

April 11, 1973

how a teenager, 16, 17 years old, is better off unemployed at a buck-60 than he is employed at a buck-20 or a buck-40. The facts of life are that in certain businesses whether it's agriculture or anything else, you have a lot of factors that come in and ultimately you determine that you can hire a person at a buck-40 or a buck-47 with their particular skills and either make a profit or not make a profit. Now when it becomes prohibitive to hire the person because the minimum wage is higher than what you can make a profit, then that person becomes unemployed. And who is the affected, it's the unskilled that the bill works against, the very people it's designed to help. It isn't the wealthy man, it isn't the person with education, it's the teenager, it's the women who have been out of the labor force for a long time, it's the young teenage black, young teenage whites who are unskilled--these are the people the minimum wage works against. Now I'm not talking about just this minimum wage, I'm talking about the whole concept of a minimum wage. Once again go back into history, in 1956 when the big major jump from 75¢ to \$1.00 was made per hour the statistics at that time show that the labor force for young black teenagers and young white teenagers had about 8% unemployed. Immediately upon implementation of the \$1.00 minimum wage at that time, the unemployment rate for young blacks shot up to between 20 and 25% across this nation, for young whites it shot up to about 13 to 15%. On each occasion since then when it started going down--this unemployment rate among young blacks and young white teenagers--every time it started to go down, they would increase the minimum wage and it sky-rocketed again. So what the minimum wages, at least as they have been implemented, what they have become are laws that prevent the hiring of the unskilled. So whether we adopt this amendment or any of the other amendments, I think we should understand what we're dealing with in this whole area of minimum wages. We're not guaranteeing that any number of teenagers or any number of young people are going to be receiving any more money. I think what we are guaranteeing is that a lot more of them are going to be unemployed and this is exactly the opposite of what we want. So before you leap at any amendments or the whole minimum wage concept, realize that you may not be doing what you want. You may be achieving exactly the opposite. I think it was Herbert Friedman, who is one of the--probably most renown economists in this country, he stated and he has been very pro-black, he stated that the minimum wage law was the most anti-Negro law ever passed in this country and I think you should bear that in mind.

SPEAKER: We have one more Senator asking for the floor, or was. Senator Syas. He's gone and passes. Is there any further discussion? Senator Maresh. Senator Murphy.

SENATOR MURPHY: I would digress a bit from the subject to a point of personal privilege. I don't like to take away the whip from a lot of people who like to think I'm a banker but really I don't want the banking industry to take all the blame either, so I would make this point. I am in the plumbing business. I have never worked a day of my life in a bank. They won't let me that close to the money.

(End of Belt #15)