

I think there are two or three things without developing the point in detail and recognizing that it needs further consideration. I want to make part of this record your question is more specifically in terms of what we can do to attract further participation by industry and to attract it on a basis which will mean that it is directed at the hardest case.

I would have these specific comments to make. I do not think it was done at all sufficiently in the first stages of the Manpower Development and Training Act when we were on an institutional basis.

That we are all quite clear about. I think there has been a very, very substantial gain in the development of on-the-job training program.

I don't mean just a little. You know this year we have moved almost half of our program into that area. That has evoked a much larger participation by employers. The current stage goes beyond that. The current stage is to a considerable extent an experimental stage.

It includes actual experiments with a very substantial degree of subsidization. But on a very restricted basis and not with our fingers crossed but with our guard up about that.

Now, I think it could be done on a very limited basis on just a case by case basis of that kind without danger of the kind that your question also implies.

I am not at all satisfied yet that it can go beyond that on a subsidy basis without running into a risk which was implicit in the discussion this morning although it did not come out clearly.

If there is to be in effect a dilution of the minimum wage law and that is the danger we are talking about here, we had better face up to that possibility very squarely because that will mean that this program will run into a rock or a fort.

It has run into plenty of pebbles, but we have been able to take care of it. If the price of the development of a training program is the dilution of a minimum wage law then we have a major issue on our hands and I hope that is not what is involved.

I had thought in the discussion this morning that the alternative proposal in H.R. 10682 was for a 25 percent, although I respect Mr. Goodell's suggestion that we would not be bound to that figure, I thought it was payment of a 25 percent on a subsidy basis on the theory that that would in some way meet roughly the training expenses that are involved here.

On rereading that proposal I am under the impression, but subject to correction, that it means 25 percent plus the payment of an on-the-job-training. If that is it, Mr. Scheuer, then that proposal simply brings us up to the question of doing the training that is necessary, plus adding a subsidy element, which, to the best of my knowledge and experience, could have no significant effect except to dilute the minimum wage law.

In trying to tie together the answer to your question, we have taken a very large step in the on-the-job training program. We are presently taking a variety of steps which include very active participation with employers in a community saying, "Here is our problem, here are these boys and girls who are not good community risks at this point, they are potential customers, they are potential employees, you have as large a stake in them as anybody else and larger; will you work with us in making jobs available for them."