

mittee has had the opportunity to turn to examine the proprietary vocational schools in the United States, the second-story schools on Main Street, operated for a profit, which include placement of their trainees as well as training as a part of the contract in many cases.

There is little incentive for vocational educators to place the students that they train. Capital investment in vocational and technical education in the public schools is very high. This could be reduced by having training contracted out to business firms which have to purchase the capital equipment in the ordinary course of their business.

There are opportunities for broadening the concept of distributive education, work study programs for young people, which would allow them to train and work part time at the same time, but there are restrictions, institutional restrictions.

If you will read Paul Samuelson's economic textbooks, he points out that one of the functions of the labor union is to restrict the supply of labor, and that is perfectly understandable. But it has unfortunate institutional consequences on the structural unemployment which Dr. Sprinkel spoke about.

I think sooner or later we in the Nation are going to have to face the fact that when unemployment is at 4 percent, as it has been in recent months or less, and if one does examine the composition of this unemployment, he finds a great deal of it in the area of those not yet entered or just entering the labor force, among minority groups, and at the same time that the unemployment of married men, of mature workers, is extremely low.

It is regrettable to me personally, and I think to the authors of our task force reports, that we have been so lax in attacking the problem of the young employed, by virtue of the fact that we have set minimum wages at such a rate that they cannot be employed in the kind of jobs which a generation ago they filled, and not permanently but temporarily while they learned the disciplines of work and the habits that allow them to move on to other jobs.

It is regrettable, I think, that the labor union movement has taken the position not merely of opposing further training on the part of industry, but not indeed financing much training itself of workers and also of restricting apprenticeship programs so that one must often be a family relative of a union member in order to qualify for union apprenticeship arrangements.

Chairman PROXMIRE. Congressman Reuss?

Mr. GOLDFINGER. I would like to comment on that.

Representative REUSS. Mr. Goldfinger wanted to make a brief comment.

Chairman PROXMIRE. Yes, indeed. I am sure you would.

Mr. GOLDFINGER. I want to say that I believe that much of Dr. Madden's comments in response to this question are hokum and simply hokum. The attack on the minimum wage is an attack on low-wage workers. The improvement in the minimum wage law that became effective on February 1, with the extension of coverage and the increase in the minimum, is the most meaningful step in the war on poverty. Furthermore, the fact that workers in hotels, restaurants, motels, hospitals, and so on, have been lagging so far behind the rest of the work force is a drag on consumer buying power. It is a drag on the economy.