

imum wage are necessary and would be productive in reducing the burden of income maintenance programs. We do not accept the notion that the Federal minimum wage will, in the overall, curtail employment opportunities. While admittedly, higher wages have an impact on costs from the employer's standpoint, when he determines the price of goods, minimum wages also have a major impact not only on the income of the workers involved, but on sustaining the health of the economy through boosts in purchasing power and additions to demand.

I think another area which needs attention, which I referred to briefly, is the whole question of racial discrimination. Many people are poor, who want to work but who cannot get jobs because of racial discrimination. As I point out, I believe that the answer to discrimination is not guaranteed income programs. Guaranteed income programs should not be expected to meet income loss due to racial discrimination. The answer to discrimination is a stronger effort to eliminate discrimination in employment. I think that recent cuts in the budget of the Equal Employment Opportunity Commission and the failure of the Congress to give the staff of the Employment Opportunity Commission adequate enforcement powers are unfortunate.

Representative GRIFFITHS. I could not agree with you more.

Mr. LESSER. Thank you.

As I say, at the core of providing jobs for people is the concept of the Government as the employer of last resort, the Government assuring employment opportunities to all workers.

I refer to the report of the National Commission on Technology, Automation, and Economic Progress and their recommendations; the Public Welfare Advisory Commission on which I served made similar recommendations, and almost every commission that has studied the problem has come up with similar recommendations. In this connection, I would like to point out that the recent jobs program, the manpower program currently being sponsored by the Labor Department, is not an alternative to public service employment. Under this program, as you know, industry is being assisted by amounts estimated at about \$3,500 per employee to hire the hard-core unemployed. Of course, it is not a substitute, since it is really not creating jobs in the sense of providing new jobs. Basically, it is a program under which industry is being subsidized in training for jobs which frequently are entry-level jobs, where neither extensive skill nor training are required to perform efficiently. In this connection, I would like to refer to the testimony of Mr. Middlekauf of the Ford Motor Co. before the Senate Labor Subcommittee on Employment, Manpower, and Poverty. He discussed the Ford Motor Co.'s Detroit inner city hiring program where they took some 5,000 hard-core people. In response to a specific question by Senator Javits as to whether financial reimbursement was really required, Mr. Middlekauf pointed out, and I am quoting here from the Daily Labor Report of May 15, which contains excerpts from the testimony: "There is no basis," the Ford representative said, "for finding any extraordinary training costs for the Ford experience in the Detroit inner city program. Federal reimbursement has been nonexistent and unnecessary here, with limited-skill-type training involved in preparing applicants for entry-level production line work in Ford's plants."