

Minimum wage no test of aid to working class

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Having just posed as tax cutters during one special session, even as they raised taxes by \$5 million more than they cut, Connecticut's state legislators have just posed in another special session as the tribunes of the working class. With the help of a few Republicans, Democratic legislators mustered the two-thirds majorities necessary to override Governor Rell's veto of an increase in Connecticut's minimum wage. On Jan. 1 it will go up 35 cents, from \$7.65 to \$8 per hour.

The governor opposed the bill because it would worsen business conditions during a recession. Legislators supported the bill in the belief that during a recession the working poor need more help than business does.

Despite the old ideological conflict over the minimum wage, the legislation probably won't matter much either way. Only about 4 percent of Connecticut's workforce is paid the minimum wage, and many if not most of those people are students working part-time or temporary workers rather than family breadwinners. (How people come to think that they should take on family responsibilities when they earn only minimum wage is something state government might investigate if it ever noticed Connecticut's social disintegration.)

But as long as it is public policy to have a minimum wage as part of a social insurance system, that system cannot be honest without adjusting the minimum wage for inflation, the depreciation of the currency, of which there has been much lately, even though, to conceal it, the federal government has been falsifying price data. Further, the high costs that have been driving business and people out of Connecticut are mainly the costs of government, particularly the costs of government employees, who are many times more numerous than minimum-wage workers and many times better paid and whose costs are manifested in taxes. By contrast, the costs of minimum-wage workers are manifested only in the prices charged by their employers, prices that are always under the restraint of competition, unlike government's prices.

Indeed, far from proving Connecticut's legislators to be the tribunes of the working class, their overriding the governor's veto of the minimum-wage bill only emphasized their uselessness to the working class. For while the legislature, with the minimum-wage bill, sought to use the money of other people to be marginally more generous to a few people at the bottom of the private economy, with the government's own money this year legislators could not have been stingier toward the working class.

This year, without question or debate, the legislature appropriated hundreds of millions of dollars for raises and benefit increases for state and municipal employees, by far the best-paid workers in Connecticut outside the financial industry in Fairfield County. (Most of what is so piously called "state aid to local education" is just reimbursement for

uncontrollable teacher salary and benefit increases.)

But this year the legislature could find no money to increase reimbursements for nursing homes, most of whose residents are on welfare and most of whose employees thus perform a public welfare function. Most of any increase in nursing home reimbursements would have been used to pay raises to employees. Nor could the legislature find any money to increase state payments to the non-profit social service agencies that also perform public welfare functions, caring for the mentally ill, mentally retarded, drug addicts, disturbed children, and such. Most of any increase for the social-service agencies would have been used for raises as well.

It is agreed that nursing homes and social-service agencies have been chronically underfunded by state government and that their workers are paid only half of what the state would pay to have the same work done by its own employees. And far more than minimum-wage workers, nursing home and social-service agency workers are family breadwinners. They save state government hundreds of millions of dollars every year. But this year they got nothing.

That is, this year state legislators had a chance to support the real working class with government's own money, but they didn't. As usual legislators took care of only government's own employees, perhaps because those employees are fully unionized and politically active, while the working class, the employees of the nursing homes and social-service agencies, is far less unionized and struggling just for subsistence, with little time for politics.

When the legislature exacts a little restraint from the government class, there will be hope for the working class. Until then the working class can expect only the usual empty posturing.