



United States Senate

Repeal Sec. 14(b)
Shorter workweek
Increase overtime
Minimum wage coverage

March 22, 1965

Dear :

Thank you for your letter regarding possible changes in our labor laws. There have been four general areas in which a change has been discussed; they are:

1. Repeal of Section 14(b) of the Taft-Hartley Act,
2. Shorten the work week to possibly 32 hours,
3. Increase in overtime rates from 150 percent to 200 percent, and,
4. Raising and possibly extending the coverage of the minimum wage.

The Administration has indicated specific support for item 1. There has been only general presumption of Administration support for the other three items.

Personally I have felt that Section 14(b) of the Taft-Hartley Act, the so-called Right to Work Amendment, has worked well and has served a useful function. I feel that efforts to repeal it should be opposed and I expect to oppose them.

The effect of the last three items or any one of them must be viewed from an overall standpoint and from the possible adverse effect that they would have on our economy. Certainly we must consider our hardcore unemployed. If one of these unemployed is not worth \$1.25 per hour to an employer today, then would he be more likely to be employed at \$1.50 or \$2.00 per hour? I think not. In fact, we might have more unemployed as employers sought to reduce labor costs through mechanization.

What effect would increased labor costs, a direct result of items 2, 3, and 4, have upon our exports and, for that matter, imports? The resulting higher priced exports would be non-competitive in the world markets and additionally, imports would be more competitive in our domestic markets. We would lose both ways and might well wipe out our favorable balance of trade.

There are many other factors to be considered. The above represent but a few, however, they are sufficient, I believe, to point up the necessity of proceeding cautiously and carefully in this entire area.

With every good wish,

Everett McKinley Dirksen