

members of his family work long hours that dealers are able to turn a profit. These are small enterprises and one of the serious problems of the industry is because of the seasonality and because many of these retailers are of such limited size and activity that it makes it difficult to move the product.

Mr. DENT. Mr. Pearson, your outfit is well known to this member of the panel over the years. I remember when your MFG was the first glass boat I had ever seen and it was kind of a shaky little thing. How many of your dealers are family-type operations?

Mr. PEARSON. I would say 70 percent.

Mr. DENT. They are family-type operations?

Mr. PEARSON. Yes, sir.

Mr. DENT. What happens in a joint enterprise where the automobile dealer is also a boat dealer? What happens there? The salesman sells automobiles and boats, what happens then?

Mr. PEARSON. There are some of those.

Mr. DENT. That is the only kind operating out our way.

Would the Department have any answer to that? What do you do in the case where it is a joint venture where they sell automobiles and boats?

STATEMENT OF CLARENCE T. LUNDQUIST, WAGE AND HOUR AND PUBLIC CONTRACTS DIVISION, DEPARTMENT OF LABOR

Mr. LUNDQUIST. We would examine the facts in the situation with respect to whether or not the individual is, in fact, an outside salesman. You can be an outside salesman selling boats. You can be an outside salesman selling automobiles.

As you know, an outside salesman is exempt from the minimum wage and overtime provisions under section 13(a)(1).

Mr. DENT. You can be?

Mr. LUNDQUIST. Yes.

Mr. DENT. In other words, there would be no conflict in your exemption if a man were selling boats and automobiles and came under the description of "outside salesman"?

Mr. LUNDQUIST. That is correct.

Mr. LIFTON. Many marine dealers sell boat trailers. Of course, trailers are already mentioned in the act but this is an integral part of the industries.

Mrs. MINK. What is the criteria for determining an outside salesman?

Mr. LUNDQUIST. Those are in the statute. In 13(a)(1) and in part 541 of the regulations. Basically there are two: he must be a salesman and he must be working outside.

There are regulations establishing standards which we believe are reasonable and have stood the test of time.

Mr. DANIELS. In view of the fact aircraft industry salesmen are exempt under provision (b) and the mechanics, therefore, why can't the salesmen of the boat industry likewise be exempt? It is a small group.

Mr. LUNDQUIST. I think I would have to say the will of Congress would determine that.

Mr. DENT. I think the committee might very properly sit down with the director, and the administrator for the Fair Labor Standards