAISE THE MINIMUM WAGE

*July 9, 1996*

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## REWARDING WORK: THE CASE FOR INCREASING THE MINIMUM WAGE

*The President's proposal would increase the minimum wage from $4.25 to $5.15 over two years. The last increase, passed by an overwhelming, bipartisan vote in 1989, and implemented in 1990 and 1991, was also a 90-cent increase. For a full-time minimum wage worker, a 90-cent increase would raise their yearly income by $1,800 -- as much as the average family spends on groceries in over 7 months.*

**YOU CAN'T RAISE A FAMILY ON $4.25 AN HOUR.** The minimum wage is approaching its lowest real value in 40 years. The minimum wage has lost nearly all of its real value since its last increase in April 1991. The first half of the President's proposal would not even restore the minimum wage to its real value when it was last increased.

- **Ensuring No Parent Has To Bring Up Their Kids In Poverty.** The dramatic extension of the Earned Income Tax Credit (EITC) helped lift hundreds of thousands of working families out of poverty. With a 90-cent minimum wage increase and the expanded EITC, we can ensure that no parent who works full-time would have to bring up their kids in poverty.

- **Helping Adult Workers Trying To Support Their Families.** According to the Bureau of Labor Statistics:

  - 69% of those workers who would benefit from an increase are adults, age 20 or over;
  - Almost two-fifths (39%) are the only wage earner in their household; and
  - The average minimum wage worker brings home half of their family's earnings.

- **Giving A Pay Raise To The More Than 10 Million Workers At or Near The Minimum Wage.** An estimated 10 million hourly workers earn between $4.25 and $5.14 and would directly benefit from the President's proposal. An increase in the minimum wage could also have a "ripple" effect on the over 3 million workers who earn within 60 cents of the new minimum wage.

**EMPIRICAL EVIDENCE SHOWS THAT RAISING THE MINIMUM WAGE WILL NOT COST JOBS.** Nearly two dozen empirical studies have found that moderate increases in the minimum wage do not have a significant impact on employment. These studies include state-specific research in California, Texas, and New Jersey that shows that state minimum wage increases did not result in any job loss.

- **101 Economists Including 3 Nobel Prize Winners Agree That A Minimum Wage Increase Won't Cost Jobs.** In the fall of 1995, 101 economists -- including 3 Nobel Prize-winners Kenneth Arrow, Lawrence Klein, and James Tobin -- signed a letter supporting the President's proposal to raise the minimum wage, affirming that it would not have a significant effect on employment, and concluding that *"overall effects [of an increase] on the labor market, affected workers, and the economy would be positive."*

- **A Minimum Wage Increase Will Not Cost Jobs For African-American Teenagers.** Study after study finds that a minimum wage increase will <u>not</u> cost jobs for adults, teens, <u>or</u> African-American teens. Recent claims that the unemployment rate of African-American teens rose after the last minimum wage increase are false; the increase was a result of the Bush recession, <u>not</u> the minimum wage increase. In one of the most thorough reviews of the economic literature, Professor Charles Brown and coauthors stated: *"While it is often asserted that blacks are more adversely affected than whites by the minimum wage... we conclude from the body of literature that such an assertion must rest on theoretical rather than empirical grounds."*

**THE LAST MINIMUM WAGE INCREASE -- ALSO 90 CENTS -- GARNERED STRONG BIPARTISAN SUPPORT.** In 1989, the minimum wage was passed by votes of 382 to 37 (135 Republicans) in the House, and 89 to 8 in the Senate (36 Republicans) and was supported by Senator Dole, Senator Lott, and Rep. Gingrich.

# IT'S TIME TO RAISE THE MINIMUM WAGE
## THE SENATE REPUBLICAN LEADERSHIP SHOULD DROP THEIR POISON PILL AMENDMENT

**IT'S TIME FOR SENATE REPUBLICANS TO JOIN THE MAINSTREAM AND MAKE THE MINIMUM WAGE A LIVING WAGE.** President Clinton's minimum wage increase would ensure that -- along with his expanded Earned Income Tax Credit -- no parent who works full-time would have to raise their children in poverty. A bipartisan group in the House has done their part and voted to raise the minimum wage. The time for the Senate Republicans to do the same is long overdue.

**MAIN STREET AMERICA DESERVES AN HONEST VOTE ON THE MINIMUM WAGE WITHOUT ANY POISON PILLS.** The Senate should pass an increase in the minimum wage -- with no poison pills and no gimmicks. As Republican Congressman Amo Houghton said: *"This is not a complicated issue. It should not be a partisan issue. It's timely. It's right, and I think we should do it."*

**DON'T LET REPUBLICAN LEADERS FOOL YOU -- THEIR POISON PILL AMENDMENT TO A GOOD MINIMUM WAGE BILL WILL DENY A PAY RAISE TO MILLIONS OF WORKERS.** The Senate Republican leadership offers the American people nothing more than a cruel shell game: claim that you are raising the minimum wage, but stick millions of first-rate workers with second-rate pay.

**IF THE REPUBLICAN LEADERSHIP INSIST ON INCLUDING ANY OF THE FOLLOWING POISON PILL PROVISIONS, THE PRESIDENT WILL VETO THE BILL:**

- **Workers In Two-Thirds Of All Businesses Would Be Denied The Benefits Of A Higher Minimum Wage.** The Republican leadership would deny workers in two-thirds of all firms in the United States -- all business with revenues of less than $500,000 annually -- an increase in the minimum wage. For these workers, this provision would lock in, for an indefinite period, a minimum wage that will be at a 40-year low in real terms. It doesn't matter the size of your employer, you can't raise a family on $4.25 an hour.
  - **SBA Administrator Phil Lader Does *NOT* Support This Exemption For Small Businesses.** A year and a half ago as part of internal deliberations, Administrator Lader received a recommendation from his Office of Advocacy, an independent office within the SBA, advocating the idea of an exemption for small businesses from a minimum wage increase. Administrator Lader chose to personally write Labor Secretary Reich to suggest this idea. Since then, Administrator Lader has studied the empirical evidence more thoroughly, taken part in the White House Small Business Conference, and met independently with many small business owners and workers. Especially considering the fact that this bill includes a Small Business Tax Cut package, Administrator Lader is now convinced that raising the minimum wage for all workers is the right thing to do for the following three reasons:

    - The evidence shows that a minimum wage increase will not significantly affect small business;

- During state meetings leading up to the White House Small Business Conference, participants and delegates did not even mention a higher minimum wage as one of the top 430 policy priorities; and
- He believes that we should not let the minimum wage's real value fall to a 40-year low.

▸ **<u>Over 4 Million</u> Hard-Working Americans Would Be Denied A Pay Raise.** The Republican's so-called "Opportunity Wage" provision would deny the opportunity of a higher minimum wage to the 4.1 million workers at or near the minimum wage who have been with their employer for less than six months. In industries with high turnover -- like retail -- this would create the opportunity for employers to drop workers after six months, so that they would never graduate from the sub-minimum wage.

▸ **Low-Wage Workers Would Have To Wait Until Next Year For Pay Hike.** As the real value of the minimum wage approaches a 40-year low, the Republican leadership wants to force America's lowest-paid workers to wait until next year to see any minimum wage increase. While President Clinton says now is the time to raise the minimum wage, the Republicans are telling America's workers to wait. The Republican's six-month delay will cost a full-time minimum wage worker $878. When you're making only $8,500 a year, $878 makes a big difference.

## DON'T LET REPUBLICAN LEADERS FOOL YOU:
### THEIR POISON PILL MINIMUM WAGE AMENDMENT WILL STICK MILLIONS OF FIRST-RATE WORKERS WITH SECOND-RATE PAY

**INSTEAD OF JUST PASSING A CLEAN, SIMPLE MINIMUM WAGE INCREASE, THE SENATE REPUBLICAN LEADERSHIP WANTS A POISON PILL AMENDMENT THAT WILL DENY MILLIONS OF WORKERS A PAY RAISE.** President Clinton is determined to raise the minimum wage for all workers who deserve and need it. If they send him a bill with any of the following three poison pills, he will veto it:

- ▸ **Workers In Two-Thirds Of All Businesses Would Be Denied The Benefits Of A Higher Minimum Wage.**

  - The Senate Republican leadership's amendment would deny workers in two-thirds of all firms in the United States -- all business with revenues of less than $500,000 annually -- an increase in the minimum wage.

  - This provision is *far more extreme* than any previous small business exemption. It is true that prior to 1989 there was an exemption for employees in <u>small</u> retail and service establishments. But the Republican's current proposal would not only exempt workers in small retail and service firms, but would deny a higher minimum wage to *all* workers in two-thirds of America's businesses, including many garment industry sweatshop workers, farmworkers, and janitorial workers.

  - For workers in small businesses, this provision would lock in, for an indefinite period, a minimum wage that will be at a 40-year low in real terms. It doesn't matter the size of your employer, you can't raise a family on $4.25 an hour.

  - A year and a half ago as part of internal deliberations, Administrator Lader received a recommendation from his Office of Advocacy, an independent office within the SBA, advocating the idea of an exemption for small businesses from a minimum wage increase. Administrator Lader chose to personally write Labor Secretary Reich to suggest this idea. Since then, Administrator Lader has studied the empirical evidence more thoroughly, taken part in the White House Small Business Conference, and met independently with many small business owners and workers. Especially considering the fact that this bill includes a Small Business Tax Cut package, Administrator Lader is now convinced that raising the minimum wage for <u>all</u> workers is the right thing to do for the following three reasons:

    - The evidence shows that a minimum wage increase will not significantly affect small business;

    - During state meetings leading up to the White House Small Business Conference, participants and delegates did not even mention a higher minimum wage as one of the top 430 policy priorities; and

- He believes that we should not let the minimum wage's real value fall to a 40-year low.

- **<u>Over 4 Million</u> Hard-Working Americans Would Be Denied A Pay Raise:**

  - The Senate Republican's so-called "Opportunity Wage" provision could deny a higher minimum wage to the 4.1 million workers at or near the minimum wage who have been with their employer for less than six months. Under this provision any new hire of any employer, regardless of prior work experience, could be paid a sub-minimum wage for the first sixth months of employment.

  - This is a more extreme provision than the House-passed minimum wage increase. The House-passed bill -- which the Administration strongly opposes -- applied a sub-minimum wage for workers under age 20 for their first 90 days with an employer. This amendment, by contrast, would deny a higher minimum wage to <u>all</u> workers for the first <u>180 days</u> of employment.

  - In industries with high turnover -- like retail -- this would create the opportunity for employers to drop workers after six months, so that they would never graduate from the sub-minimum wage. And the anti-displacement provisions, intended to prohibit employers from dropping workers in a perpetual "churning" fashion, will prove to be extremely difficult to enforce.

- **Low-Wage Workers Would Have To Wait Until Next Year For Pay Hike.**

  - The Republican leadership would put off the first stage of a minimum wage increase until January 1, 1997. As the real value of the minimum wage approaches a 40-year low, the Republican leadership wants to force our lowest-paid workers to wait until next year to see any minimum wage increase. President Clinton is determined to not let the minimum wage reach a 40-year low and will veto any bill that will let that happen.

**PRESIDENT CLINTON ALSO STRONGLY OPPOSES REPUBLICAN MEASURES TO DENY PAY INCREASES TO OTHER WORKERS:**

- **"Tipped Employees" Such As Waiters and Waitresses Would Be Denied A Pay Raise.**

  - The Republican leadership would freeze the minimum wage for "tipped employees" such as waiters, waitresses, and delivery people at $2.13 an hour, thus denying any <u>current</u> or future minimum wage increase to these workers.

  - The impact of this tip credit amendment hits women particularly hard; about 80 percent of tipped workers are women.

  - Tipped workers would receive a 45-cents an hour pay increase with the President's proposal. To many of these workers struggling to make ends meet, this small sum can make the difference between getting by and slipping through the cracks.

# QUICK RESPONSES TO FALSE REPUBLICAN CLAIMS ON MINIMUM WAGE

**CLAIM:** *The evidence is clear: a boost in the minimum wage will increase unemployment.*

**THE FACTS:** **The majority of recent studies show that a modest minimum wage increase -- like a 90-cent raise -- would not cost jobs. And nearly every recent study that comes to a different conclusion is in some way connected with the restaurant lobby.**

- **101 economists including 3 Nobel Prize winners agree that a minimum wage increase won't cost jobs.** In the fall of 1995, 101 economists -- including 3 Nobel Prize-winners Kenneth Arrow, Lawrence Klein, and James Tobin -- signed a letter supporting the President's proposal to raise the minimum wage and affirming that it would not have a significant effect on employment. The letter concluded that *"overall effects [of a minimum wage increase] on the labor market, affected workers, and the economy would be positive."* [Center on Budget and Policy Priorities and the Economic Policy Institute, Statement of Support for A Minimum Wage Increase, October 2, 1995.]

- **Empirical evidence shows the President's proposal can increase wages without costing jobs.** Nearly two dozen empirical studies have found that moderate increases in the minimum wage would not cost jobs. As Nobel Laureate Robert Solow stated: *"[T]he employment effect of a moderate increase in the minimum wage would be very, very small."*

**CLAIM:** Time *magazine quotes President Clinton as saying the minimum wage "is the wrong way to raise the incomes of low-wage earners."*

**THE FACTS:** **THE 10-WORD *TIME* MAGAZINE QUOTE DOES NOT EXIST. The President never said that the minimum wage is an ineffective tool to raise wages. The statement *Time* refers to does not appear in any transcript, tape, or speech text.**

**PRESIDENT CLINTON HAS ALWAYS SUPPORTED RAISING THE MINIMUM WAGE -- FROM THE CAMPAIGN IN 1992 TO THE PRESENT. He specifically proposed a 90-cent increase 17 months ago in February 1995.**

- **In *Putting People First,*** Bill Clinton and Al Gore proposed to "increase the minimum wage to keep pace with inflation." (p. 127)

**CLAIM:** *Joe Stiglitz--the President's Chief Economist--wrote in his textbook that "There are others, who might have been employed at the lower market equilibrium wage, who cannot find employment and are worse off."*

**THE FACTS:** **JOE STIGLITZ SUPPORTS A MINIMUM WAGE INCREASE BECAUSE THE MAJORITY OF RECENT STUDIES SHOW THAT A MODEST MINIMUM WAGE INCREASE -- LIKE A 90-CENT RAISE -- WOULD NOT COST JOBS.**

- **Joe Stiglitz argued in his textbook -- in cases where the minimum wage was low in real terms -- moderate increases would have little effect on unemployment.** (p. 131) Since the real value of the minimum wage is approaching a 40-year low, it is not surprising that the President's proposal to increase the minimum wage wouldn't cost jobs.

**CLAIM:** *Most people who would benefit from the minimum wage increase are teenagers.*

**THE FACTS:** **THIS IS FLAT WRONG.** According to the Bureau of Labor Statistics:

- Over two-thirds (69%) of the workers who would get a pay raise from a minimum wage increase are adults, age 20 or over.
- Almost two-fifths (39%) are the sole breadwinners in their households.
- The average minimum-wage earner brings home half of their family's earnings.

**CLAIM:** *The President did not propose a minimum wage increase in 1993 and 1994 when the Democrats controlled Congress.*

**THE FACTS:** **For four years now President Clinton has fought for provisions that would raise the standard of living of hard working families.** These provisions include: increasing the minimum wage, expanding the Earned Income Tax Credit, and providing health care coverage for working families.

**President Clinton pursued a comprehensive strategy aimed at raising workers' incomes and increasing economic security.** The first step focused on an expansion of the Earned Income Tax Credit and health care reform.

1. **President Clinton expanded the EITC as a first step to make work pay during his first year as President:**

2. **The President maintained his support for a minimum wage increase even as he was fighting for health care reform:**

3. **President Clinton proposed minimum wage increase to fulfill commitment to make work pay and ensure that no parent who works full-time has to bring up their children in poverty.**

**CLAIM:** *The study that found when New Jersey raised their minimum wage and it didn't cost jobs in the fast food sector is fatally flawed.*

**THE FACTS:** **THIS IS NONSENSE.** The restaurant lobby's vitriolic attacks on the New Jersey minimum wage study have rarely been based on facts. The results in the New Jersey minimum wage study are consistent with a majority of the recent studies on the minimum wage which show that a moderate increase -- in the range of the President's proposal -- would not cost jobs.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release July 9, 1996

STATEMENT BY THE PRESIDENT

The Rose Garden

5:10 P.M. EDT

THE PRESIDENT: Good afternoon. This was a very good day for America's working families. Today's vote by the Senate means that 10 million hard-working Americans will get a little bit of help to raise their children and keep their family strong. A 90-cent increase in the minimum wage will honor our most basic values -- work and family, opportunity and responsibility. It will help working people without hurting our economy, and it is plainly the right thing to do.

Today the minimum wage is not a living wage. You can't raise a family on $4.25 an hour. This action by the Senate today restores the bipartisan commitment that the minimum wage will keep pace with the cost of living. This action will directly benefit millions of hard-working Americans.

Sixty percent of minimum wage workers are women. More than a third are the sole breadwinners in their household. Over two million children live in poor or near-poor families where a worker earns the minimum wage. And they will now get a raise.

I'm gratified that a bipartisan majority of the senators rejected a killer amendment that would have stopped this bill. The provision would have been a powerful incentive for employers to push employees out of their jobs after six months. It would have locked millions and millions of Americans into lower wages.

The way has now been cleared for final passage of a minimum wage bill. I call on Congress to send me the final bill quickly. The differences between the House and Senate versions are not significant. An American worker should get their raise as soon as possible. There's no reason that minimum wage workers should have to wait any longer for their raise. This is not a time to nickel and dime our working families. Our economy is sturdy; we have 10 million new jobs; unemployment at 5.3 percent; nearly 4 million new home owners; rising real hourly wages for the first time in a decade. Now, we have to make sure that all Americans have the opportunity to benefit from a growing economy.

This has been a difficult fight. But it turned out to be a real victory for the working families of this country. Today's vote by the Senate will make it possible for more of our people to be rewarded for their hard work, to believe that there is opportunity on the other end of their responsibility.

Again, I thank the members of the Senate who took this step. I thank the members of the Congress, both parties who supported it in both Houses. I look forward to the speedy resolution of the two bills and to signing it into law.

Let me say one other thing. Today is a special day for me, and since the Vice President's here, I wanted to announce that this is our fourth anniversary. It was four years ago today that I asked and he accepted the -- I asked him to become Vice President, or

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at least the nominee for Vice President, and he accepted it. It has been four years of great adventure. It's been a wonderful partnership. And I believe that historians will record that he has been the most effective and influential Vice President in the history of the country. And I just wanted to have this chance to acknowledge four great years and to thank him for his remarkable service and his steadily improving sense of humor. (Laughter.)

Q How do you feel about a CR that runs through March, sir?

THE PRESIDENT: A CR to do what?

Q -- that runs through March at fiscal --

THE PRESIDENT: Well, I would hope we could get some of the appropriations bill passed. My understanding is that there are some that we're pretty close to an agreement on. And I would hope that we could keep working into September after we have the August recess to see what else can be done.

There's still a lot of things that need to be done. We need to pass Kennedy-Kassebaum. We need to pass a good welfare reform bill. And I'm still open to any kind of progress we can make on the budget. So I will work with the Congress in any way possible. We have to keep the government open, and we have to keep the fundamental functions of the country going forward. But I would hope that we wouldn't give up this early on the prospect of progress.

Q Mr. President, former Senator Dole's press secretary says you're playing maximum politics with the minimum wage, yet you were silent for the first two years of your administration on the increase of the minimum wage and that he has supported an increase in the minimum wage. Are you playing politics with the minimum wage?

THE PRESIDENT: Does that mean that he's changed his position and he now supports this minimum wage increase?

Q He says he supports -- as of May 24, 1996, he was in support of the minimum wage, according to the Congressional Record and the press release that they put out.

THE PRESIDENT: Well, good for him. That's good.

THE VICE PRESIDENT: With or without the poison pill?

THE PRESIDENT: I mean, if he is now in support of this bill, I hope he will say so and urge the leadership in the Senate and the House of his party to send me the bill right away. And I think the American people should say that we're glad he supports the bill. If, in fact, he changed his position in May to support it I think it's good.

Let me say, I never opposed -- the implication that I, like Senator Dole and the Republican leadership, opposed the minimum wage increase in the first two years is simply false. Let's remember, though, we did first things first. The first thing we did was to double the earned income tax credit, so that we could say over a period of years we were going to take all working families who work 40 hours a week who had children in the home out of poverty. That was a very important thing to do on its own merits. And that took a lot of doing. That took -- virtually all of 1993. It was an important part of our economic plan, and it was opposed by all the members of the other party in the Congress. So we focused on the earned income tax credit in the first two years.

The change of parties in the '94 election had nothing whatever to do with raising the minimum wage. When I ran in 1992, I said I thought we ought to take action to keep the minimum wage up with inflation. And it hadn't been raised in five years, it needs to be raised.

Q Mr. President, on this anniversary it seems only fair to ask you when you plan to officially announce what is clearly been your intention all along here, to seek reelection?

THE PRESIDENT: I don't know. (Laughter.) I don't know. We haven't made a decision about an official announcement. I can tell you this, that I'm going to try to keep my team together. I hope that we'll -- I'm hoping for an eighth anniversary -- how's that?

Q Mr. President, what do you say to small business owners who say they'll have to lay off workers if the minimum wage is increased?

THE PRESIDENT: I would say two things. First of all -- first, in 1993, when we made 90 percent of the small businesses in this country eligible for a tax cut by increasing the expensing provisions by 70 percent, and again in this minimum wage bill, there are tax relief provisions for small businesses, a number of them which will actually put more money into the hands of small businesses. So that this -- even the most hard-pressed small businesses should not be adversely affected by this.

Secondly, there have been study after study after study showing -- the vast majority of the studies show that a moderate increase in the minimum wage, especially in a strong economy, does not increase the unemployment rate. We have produced over 10 million new jobs as a country in the last three and a half years. But the people who are still out there working for $4.25 an hour can't live on it. And it is simply a myth to say that most people on the minimum wage are middle-class kids living at home with their parents.

I was in Chicago the other day, and some of you probably were with me at that Taste of Chicago event. And I went to one of the food booths, and there was a woman there who said, "I really appreciate you trying to raise the minimum wage. I'm a single mother with two children working full-time on the minimum wage and going to school at night. And it's just not true that we're all living in comfortable circumstances. Most people are having a tough time like me."

And that's what I think the answer is. This country has been well-served over a long period of time by having a minimum wage that guaranteed a decent level of subsistence. And remember this, these are people that virtually have to spend everything they make. And when they earn more money, they will turn right around and spend it with small businesses all across the country. They'll spend it at those eating establishments. They'll spend it at the dry cleaners and the places that do laundry. They'll spend it on supporting their children. And, therefore, they will be lifting the American economy up and they'll be helping a lot of small businesses, too.

THE VICE PRESIDENT: Could I say something? Could I add a word since in view of the occasion I feel it's okay to interject one word here. I remember when we started this fight. I believe it was the Jim Lehrer Show went and asked the question you just asked --

THE PRESIDENT: I remember that.

THE VICE PRESIDENT: -- to employees who are making the minimum wage. And, you know, they're the ones who really ought to give the answer. And I remember vividly one woman in southern

Virginia who was making the minimum wage, was asked by the reporter, what about this argument that if they increase your minimum wage X amount, your employer might reduce the number of jobs in your workplace. She thought just for a minute and looked at him straight in the eye and she said, I'll take my chances.

And that's the way people who were making the minimum wage feel about this question. And the studies indicate that they're right, especially in today's economy.

Q Mr. President, do you plan to implement -- Helms-Burton legislation that allow lawsuits to --

THE PRESIDENT: Would you say that again, please.

Q Do you plan to implement -- of the Helms-Burton legislation which is due on July 16th to allow those lawsuits to move forward?

THE PRESIDENT: I'm sorry, I have not made a determination on that. That has not come to me for a determination yet, so I can't comment.

Let me -- before I leave, I also want to say a special word of thanks to my longtime friend, Secretary Reich, who has carried on this fight for the minimum wage and for a minimum wage that would not be crippled by exempting millions and millions of workers from its impact. And so this was an especially sweet day for him as well, and I thank him for his efforts. And I thank you again, all of you, for being here. This is a great day for our working families.

Thank you.

Q Mr. President, what's your response to Dole's statement on assault weapons?

THE PRESIDENT: Let me say, I'm not entirely sure what he meant when he said what he said. My position is clear. I fought for and passed the Brady Bill, the assault weapons ban, the 100,000 police. If he now believes that we were right on that, then I applaud that. But it's not clear to me that that's what he said. So I can't comment on what he said because I'm not sure what he said.

Thanks.

THE PRESS: Thank you.

END 5:21 P.M. EDT

file Minimum Wage

U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR
409 THIRD STREET, S.W.
WASHINGTON, D.C. 20416

# FAX MESSAGE

DATE: 8/16 — 2 PAGES + COVER

TO: Chris Carter — FAX#: (202) 456-6218

WHITE HOUSE — PHONE#: (202) 456-____

FROM: Jon Kaplan — FAX#: (202) 205-6802

PHONE#: (202) 205-6605

SUBJECT: Shawn Morell

MESSAGE:

Background info on Shawn for speechwriters. He intro'd POTUS 4/11 in Rose Garden.

J

**Shawn Marcell, President and CEO**
**Prima Facie, Inc.**
**Conshohocken, PA** 610-397-1703

**Employees:** **Joe Herbst, Vice President and CFO**
**Jody Schott, Administrative Director**
**Kenneth W. Tait, Vice President for R&D**

Prima Facie was established only two years ago, and today has 17 employees. It develops, manufactures and sells the "Road Recorder," a digital video monitoring device. The company has marketed it largely to the mass transit industry. These video devices reduce mass transit costs, vandalism, crime, and fraudulent insurance claims -- and might soon be exported as products to fight terrorism in Europe and the Middle East.

Prima Facie currently offers health care benefits and is seriously reviewing 401(k) options to put in place. In the recent past they have found the paperwork and administrative cost of starting a 401(k) plan daunting. Mr. Marcell believes that when the Act passes, he will be able to provide a pension plan to his employees.

Prima Facie, Inc. has received SBA assistance through the Small Business Investment Company program.

Shawn Marcell intro'd POTUS at Rose Garden Pension event in April. His intro is attached. Shawn will attend the signing August 20 and is available for anything we need.

**Comments Of Shawn M. Marcell, The White House, April 11, 1996**

Thank you Mr. Secretary. And thank you Mr. President, for the chance to be here on this important occasion.

Our company, Prima Facie, Inc. is an expanding high tech company producing a product which serves the public: an all digital video/data recorder which is used on transit buses, subways and commuter rail cars to fight crime, vandalism and fraudulent claims. We expect to export our products very soon as part of the effort to fight terrorism on buses and subways in Europe and the Middle East.

Like so many young companies at our stage of growth, we need to be competitive with larger companies to attract top flight talent and we need to demonstrate long term commitment to our employees, many of whom are here today -- who I'd like to stand. Here today is…[names]

When we first looked into long term defined benefits we were confused and daunted by the paperwork and administrative requirements. It was overwhelming and costly.

After reviewing your proposal, Mr. President, it is clear that entrepreneurial companies like Prima Facie *can* have a meaningfully cost effective pension plan. The $5000 pretax contribution and company match is an appealing benefit to all levels of employees. The portability is right for the times. And the single form helps assure a minimum of paperwork. for small companies like ours

Mr. President, if Congress passes ~~this~~ your legislation, my employees, the ones here today, and ~~those not present~~, will have a pension plan. On behalf of all of us, thank you.

millions like them

U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR
409 THIRD STREET, S.W.
WASHINGTON, D.C. 20416

**FAX MESSAGE**

**DATE:** 8/19 1 **PAGES + COVER**

**TO:** Cheri Carter **FAX#:** (202) 456-6218

**WHITE HOUSE** **PHONE#:** (202) 456-

**FROM:** Jon Kaplan **FAX#:** (202) 205-6802

Ass't to the Administrator **PHONE#:** (202) 205-6605

**SUBJECT:** Shawn Marcell Intro

**MESSAGE:**

C -
please pass along to Elle Attie in speech-writing and others, including Rahm. Shawn intro'd POTUS in April to rave reviews. As you can see, his remarks tomorrow (if WH wants him to give any) are ON MESSAGE. Thanks - Jon

**Statement of Shawn Marcell, CEO**
**Prima Facie, Inc.**
**White House Signing Ceremony**
**August 20, 1996**

Mr. President, four months ago, I stood here with you on this lawn and gave you my commitment that if Congress passed and you signed this legislation, our company and my employees would have a pension plan. And now with your signing this bill, I plan to honor that commitment by making a pension plan available to all of our present and future employees.

Since I last saw you four months ago Mr. President, I thought you would be pleased to know that we've created four new high-tech jobs at Prima Facie to bring our total to 17 -- adding four more jobs to the 10 million plus new jobs created under your Administration.

This legislation is emblematic of the kind of entrepreneurism that is characteristic of America -- something that sets us apart as Americans. I am proud of our free market tradition, and I am also proud of the role that government can play in helping the market, by having a minimum wage and by creating incentives for worker pensions, just as you are doing here today.

Your signing this bill is proof that government can do things right and can do the right thing. With your continuing support of entrepreneurism, Mr. President, the public and private sectors can work together to create the kinds of benefits, like pension plans and educational assistance, that today's workers need to build a future for their families.

file

**Minimum Wage Bill Signing**
**Group Representation**

ACORN
AFL-CIO
AFL-CIO Employee Benefits Department
Air Line Pilots Association International
Aluminum Association
American Academy of Adoption Attorneys
American Academy of Opthamology
American Association of Classified School Employees
American Bankers Association
America International Union
American Council of Life Insurance
American Dental Association
American Federation of Government Employees
American Federation of State, County & Municipal Employees
AFSCME Retirees
American Federation of School Administrators
American Federation of Teachers
American Federation of Teachers Retirees
Americans for Democratic Action
American Health Care Association
American International Automobile Dealers Association
American Trucking Association
Anheuser-Busch Companies, Inc.
Arkansas Automobile Dealers Association
Association of Flight Attendants
Association of International Automobile Manufacturers Association
Association of Private Pension and Welfare Plans
Auto Dealers & Drivers for Free Trade
Brotherhood of Maintenance of Way Employees
Building and Construction Trades Department
Burrito Brothers
California Public Employees Retirement System
Catholic Network of Volunteer Services
Child Welfare League of America
Coalition on Human Needs
Communications Workers of America
Computer & Communications Industry Association
Economic Policy Institute
ERISA Industry Committee
Fair Employment Council of Greater Washington
Federation of Business and Professional Women
Financial Executives Institute
Glass, Molder, Pottery, Plastics and Allied Workers International Union

Graphic Communications International Union
Independent Drivers Association
Independent Insurance Agents of America
Institute of Business Designers
Institutional & Municipal Parking Congress
International Association of Bridge, Structural and Ornamental Iron Workers
International Association of Chiefs of Police
International Association of Firefighters
International Brotherhood of Electrical Workers
International Brotherhood of Painters and Allied Trades of the United States and Canada
International Brotherhood of Teamsters, Local 237
International Leather Goods, Plastics, Novelty and Service Worker's Union
International Union of Electrical Workers
International Union of Police Associations
International Union of Teamsters
Investment Company Institute
Laborers' International Union of North America
Maryland Teachers & State Employee Retiree Plan
Motion Picture Association of America
NAACP
National Adoption Center
National Association for the Self-Employed
National Association of Chain Drug Stores
National Association of Child Care Resource and Referral Agencies
National Association of Counties
National Association of Government Deferred Comp. Ad.
National Association of Home Builders
National Association of Letter Carriers
National Association of Minority Contractors
National Association of Part Time and Temporary Employees
National Association of Police Organizations
National Association of Realtors
National Association of Retail Druggists
National Automobile Dealers Association
National Breast Cancer Coalition
National Center for Early Childhood Workforce
National Committee on Pay Equity
National Community Action Foundation
National Congress of Black Churches
National Council of Senior Citizens
National Council on Adoption
National Council on Teacher Retirement
National Council on Public Employee Retirement Systems
National Federation of Business and Professional Women/USA
National Realty Committee
National Rural Electric Cooperative Association

National Small Business United
National Urban League
North American Council on Adoptable
Office and Professional Employees International Union
Oil, Chemical and Atomic Workers International Union
Older Women's League
Oregon Nurses Association
Patricof & Co., Inc.
Pension Welfare and Benefits Administration
Profit Sharing Council of America
Retail, Wholesale and Department Store Union
Screen Actors Guild
Seafarers International Union of North America
SEIU Retirees
Service Employees International Union
Sheet Metal Workers International Association
Small Business Association
Small Business Campaign
Small Business Center, Chamber of Commerce
Small Business Council of America, Inc.
Small Business Legislative Council
Texas Municipal Retirement System
The Adoption Exchange
The Dave Thomas Foundation for Adoption
Transport Workers Union of America
Transportation/Communications International Union
Union of Needletrades, Industrial and Textile Employees
UNITE
United Automobile, Aerospace and Agricultural Implement Workers of
United Brotherhood of Carpenters and Joiners of America
United Food and Commercial Workers
United Steel Workers of America
U.S. Catholic Conference
Women's Legal Defense Fund
Worker Options Resource Council

September 3, 1996

Mr. Eric L. Sklar
Chief Executive Officer
Burrito Brothers
3273 M Street, N.W.
Washington, D.C. 20007

Dear Eric:

Thanks so much for your kind note and your support. I am sorry that you were unable to attend the signing ceremony for H.R. 3448, which enacted the minimum wage increase, but I am grateful for your commitment to this important issue. As we continue to expand opportunities for our nation's workers, I appreciate your continuing involvement.

Sincerely,

BILL CLINTON

BC/TS/RSM/lynn (Corres. #3111056)
(8.sklar.e)

cc: w/copy of incoming to Cheri Carter,
OPL, 122 OEOB

# BURRITO BROTHERS

Burrito
Brothers
Inc.
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M Street NW
Washington DC
20007
202•965•3964
Fax
202•965•2793

President William Clinton
The White House
Washington, D.C.

8/15/96

Dear President Clinton,

Thank you for the kind invitation to the minimum-wage signing ceremony next week. Unfortunately, I will be out of town and will not be able to attend.

I do want to express my thanks for your tireless effort on behalf of my employees, and the millions of other minimum-wage workers across the nation. Without your leadership these workers would continue to work at sub-living wages.

I am proud to have been able to help you in this effort. You can count on my continued support, and assistance in your efforts to move forward a progressive agenda in your second term.

Finally, my father (Richard Sklar) sends his best from Bosnia. He tells me things are progressing well.

Sincerely,

Eric L. Sklar
CEO - Burrito Brothers, Inc.