

which this can be done, assuming the people involved in this co-operative effort; namely, the business group, agree. We could redirect some of the emphasis in the JOBS programs of the National Alliance of Businessmen toward some of these growing areas and include in this conception of the program various types of industry.

Representative BROCK. The council mentioned in its testimony—I believe I have a direct quote—“Excessive and rapid general increase in minimum wage can hurt lower wage workers by curtailing their employment opportunities.”

I agree with that, but I would like to have your particular comment to apply to minimum wage impact in terms of minorities and youth. We have had a good deal of discussion on readiness here, and the request for significant increases in minimum wage, following the rather large increases over the last 2 years. I ask you to comment first on the impact of the general increase in minimum wage at this time, and secondly, on whether or not we might consider some method—if you do think there is an impact—of protecting them, particularly from the adverse impact if it does occur.

Secretary SHULTZ. The subject of the impact of the minimum wage on employment has been studied a great deal. At the same time it is possible to say that more research is needed.

I guess it is always possible to make statements like that.

I don't feel that I have sufficiently mastered the research content of what is now available. I want to take a strong position on it. It does seem to me that we have had a fairly rapid increase in recent years, and that we ought to take a look this year and study what has happened as a result of this. I think one of the areas that is especially deserving of investigation is the question of the impact of the flat, rapidly rising, minimum wage on youth unemployment.

I am not here to say that I have an answer to that question. But I think it is a question that bears study.

It is true that one of the differences between the European economies, the Japanese economy, and our economy is that in these other countries you do have a concept of entry into the labor market at lower rates of pay for young people as they learn. Our concept is a flat minimum wage for everybody. I think it is a question that we all should be interested in, as to whether or not that difference is in part responsible for the high youth unemployment rates.

Now, I am not taking a position on that. I have heard lots of people's positions on it, but it is not an area that I have studied carefully at yet. But I plan to get into it, and try to work it out, at least in my own mind, and try to answer it.

Representative BROCK. In my own experience, the problems of young people are not that different from the problems of minorities in the sense that, due to some historical factors that we are well aware of, both groups are entering the labor market or attempting to enter the labor market with a reduced level of skill, reduced educational opportunity, which creates a problem.

Now, it doesn't matter whether black Americans 18 to 38 have not had the educational background and experience background and are no different from the 18-year-old white teenagers in the sense that they cannot compete. The fact is that the businessman simply wants to get value received as quickly as possible. I would hope that your