

mented only in part at that time, I have since had the opportunity to research this matter more fully.

Aerospace is predominant in defense procurement and aerospace wage averages do tend to be somewhere higher than general industry averages. The apparent explanation is not that the aerospace industry has experienced an escalating wage spiral but that the industry has a significantly greater percentage of higher paid professional workers—mainly engineers and scientists. Today only 59 percent of aerospace employees are blue collar in contrast to 73 percent for all other manufacturing industries. In the last several years there has been a shift within the aerospace industry from blue-collar to white-collar jobs. In 1959, for instance, 64 percent of aerospace employees were blue collar.

The average white-collar professional or technician earns \$3,000 more per year than his blue-collar counterpart, so it is clear that this larger white-collar segment accounts for much of the differential in gross wages paid. In 1966, out of about 1 million employees in ordnance and aircraft, 143,000 were scientists and engineers and 54,000 were classified as technicians. In manufacturing as a whole, only about 3.5 percent were scientists and engineers and 2 percent technicians.

The foregoing doesn't fully depict differences between the pattern of job distribution in aerospace and other industries. Even within the aerospace blue-collar ranks, for example, an extensive shift of jobs from unskilled to skilled craft levels has occurred.

As I am sure you know this upward shift in job levels in aerospace has been caused by the rapidly advancing technological state of its products. Industry methods, materials, and designs have become increasingly sophisticated and complex. A heavy component of advanced electronics and instrumentation adds to this picture.

For further comparison purposes we examined wage rates of the machinist job, a representative job found in several industries, and noted the wages for that job in aerospace along with machinist's pay scales in three other major industries—steel, automotive, and shipbuilding. Aerospace machinists earned approximately \$4 per hour as compared with \$3.95 per hour average in the other industries.

Comparisons of this nature are always difficult to make. Variations in pay provisions, use of piece rates, recency of labor bargaining and region are all factors which complicate exact comparisons. However, on a job-for-job basis aerospace does not appear to differ greatly from other major industries.

I hope this information is more fully responsive to your question on this subject.

Sincerely,

GEORGE P. SHULTZ,  
*Secretary of Labor.*

Senator PROXMIRE. It would be interesting to know this, because this is something that is to some extent within Government control. And it seems to me that we have done a poor job of limiting this kind of inflationary factor. It is a great big thing in the economy, \$43 billion a year of Defense procurement.

One final question. And this relates to the very helpful statement that you make with regard to the need for training people in construction. I am delighted to see you emphasize that. Governor Romney, when he was before our Senate Banking Committee, pointed out that this was one of the bottlenecks that we have. I understand that there is a tough union problem here, and an understandable union problem.

What kind of progress do you anticipate you can make in this area?

Secretary SHULTZ. I think that part of the union problem is connected with the fears of job scarcity. So I keep emphasizing in my own mind and my own thinking the strategic importance for practically any questions you discuss of high employment.

Senator PROXMIRE. Especially in the housing industry, where they have this 10-year goal, that ought to help a lot.