



Americans for Tax Reform

Grover G. Norquist

President

Dear Mr. President:

Not since the federal minimum wage law was first enacted during the Great Depression have events and ideas converged to change dramatically the politics of the issue. Until now, two truths dominated political, if not economic, reality: proponents of minimum wage hikes always come back for more, and opponents are made to look cheap, uncompassionate and worse.

The success of the states in reforming welfare has altered the way the public looks at social policy. Likewise, the slowing of the economy is directing attention toward job promotion initiatives, and causing many to rethink legislative strategy. For those of us concerned about the impact on the states of a hike in the national minimum wage during times of economic uncertainty, there is a better solution than has been available in the past. Quite frankly, the state flexibility approach to the national minimum wage changes the politics of the issue by injecting new truths for the new economy.

Any national minimum wage increase should also include the state flexibility provision that allows states to waive some or all of any increase *so long as* they maintain at least the current federal minimum. The public supports this new way of thinking. In six national polls over the last two years, three out of five Americans believe that state legislatures are better qualified than Congress to set the appropriate minimum wage rate in their states. Regardless of whether they feel the minimum wage should be raised, the public thinks the states are in the best position to make the decision.

Proponents of minimum wage hikes generally deny established economic facts such as job losses and the negative impact on the poor. The current economic slowdown makes those facts inescapable. Members of Congress from some areas of the country are in no position to discount the impact and pain of a mandated minimum wage increase in specific rural communities, inner cities, and other areas with high unemployment and economic stagnation. State flexibility provides these communities with compassionate policy options, and offers the best policy solution - an opportunity for the states to waive or alter increases where necessary.

Opposing State Flexibility is a public declaration that Washington knows best. It is a sign that Members of Congress do not trust or respect state legislators to care about their constituents. We at Americans for Tax Reform recognize that as a former Governor you understand and respect the constitutional decision making responsibilities granted to the states, and the success of state-centered approaches.

For all of the foregoing reasons, we urge you to insist on the inclusion of the state flexibility approach in any minimum wage bill that reaches the your desk.

Grover G. Norquist

President

Americans for Tax Reform