Secretary SHULTZ. The efforts to estimate overall demand for labor in this industry, getting that known and understood well, are an important part here. The efforts to work at the seasonality problem seem to be an important aspect of reassurance to the union group. And I think that there have been successes, and I hope these will continue, in the use of various governmental programs, combining contract agreements with training, bringing in of apprentices, and so on.

So I agree that this is an important area, and there are various ways of working at it. It is not the easiest thing in the world to do, I am sure that is true, too.

Senator PROXMIRE (presiding). Senator Miller?

Senator MILLER. On this minimum wage again, at a time when you are concerned about inflation, would not the bumping effect of an increase in the minimum wage have a tendency to accelerate that inflationary problem?

Secretary SHULTZ. You mean, if you increase the minimum is there a pass through on up the line?

Senator MILLER. That is right.

Secretary SHULTZ. Yes, it would tend to have that impact.

Senator MILLER. But the tax-incentive or contract approach would not?

Secretary SHULTZ. I think I may have confused matters by bringing that in. I was trying to come back, I guess, to an analytical point in my discussion with the Chairman about whether or not there is any connection between the wage paid and the demand for labor of various kinds. The use of the contracting approach or tax approach—the distinction between the two is not important for this point—but the fact that contracting approach has worked to bring people who weren't otherwise there onto payrolls suggests that there is this connection.

One of the things that has happened in the contracting approach is filling this gap by the money that flows from the contract. That is what the contract is really all about. And this is one piece of evidence, I submit, on the question we were discussing. I will put it that way.

Senator MILLER. Finally, with this computer technology that is now becoming available to us, would it be feasible to have minimum wages according to regions around the country? What I am getting at is, a minimum wage of $1.50 in New York certainly would be very little. But in the State of Mississippi it would be very great.

I can see where it could cause a loss of industry in the State of Mississippi because of the economics involved. And what we want to do is, we want to keep industry and increase industry in some of these rural areas. And I am just wondering if this would be a feasible way of possibly modifying the aggravation of the migration of people by having a minimum wage on a reasonable basis according to the cost of living in the region.

Secretary SHULTZ. Well, wage differentials do exist between different regions in the country.

Senator MILLER. Not only minimum wage.

Secretary SHULTZ. And they do have the impact of stimulating the flow of economic developments. I suppose the concept of the statutory minimum wage covering all parts of the country at once would be that that is a minimum, and then States where there are very high wages can put up a higher minimum wage if they want. But at the same