

News from Senator

BOB DOLE



(R - Kansas) SH 141 Hart Building, Washington, D.C. 20510-1601

FOR IMMEDIATE RELEASE
MAY 17, 1989

CONTACT: WALT RIKER
(202) 224-5358

STATEMENT BY SENATOR DOLE
CONFERENCE AGREEMENT ON MINIMUM WAGE
MAY 17, 1989

INTRODUCTION

MR. PRESIDENT, THERE IS NO MYSTERY IN THE CONFERENCE AGREEMENT. IT RAISES THE MINIMUM WAGE TO \$4.55 AN HOUR OVER THE NEXT TWO-AND-A-HALF YEARS. IT PROVIDES FOR A 2-MONTH TRAINING WAGE -- BUT JUST FOR THOSE PEOPLE ENTERING THE WORKFORCE FOR THE VERY FIRST TIME. AND IT ESTABLISHES A MINIMUM WAGE REVIEW BOARD WHOSE ONLY PURPOSE -- IT SEEMS -- IS TO INSTITUTIONALIZE MINIMUM WAGE INCREASES IN THE FUTURE.

I VOTED AGAINST THIS PROPOSAL LAST MONTH. AND I WILL VOTE AGAINST IT TODAY. IT'S THAT SIMPLE. STAND BY THE PRESIDENT

I WANT TO BE CLEAR ON ONE ADDITIONAL POINT, THOUGH: I SUPPORTED -- AND I CONTINUE TO SUPPORT -- A MINIMUM WAGE INCREASE. I CONTINUE TO STAND BY THE PRESIDENT. AND I COMMEND HIM FOR FULFILLING A CAMPAIGN PROMISE BY GOING FORWARD WITH HIS OWN MINIMUM WAGE PROPOSAL.

THIS PROPOSAL WAS A SERIOUS ONE. IT WAS MEANT TO BE A SERIOUS COMPROMISE. AT THE OUTSET, THE PRESIDENT DECIDED THAT HE WAS NOT GOING TO PLAY GAMES WITH CONGRESS -- THAT HE WAS GOING TO SEND TO CONGRESS -- RIGHT OFF THE BAT -- WHAT HE BELIEVED TO BE A FAIR AND RESPONSIBLE MINIMUM WAGE PROPOSAL.

THIS PROPOSAL REFLECTED THE PRESIDENT'S COMMITMENT TO A SUBSTANTIAL MINIMUM WAGE INCREASE -- A 27 PERCENT INCREASE TO \$4.25 AN HOUR. IT ALSO REFLECTED A SENSE OF RESPONSIBILITY ABOUT THE NEED TO PRESERVE JOBS -- AND JOB OPPORTUNITIES -- FOR THE YOUNG AND THE LEAST-SKILLED. THAT'S THE WHOLE POINT OF THE PRESIDENT'S SIX-MONTH TRAINING WAGE FOR NEW HIRES.

-2-

UNFORTUNATELY, THE CONFERENCE AGREEMENT MISSES THE POINT. IT MISSES THE POINT THAT AN INCREASE IN THE MINIMUM WAGE TO \$4.55 AN HOUR WILL LEAD TO THE LOSS OF MANY JOBS. 600,000 JOBS, BY SOME ACCOUNTS.

THESE ARE NOT MY FIGURES. THEY ARE THE FIGURES OF THE DEPARTMENT OF THE LABOR, THE PRESIDENT'S COUNCIL ON ECONOMIC ADVISORS, AND A WIDE RANGE OF PROFESSIONAL -- AND REPUTABLE -- ECONOMISTS.

THE TRAINING WAGE

THE CONFERENCE AGREEMENT ALSO FAILS TO REALIZE THE IMPORTANCE OF THE PRESIDENT'S SIX-MONTH TRAINING WAGE. ACCORDING TO THE DEPARTMENT OF LABOR, A SIX-MONTH TRAINING WAGE -- NOT A FOUR-MONTH OR A TWO-MONTH, BUT A SIX-MONTH TRAINING WAGE -- WILL SAVE ALMOST 200,000 JOBS THAT OTHERWISE WOULD BE ELIMINATED. ON THE OTHER HAND, THE DEPARTMENT OF LABOR ESTIMATES THAT A TRAINING WAGE OF LESS THAN SIX MONTHS WILL HAVE LITTLE OFFSET EFFECT.

SO -- YOU CAN SEE -- THAT THE TRAINING WAGE CONTAINED IN THE CONFERENCE AGREEMENT WILL NOT DO MUCH TO PRESERVE JOBS OR JOB OPPORTUNITIES. IN FACT, IT WILL IMPOSE ADDITIONAL BURDENS ON EMPLOYERS WITH ITS FORMAL TRAINING REQUIREMENTS.
KANSAS EMPLOYMENT

LAST MONTH, I STOOD ON THIS FLOOR AND OUTLINED SOME OF THE EFFECTS OF THIS LEGISLATION ON EMPLOYMENT IN MY OWN STATE OF KANSAS. I THINK THESE REMARKS ARE WORTH REPEATING HERE.

IF THIS CONFERENCE AGREEMENT EVER BECOMES LAW, THE CHAMBER OF COMMERCE HAS ESTIMATED THAT KANSAS WOULD LOSE MORE THAN 8,000 JOBS BY 1990 AND MORE THAN 20,000 JOBS BY 1995.

I ALSO KNOW WHO IS GOING TO LOSE THESE JOBS: TEENAGERS AND OTHER YOUNG PEOPLE. I HAVE TALKED TO MANY KANSAS EMPLOYERS -- MOSTLY SMALL BUSINESSMEN AND BUSINESSWOMEN -- WHO HAVE TOLD ME THAT A LARGE MINIMUM WAGE INCREASE WITHOUT A REAL TRAINING WAGE WILL FORCE THEIR HAND -- WILL FORCE THEM TO LAY OFF WORKERS TO OFFSET THE INCREASE IN LABOR COSTS.

NOW, KANSAS HAS ONE OF THE BETTER TEENAGE UNEMPLOYMENT RATES IN THE COUNTRY. ACCORDING TO THE MOST RECENT STATISTICS, TEENAGE UNEMPLOYMENT STOOD AT 10.7 PERCENT. THAT'S BELOW THE NATIONAL AVERAGE. BUT A TEENAGE UNEMPLOYMENT RATE OF 10.7 PERCENT IS NOT GOOD ENOUGH. AND IT'S GOING TO GET WORSE -- NOT BETTER -- IF THIS CONFERENCE AGREEMENT EVER BECOMES LAW. MINIMUM WAGE INCREASE WAS IN OUR GRASP

I CAN NOT HELP BUT REMIND MYSELF OF A SIMPLE FACT: A MINIMUM WAGE INCREASE WAS IN OUR GRASP.

-3-

IF MY COLLEAGUES WHO SUPPORT THIS CONFERENCE AGREEMENT REALLY WANTED A MINIMUM WAGE INCREASE, THEY COULD HAVE -- THEY SHOULD HAVE -- SUPPORTED THE PRESIDENT'S PROPOSAL. A MINIMUM WAGE INCREASE TO \$4.25 AN HOUR -- A 27 PERCENT INCREASE FROM \$3.35 AN HOUR -- WOULD BE LAW TODAY. THE INK FROM THE PRESIDENT'S PEN WOULD BE DRYING THIS VERY MINUTE.

INSTEAD, WE WILL BE SENDING A BILL TO THE PRESIDENT'S DESK THAT THE PRESIDENT HIMSELF SAYS HE WILL VETO. WE ALL KNOW THAT. AND I CAN ASSURE YOU THAT THE PRESIDENT IS A MAN OF HIS WORD.

CONCLUSION

I CAN ALSO ASSURE YOU THAT THERE ARE ENOUGH VOTES IN THE SENATE TO SUPPORT A PRESIDENTIAL VETO. SOME OF YOU -- I KNOW -- CAN RECALL ME WAIVING A LETTER ON THIS FLOOR -- A LETTER SIGNED BY 35 SENATORS WHO HAVE PLEDGED TO BACK UP THE PRESIDENT. THIS PLEDGE REMAINS SOLID.

AFTER A VETO, I JUST HOPE THAT WE WILL NOT HAVE TO REPEAT THIS EXERCISE AGAIN AND AGAIN. AND I HOPE THAT THOSE SENATORS WHO SUPPORT THIS CONFERENCE AGREEMENT WILL SOON COME TO SEE THE MERITS OF THE PRESIDENT'S PROPOSAL.

LET'S BE FRANK WITH OURSELVES. WE HAVE NOT ACCOMPLISHED MUCH THIS SESSION. BUT WE COULD ACCOMPLISH SOMETHING -- SOMETHING REALLY WORTHWHILE -- IF WE WOULD JUST PUT ASIDE OUR DIFFERENCES AND WORK WITH THE PRESIDENT ON A RESPONSIBLE MINIMUM WAGE INCREASE.

#