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Folder Title:
[Minimum Wage Radio Address]

Stack:	Row:	Section:	Shelf:	Position:
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OPPONENTS' CLAIMS ABOUT THE 1996 MINIMUM WAGE INCREASE

Rep. Dick Arme y (R-TX):

- “**Dick Arme y** said he would fight this with every fiber of his body, and **John Boehner** said that he would rather commit suicide than vote for an increase in the minimum wage.” [NBC, 8/20/96]
- “‘This will have perverse employment effects on the least advantaged in our society,’ said House Republican leader **Dick Arme y**.’ ‘This is feigned compassion by bleeding our hearts with other people’s money,’ Arme y continued. ‘This is another chance for Washington to feel good about itself, while others bear the cost.’ [UPI, 5/23/96]
- **Arme y** “insisted that boosting the minimum wage is ‘*bad policy*’ and would lead to the loss of hundreds of thousands of low-wage jobs, particularly for young workers entering the work force and for minorities in inner cities.” [The News and Observer (Raleigh, NC), 5/24/96]
- “Congressman **Dick Arme y** strongly stated that he also is against the raise because it will mean job losses for the most desperate people.” [The Ethnic NewsWatch (Washington Afro-American), 6/1/96]
- “Paul Morrell, **Arme y**’s Washington, DC spokesman, says his boss firmly believes any minimum wage is a ‘hurtful policy,’ and ‘leads to layoffs of the most vulnerable citizens. Morrell amplifies the point about the minimum wage in the best Arme y tradition- with an oft-repeated, hyperbolic tale that has no doubt by now become business management folklore. ‘There was a restaurant chain in the ’70s that was doing very well,’ Morrell says. ‘When Congress voted one of its increases in the minimum wage, the chain, in order to maintain its abilities to serve to the public, resorted to laying off two employees per shift all across the country. They had to make up for the loss by creating salad bars.’” [Dallas Observer, 8/1/96]

Rep. Tom DeLay (R-TX):

- “In a House speech, [**Rep. Tom**] **DeLay**, a former owner of a pest control service, said the minimum wage is ‘*an intrusive government mandate*’ that hurts businesses”
- “‘*The Democratic Party is to job creation what Dr. Kevorkian is to health care: a job-killer cloaked in kindness,*’ said House Majority Whip **Tom DeLay**.” [The Kansas City Star, 10/3/96]

Rep. Jay Dickey (R-AR):

- **Dickey**, opposed the increase ‘*not because I don’t want to help working Americans but because I do want to help them. We know that raising the minimum wage will kill jobs and take opportunities away from those we claim we want to help the most...*’” [Port St. Lucie News (Stuart, FL), 5/26/96]

Sen. Phil Gramm (R-TX):

- "Sen. Phil Gramm (R-TX) and other conservatives have vowed to fight a minimum wage increase because they contend it would destroy millions of low-paying, entry-level jobs and benefit mostly teenagers who live at home and don't really need the money. Gramm points out that more than 60 percent of minimum wage employees are part-timers. 'You raise the minimum wage and you kill the jobs that allow students to work their way through school,' he said. [*The News and Observer (Raleigh, NC)*, 4/21/96]

Rep. Nick Smith (R-MI)

- "'Government can't set prices. That's not the way our system works,' said Rep. Nick Smith, (R-MI). 'Competition is just as important in the labor force as it is in the total economy.'" [*Associated Press*, 8/2/96]

Rep. Bill Archer (R-TX):

- **Bill Archer** said, "The increase in the minimum wage will be inflationary, it will cost jobs. Young workers at entry level will be denied the opportunity to have entry-level jobs, and I personally think it's counterproductive." [*CNN*, 5/15/96]
- "'As Congress considers minimum wage legislation that will lead directly to the loss of entry level, low-wage jobs, it's vital we take action to minimize those job losses,' said Ways and Means Committee Chairman **Bill Archer**." [*Associated Press*, 5/14/96]

Rep. Porter Goss (R-FL):

- "Those seeking a minimum-wage increase fail to see the unintended consequences,' said **Rep. Porter Goss, (R-FL)**. 'It would not create a living wage.' (*The Dallas Morning News*, 5/23/96)

**PRESIDENT CLINTON'S RADIO ADDRESS TO THE NATION:
WORKING WITH CONGRESS TO RAISE THE MINIMUM WAGE**
EMBARGOED for release UNTIL 10:06 AM EDT, Saturday, September 2, 2000

Today, in his weekly radio address, President Clinton called on Congress to make passing its first order of business passing a clean straightforward increase in the the minimum wage. The President first called for a \$1 increase in the minimum wage in his State of the Union Address in January 1999. For more than a year and a half, Republican Congressional leaders have stalled the measure and put up obstacles such as spreading the increase over three years instead of two, linking the measure to rolling back important overtime and pension protections and passing a huge tax cut for businesses. Before Congress left for its summer recess, the President once again called on Congress to set aside its legislative games and work together to help working families make ends meet. Progress over the past week suggests that a bipartisan bill that benefits 10 million American workers is possible.

Minimum wage increase would provide real benefits for working women and families: At a time when we are experiencing the longest economic expansion in history, the proposed \$1 increase before Congress would merely return the real value of the minimum wage to the level it was in 1982. This small raise would provide real benefits for more than 10 million workers, including millions of women and hard-pressed families:

- Approximately 33 percent of minimum wage workers rely on their income to support children under 18;
- More than 60 percent of minimum wage workers are women; and
- 16 percent of minimum wage workers are African American and 20 percent are Hispanic.

A minimum wage increase helps hard-pressed working families make ends meet. Raising the minimum wage from \$5.15 to \$6.15 would raise the annual earnings of a full-time worker by about \$2,000 a year. This increase would translate into enough money to pay for nearly 7 months of groceries or 5 months of rent.

Raising the minimum wage rewards work and does not cost jobs or harm the economy:

Experience has demonstrated that increasing the minimum wage rewards work and allows millions of additional workers to share in the economic expansion without harming the economy or job creation. Since the last minimum wage increase was signed into law in 1996, the economy has created more than 11 million jobs, and the unemployment rate has fallen from 5.2 percent in September 1996 to 4.0 percent in July 2000. Labor market trends for workers most affected by the minimum wage increase -- including younger workers with lower educational levels and minorities -- also show no negative impact of the minimum wage on employment. In fact, recent research has even suggested that higher wages can increase employment, because they increase employers' ability to attract, retain, and motivate workers.

Congress needs to drop 'poison pills' in minimum wage legislation: While recent developments suggest that progress is possible on the minimum wage, the President cautioned that many issues remain to be worked out. For example, Congress should not use the cover of giving raises to some workers to take away overtime pay from others. In addition, even though workers have already waited nearly two years for an increase, the Senate has so far insisted on

spreading the minimum wage increase out over an additional year and Majority Leader Lott has yet to formally agree to Speaker Hastert's offer.

Bipartisan cooperation can produce an increase this year: It has been more than 19 months since President Clinton proposed increasing the minimum wage by \$1 over two years. Republican congressional leaders first blocked the measure, then as bipartisan pressure began building, were forced to allow votes. Even though the proposal had broad bipartisan support in both Houses, Republican leaders continued to erect obstacles to its passage such as spreading the increase over three years, linking it to proposals that roll back overtime and pension protections and insisting on a huge tax cut. Meanwhile, delay has cost a full-time worker \$900 in lost wages and the buying power of the minimum wage has continued to slip. This week, Speaker Dennis Hastert indicated that Republicans may be willing to drop some of its obstacles. The President expressed optimism that the Administration could work with Republican leaders to complete a minimum wage increase soon after Congress reconvenes.

The minimum wage increase is a first step in completing work on America's priorities: The President emphasized that providing relief to millions of American workers by increasing the minimum wage does not relieve Congress from completing work on a fiscally responsible budget that invests in America's priorities or other bipartisan priorities that have been languishing in Congress for too long: These include:

- ✓ A meaningful Patients Bill of Rights that puts the interests of patients before insurance company profits;
- ✓ A Medicare prescription drug plan available to all seniors;
- ✓ Common sense gun safety legislation to keep guns out of the wrong hands;
- ✓ Laws to prevent hate crimes based on a victim's sexual orientation, gender, or disability; and
- ✓ Permanent normal trade relations to open China's markets to American goods and its society to powerful forces of democratization.

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Today, in his weekly radio address, President Clinton will call on Congress to make passing a clean, straightforward increase in the minimum wage it's first order of business when it reconvenes on Tuesday. The President first called for a \$1 increase in the minimum wage in his State of the Union Address in January 1999. For more than a year and a half, Republican Congressional leaders have stalled the measure and put up obstacles such as spreading the increase over three years instead of two, linking the measure to rolling back important overtime and pension protections and passing a huge tax cut for businesses. Before Congress left for its summer recess, the President once again called on Congress to set aside its legislative games and work together to help working families. The President therefore welcomed Speaker Hastert's offer this week to drop some of these obstacles and pass a clean increase that will benefit more than 10 million workers.

President Clinton applauds Speaker Hastert's offer to work together: It has been more than 19 months since President Clinton proposed increasing the minimum wage by \$1 over two years. Republican congressional leaders first blocked the measure, then as bipartisan pressure began building, were forced to allow votes. Even though the proposal demonstrated its broad bipartisan support in both Houses, Republican leaders continued to erect obstacles to its passage such as spreading the increase over three years, linking it to proposals that roll back overtime, and pension protections and insisting on a huge tax cut. Meanwhile, delay has cost a full-time worker \$900 in lost wages and the buying power of the minimum wage has continued to slip. Fortunately, Speaker Dennis Hastert indicated this week that Congress may be willing to drop some of its obstacles. The President expressed optimism that the Administration could work with Republican leaders to complete a minimum wage increase soon after Congress reconvenes.

Minimum wage increase would provide real benefits for working women and families: At a time when we are experiencing the longest economic expansion in history, the \$1 increase before Congress would merely return the real value of the minimum wage to the level it was in 1982. This small raise would provide real benefits for more than 10 million workers, including millions of women and hard-pressed families:

- Approximately 33 percent of minimum wage workers rely on their income to support children under 18;
- More than 60 percent of minimum wage workers are women; and
- 16 percent of minimum wage workers are African American and 20 percent are Hispanic.

The benefit that a minimum wage increase provides hard-pressed working families makes a real difference. Raising the minimum wage from \$5.15 to \$6.15 would raise the annual earnings of a full-time worker by about \$2,000 a year. This increase would translate into enough money to pay for nearly 7 months of groceries or 5 months of rent.

Raising the minimum wage rewards work and does not cost jobs or harm the economy: Experience has demonstrated that increasing the minimum wage rewards work and allows millions of additional workers to share in the economic expansion without harming the economy

or job creation. Since the last minimum wage increase was signed into law in 1996, the economy has created more than 11 million jobs, and the unemployment rate has fallen from 5.2 percent in September 1996 to 4.0 percent in July 2000. Labor market trends for workers most affected by the minimum wage increase -- including younger workers with lower educational levels and minorities -- also show no negative impact of the minimum wage on employment. In fact, recent research has even suggested that higher wages can increase employment, because they increase employers' ability to attract, retain, and motivate workers.

Congress needs to drop 'poison pills' in minimum wage legislation: While recent developments suggest that progress is possible on the minimum wage, the President cautioned that many issues remain to be worked out. For example, Congress should not use the cover of giving raises to some workers to take away overtime pay from others. In addition, even though workers have already waited nearly two years for an increase, the Senate has so far insisted on spreading the minimum wage increase out over an additional year and Majority Leader Lott has yet to formally agree to Speaker Hastert's offer. Finally, any progress made for workers this year could be rolled back next year by campaign proposals offered by leading Republicans that allow states to unilaterally ignore the minimum wage.

The minimum wage increase is a first step in completing work on America's priorities: The President emphasized that providing relief to millions of American workers by increasing the minimum wage does not relieve Congress from completing work on a fiscally responsible budget that invests in America's priorities or other bipartisan priorities that have been languishing in Congress for too long: These include:

- ✓ A meaningful Patients Bill of Rights that puts the interests of patients before insurance company profits;
- ✓ A Medicare prescription drug plan available to all seniors;
- ✓ Common sense gun safety legislation to keep guns out of the wrong hands;
- ✓ Laws to prevent hate crimes based on a victim's sexual orientation, gender, or disability; and
- ✓ Permanent normal trade relations to open China's markets to American goods and its society to powerful forces of democratization.



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FROM THE OFFICE OF
Representative Thomas G. Tancredo
Colorado, 6th District
[Communication Center](#) | [Home Page](#)

NEWS RELEASE | Contact: [Greg Meyer](#) (202) 225-7882

**TANCREDO VOTES FOR SMALL
BUSINESS TAX RELIEF**

"American small businesses are going to lead us into the next millennium."

WASHINGTON, Mar. 9— WASHINGTON, DC - U.S. Representative Tom Tancredo (R-CO) voted in the House of Representatives today for legislation that would provide America's small businesses with much needed tax relief.

"The real backbone of this robust economy has been America's small businesses," Tancredo said. "With over 117,000 small businesses in Colorado, not including the 184,000 self employed individuals, the tax relief package passed today will enable them to compete locally, nationally, and globally."

The tax relief bill, which passed the House by a vote of 257-169, would provide retirement security by increasing limits on employee contributions to 401 (k)s and other retirement plans. The bill also makes it easier for employers to begin retirement plans for their workers while creating more flexibility for employees to roll their retirement savings over to different types of plans when they change jobs.

The bill would also provide Death Tax relief cutting rates from 37-55% to 16-48%, providing \$26.9 billion in savings, and a 100 percent deduction for self-employed individuals health insurance costs. The bill would also increase the business meal deduction to 60 percent, relief that will be welcomed by the small business community.

Congress passed the small business tax relief bill before voting on H.R. 3846, which passed the House by a vote of 282-143, and would raise the minimum wage by \$1 over two years.

"I am opposed to increasing the minimum wage and voted against passage of H.R. 3846, because study after study has indicated that raising the wage rate does not improve living standards or increase wages," Tancredo said. "Congress increased the minimum wage by 22 percent over the past two years to \$5.15. This increase has cost America's young and low-skilled workers 128,000 jobs."

"Losing sight of the fact that small business owners make up the base of our booming economy is an injustice," Tancredo continued. "American small businesses are going to lead us into the next millennium."

###



Representative J.C. Watts, Jr., Chairman
Republican Conference, U.S. House of Representatives
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FROM THE OFFICE OF
Representative Larry Combest
Texas, 19th District
[Communication Center](#) | [Home Page](#)

NEWS RELEASE | Contact: [Becca Underwood Dickerson](#) (202) 225-4005

The Heart of Our West Texas Economy

19TH DISTRICT, Texas, Mar. 12— Most folks in West Texas know that small businesses are vital to our local and state economy. Not only do they play a critical role by injecting new ideas into the economy, but their diversity and composition provide the work force with many opportunities. Of the 375,357 businesses with employers in the state of Texas last year, 98.7 percent of these businesses were considered small businesses, based on data for businesses with fewer than 500 employees. The most important aspect of any business is the employees; what is good for the employees is good for small businesses. In turn, that is also good for the local economy.

Last week, the U.S. House of Representatives voted for a measure, H.R. 3846, to mandate an increase in the minimum wage by \$1 over two years, which I did not support. Another piece of legislation considered that day, and one which I did support, was the "Small Business Tax Fairness Act," H.R. 3081. This tax relief bill provides \$45.8 billion in tax relief over six years. While I think that it was wise to render tax relief to provide economic opportunities for small businesses, I do not believe, as some do, that it will ease the detrimental effects an increase in the standard minimum wage would have on workers and businesses.

I support common-sense measures that increase take-home pay for workers, but I do not believe that increasing the minimum wage is the best way to do so. I want to put more money in workers' pockets, but forcing a government mandate for all workers is not the answer. I believe that lowering taxes to raise individual pay should be the goal, but it should not come at the expense of small businesses and their workers. I would hope that employers would pay their workers as much as they can afford to, but it should not be dictated by the federal government. Thus, while I am supportive of the strong measures taken to provide significant tax relief to small businesses, I will not support any measures that hurt hard-working Texans.

The increase, while well-intentioned, has unintended consequences. It actually hurts the workers it seeks to help. Studies have shown that when the minimum wage goes up,

entry-level or low-level workers are the first ones to lose their jobs. For example, after the last minimum wage hike in 1996, the National Restaurant Association reported that the restaurant industry cut 146,000 jobs and postponed hiring an additional 106,000 new employees due to the increase. In addition, almost 12 percent of workers receiving the standard minimum wage are employed by health care providers or schools and universities around the country. This increase will cost America's school districts and hospitals \$1 billion every year. An increase in the minimum wage forces employers to make tough financial choices— either cut operations, cut jobs, or raise prices.

Most Democrats favor increasing the minimum wage without offsetting costs to small businesses that produce jobs. Raising the minimum wage increases the cost of labor, forcing employers to reduce the number of unskilled jobs available, or go out of business. It also makes it more difficult for small companies to hire more workers. According to the Congressional Budget Office estimates, a wage increase of \$1 would result in losses of roughly 100,000 to 500,000 new jobs. For instance, a business employing 10 full-time minimum wage workers which is forced to increase wages a dollar per hour will pay an extra \$20,800 per year in employee wages. This proposed mandate would cost consumers and workers about \$6.5 billion over the next two fiscal years as the highest costs of labor are passed on to consumers.

I believe that wages should be decided on a local level, between the employers and employees. The federal government should not force a "one-size-fits-all" federal mandate. Demographic needs for West Texas are obviously different from those in New York City. Too often, Washington, D.C. bureaucrats think they know best how to run your business. The federal government should not impede small business growth or stifle the ability of these businesses to provide much-needed and important jobs for the local economy.



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Representative J.C. Watts, Jr., Chairman
Republican Conference, U.S. House of Representatives
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Representative Tom Delay (R-TX)

- “I hate it,” House Majority Whip Tom DeLay, R-Texas, of the minimum wage increase. He added, “Obviously, we don’t have the votes to stop minimum wage, so we ought to do something that lessens the burden on people that pay the wages.” [Espo, Associated Press, 2/7/2000]

Representative Dick Armey (R-TX)

- “My line on the minimum wage is: Pain is inevitable and suffering is optional... Minimum wage is relevant to only one small group of workers in America, and that is the least-skilled, least-experienced, least-trained workers.” [Roll Call, 6/19/2000]

Representative Ron Paul (R-TX)

- “If the minimum wage is the means to prosperity, why not go to \$50, \$75, or \$100 per hour?” [Arizona Republic, 6/4/2000]

Representative Jim DeMint (R-SC)

- “What we’re trying to do is not eliminate the training level or entry level jobs. A one-size-fits-all wage for the whole country doesn’t work anymore.” (Rep. DeMint sponsored the Republican bill’s language requesting states be allowed to opt-out of the increase.) [Eilperin, Washington Post, 3/9/2000]

Representative Larry Combest (R-TX)

- I support common-sense measures that increase take-home pay for workers, but I do not believe that increasing the minimum wage is the best way to do so. I want to put more money in workers' pockets, but forcing a government mandate for all workers is not the answer.

Representative Tancredo (R-CO)

- “I am opposed to increasing the minimum wage and voted against passage of H.R. 3846, because study after study has indicated that raising the wage rate does not improve living standards or increase wages.” [Press Release, 3/9/2000]

Senator Don Nickles (R-OK)

- “By raising the minimum wage, politicians would yank the ladder up too high for some people to get on in the first place.” [Potts, Daily Oklahoman, 5/4/2000]

Validators

- The modest proposal people are talking about -- \$1 over two years – is pretty close to what would happen anyway in the marketplace,” said Kevin Murphy, a labor economist at the University of Chicago, who had argued in 1996 that the proposed increase in the minimum wage, to \$5.15 an hour, would cost jobs. [New York Times, 8/29/2000]

Representative Peter King (R-NY)

- “The only reason to oppose an increase in the minimum wage is that it will cost jobs,” King said. “In this economy that’s not a very realistic argument to make.” [Povich, Newsday, 8/30/2000]

LEVEL 1 - 2 OF 24 STORIES

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The Commercial Appeal (Memphis, TN)

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LENGTH: 1211 words

HEADLINE: BUSH ARGUES FOR STATE FLEXIBILITY ON MINIMUM WAGE

BYLINE: James W. Brosnan The Commercial Appeal; Washington Bureau; Staff reporter Bill Dries contributed to this story.

DATELINE: WASHINGTON

BODY:

Southern states, which generally have been hostile to state minimum wage laws, could get a chance to break away from the federal minimum wage law if Texas Gov. George W. Bush is elected president.

While both Bush and Democratic nominee Vice President Gore say they support a \$ 1 increase in the minimum wage, Bush wants to let state legislatures pass a smaller increase or keep their states or some counties at \$ 5.15 an hour.

Bush argues a flexible minimum wage would give state officials a new tool to create jobs in depressed counties and find work for people coming off welfare.

Gore is expected to highlight his differences with Bush on the minimum wage in Labor Day appearances next weekend.

In a preview, Gore told the NAACP annual convention last month that one of the "true tests" of whether someone stands up for the people is "whether you are for an increase in the minimum wage. I am for an increase in the minimum wage for those who most need the help. And I'm not for a state's rights provision to let states overrule an increase in the minimum wage. "

In 10 New England and West Coast states, workers receive a higher minimum wage; under federal law, employers have to use the higher wage rate, whether state or federal. But among Southern states, only Arkansas, Virginia and North Carolina have a state minimum wage equal to the federal law of \$ 5.15 an hour.

Many states have lower minimum wage rates that are applied to a handful of occupations, including workers on small farms, summer camp counselors and other seasonal employees not covered by the federal law. Several states, including Tennessee and Mississippi, have no state minimum.

Tennessee Gov. Don Sundquist and Arkansas Gov. Mike Huckabee, both Republicans, say they like Bush's idea but are reserving judgment on whether they would want to go along with \$ 6.15 an hour or propose a different minimum wage for all or part of their states.

"We would have to consider the impact this would have on Tennessee to decide whether we would participate or opt out," Sundquist said.

"The key thing is that flexibility," said Huckabee.

Mississippi Gov. Ronnie Musgrove, a Democrat, said he opposes the Bush plan because he wants a higher minimum wage to complement his plan to cut payroll taxes by 5 percent for companies that agree to pay 125 percent of the average county wage.

"We want higher paying jobs. We want better jobs," said Musgrove.

Signed into law by President Franklin Roosevelt in 1938, the minimum wage began at 25 cents an hour and covered only manufacturing jobs, about one-fifth of all workers. The last increase, from \$ 4.75 to \$ 5.15 an hour, went into effect Sept. 1, 1997.

The House has passed a bill to raise the federal minimum wage by 50 cents this year and another 50 cents next year. The Senate voted to phase in the \$ 1 increase over three years.

But both bills are tied to deep cuts in business taxes that the Clinton administration opposes, and labor officials are not as optimistic as they were at the start of the year about getting an increase from this Congress.

Only about 3.3 million or 4.6 percent of the nation's 72 million hourly workers are paid at minimum wage or less, but supporters say a \$ 1 increase would have an upward ripple effect, especially in low-wage Southern states.

Economist Jared Bernstein, of the liberal Economic Policy Institute, calculates that a \$ 1 increase in the federal minimum wage would directly raise the paychecks of about 10.2 million workers, about 8.7 percent of the workforce.

In the Mid-South, Bernstein said the increase would affect 227,791 workers in Tennessee, 148,313 in Mississippi, and 150,071 in Arkansas, or respectively, 9.5 percent, 13.7 percent and 14.3 percent of the workforce.

In the Memphis metropolitan area, the increase would likely affect some entry-level cashiers, retail sales personnel, janitors, waiters, cooks, health aides and teacher's aides, according to a March 1999 survey of hourly wages in the area by the federal Bureau of Labor Statistics.

Blue-collar workers average \$ 12.23 an hour, and service occupations average \$ 8.55 an hour, according to the survey.

The booming economy and competition for workers means many jobs have higher wages.

Larry Henson, vice president for research at the Memphis Area Chamber of Commerce, said, "What we're seeing is that if companies come in and starting wages are not market wages, generally they're not going to be able to get anybody."

Henson said he's been in meetings where companies said they planned to pay \$ 6.50 an hour and chamber officials "just tell them flat out, you probably need to go somewhere else."

The area's largest private employer, Federal Express, pays \$ 9.66 an hour to starting package handlers.

"The competition is fierce," said Elizabeth Sellers, chief human resources officer for Campbell Clinic, an orthopedic physicians service with 270 employees. The clinic offers between \$ 7.50 and \$ 8 an hour for receptionists and medical assistants.

Supporters of state flexibility argue a lower minimum wage would be most helpful in areas that aren't experiencing the strong economy, such as rural counties or some urban neighborhoods.

But Ray Bryant, executive director of the Lower Mississippi Delta Development Center, said when the minimum wage comes up in talks about the Delta, it's been about the need for an increase.

"I've never heard any discussion of a lower minimum wage," said Bryant.

On the other hand, Arkansas's Huckabee said that in some places, a business owner is "barely making a profit" and would have to choose between paying higher wages or letting employees go.

Some economists argue that studies have shown recent productivity gains far outweigh wage inflation.

William Fox, director of the University of Tennessee Center for Business and Economic Research, said, "It's possible that raising the minimum wage could result in some job losses. I think the evidence is that it does not have much impact in that range (up to \$ 6.15) at all."

Union leaders are fiercely opposed to Bush's proposal.

"It's a cop-out on his part to not stand up straight for a minimum wage increase. His position is that he's trying to have it both ways," said Jim Neeley, president of the Tennessee Labor Council AFL-CIO.

Neeley predicted the National Federation of Independent Business would quickly try to keep the rate at \$ 5.15 an hour in Tennessee if given the chance.

Although NFIB hasn't taken a formal position on the state flexibility provision, its manager of legislative affairs in Washington, Jim Hirni, said it's easier to lobby at the state level and he likes the idea of states competing for businesses.

State Sen. Steve Cohen (D-Memphis) said business would have an advantage in the state Senate, which "tends toward a Republican or pro-business, boll-weevil-type Democrat who is not concerned with industrialized workers."

State Rep. Paul Phelan (D-Trenton), vice chairman of the House Commerce Committee, said there probably would be a movement in some of the state's depressed agricultural areas to keep the minimum wage down.

To reach reporter James W. Brosnan, call (202) 408-2701 or send E-mail to brosnanJ@shns.com

NOTES:
Campaign 2000

GRAPHIC: map;

SHNS graphic by Jonathan Boho;

Minimum wage rates Map shows states with minimum wage rates higher than the Federal, states with minimum wage rates the same as the Federal, states with no minimum wage rates, and states with minimum wage rates lower than the Federal.;

Source: U.S Department of Labor

LOAD-DATE: August 28, 2000

INCREASING THE MINIMUM WAGE

March 10, 2000

- ***New York Times: House Republicans pass “fatally tainted” bill***
The House has passed a much-needed minimum wage increase of \$1 over two years, but the bill is fatally tainted by \$123 billion in tax cuts that mostly benefit the wealthy. President Clinton has vowed to veto the bill unless Congress strips away the tax cuts. Republican leaders have resisted increasing the minimum wage, which at \$5.15 an hour is well below its buying power in 1980. But now they have modified their game plan, trying instead to hold a wage increase hostage for tax breaks for high-income individuals. [Editorial, New York Times, 3/13/00]
- ***The Atlanta Constitution: Republican tax cut is “massive retaliation” for wage raise***
Republicans in Congress are demanding that President Clinton accept a large tax cut in return for their support of a \$ 1-an-hour increase in the minimum wage. It's political blackmail, and Clinton shouldn't pay it. [Editorial, Atlanta Constitution, 3/13/00]
- ***The News and Observer: Republican tax cuts take “pound of flesh”***
It's simply astounding that Republicans in Congress want to spread a \$ 1 per hour increase in the minimum wage - from \$ 5.15 an hour to \$ 6.15 - over a three-year period, and to tie that to a billion-dollar-plus cut in taxes on inheritance and for businesses. In other words: OK, we'll give some of the hardest-working and most underpaid people in the country a little salary boost, but here is the pound of flesh we want for it. [Editorial, The News and Observer, 3/10/00]
- ***USA Today: Congress' plan is a “mistake”***
Congress wants to couple a \$ 1-an-hour minimum wage increase with billions of dollars of tax relief for the wealthy. That's a mistake, as is spreading the wage raise over three years instead of two. [Editorial, USA Today, 3/10/00]
- ***Washington Post: Republicans advocating “deceptively packaged tax cuts”***
Congressional Republicans are seeking enactment of still another batch of deceptively packaged tax cuts whose long-term cost the government cannot afford. The latest are to be voted on today in the House in connection with a minimum-wage increase. The gloss is that they will compensate small employers for the added cost of the higher wage. The fact is that most of the benefit will go to other than small employers and has nothing to do with the wage. [Editorial, Washington Post, 3/9/00]

Representative Dick Armey (R-TX)

- “My line on the minimum wage is: Pain is inevitable and suffering is optional...Minimum wage is relevant to only one small group of workers in America, and that is the least-skilled, least-experienced, least-trained workers.” [Roll Call, 6/19/2000]

Representative Ron Paul (R-TX)

- “If the minimum wage is the means to prosperity, why not go to \$50, \$75, or \$100 per hour?” [Arizona Republic, 6/4/2000]

Representative Jim DeMint (R-SC)

- “What we're trying to do is not eliminate the training level or entry level jobs. A one-size-fits-all wage for the whole country doesn't work anymore.” (Rep. DeMint sponsored the Republican bill's language requesting states be allowed to opt-out of the increase.) [Eilperin, Washington Post, 3/9/2000]