

pretty hard for us to go out and explain the logic of this to people in my State who have very low incomes.

Secretary SHULTZ. I think the question you have to face——

Senator PROXMIRE. How would you explain it? Suppose you were confronted by a group of people working in a low-income industry, and they want to know how you explain that our salaries were increased—I voted against it, but that is not my point—at any rate, our salaries are increased by a big margin, and we are telling them that we can't give them an increase in the minimum wage so that they can live.

Secretary SHULTZ. I think the question is, does an increase in the minimum wage produce an increase in income for the people who are the most disadvantaged insofar as their ability to produce on the job is concerned? If we were to find and could stipulate that the way to get all of the unemployed, poverty-stricken people of this country, a good income was to require employers to pay a \$5 minimum wage, I would be all for it.

But what concerns me is that by raising the minimum wage to a level that is higher than the value that many people can produce on the job, we wind up with those people not having a job at the minimum wage or any other wage. So that really doesn't get them out of the problem.

Senator PROXMIRE. There has always been a question of the minimum wage. When we had sweatshops that were so conspicuous, and the people were paid less than 25 cents an hour, there was always the complaint, they are not worth more than 25 cents an hour. We found that this was not something that prevented the poor people from getting a better income, it was helpful. Wouldn't you conclude that minimum wage in the past has been a useful method of improving the income of low-income people?

Secretary SHULTZ. For some, I agree. And I agree that it can be a useful device in the future. The position I took was that this year, after the fairly substantial increases that we have seen very recently, it seemed to me that a pause was called for, and that we shouldn't push this too hard.

Senator PROXMIRE (presiding). My time is up. I want to come back. Senator Miller?

Senator MILLER. On this point, might it not be that—following the last round of minimum wage increases—a byproduct of unemployment, which, while normally resulting, did not take place because of the war, because of there being many more in the armed services, for example?

Secretary SHULTZ. I think it is quite clear from the employment figures presented that the armed services and the war-related industries were responsible for a great increase in male employment.

Senator MILLER. So that if it hadn't been for the war, this recent round of minimum wage increases might have shown up in the form of unemployment increases?

Secretary SHULTZ. It might have.

Senator MILLER. One other question. Do you have any plans to make any changes, substantial changes, in the CPI?

Secretary SHULTZ. This is a technical question. There is work going on to increase the usefulness of computer science as applied to the processing of the data. And that is underway. I believe that the re-