

the 18 million men that are coming into the job corps?" What is the difference? What has changed the climate?

Mr. SCHULTZE. Nothing has changed the climate. I don't believe I was involved in the hand wringing. So from my point of view the climate has not changed. That is about the only answer I can give you.

Representative MOORHEAD. You consistently believe that this is an economic plus rather than—

Mr. SCHULTZE. Yes, sir. It does not mean that there are not some problems posed by it. But it seems to me that on the side of aggregate demand a large number of people coming into the family formation age bracket tends to be a plus. Now, usually several years before that these same people will have come into the labor force. You can absorb these young people coming in. I think we have shown it by the employment record of the last 6 years. Even if you want to go back before Vietnam, these people generally have been absorbed. The real problem is not large numbers, large numbers of people coming into the labor force are not the problem. The problem is the skills and education of these people, and whether or not there is some proportion of them who are not suited to take the kind of jobs that the economy offers. That is the problem. It is a problem of structure, not the aggregate number. I think we can handle the aggregate number even if they were three times this much. It is a question of education and skills and motivation, and everything else that is behind it, and what proportion of your youngsters coming in that do not have those skills or education or motivation. This, it seems to me, is the problem.

Representative MOORHEAD. Mr. Schultze, will the Ackley committee address itself to what you call the end-use problem?

Mr. SCHULTZE. Yes, sir, it will take a look at the end-use problem. It is impossible at this time to predict what conclusions the committee will reach concerning this problem. But, clearly, one of the major questions facing you is tax cuts versus expenditure increases. And what kind of tax cuts and what kind of expenditure increases. You just don't lay out a single plan and go blindly ahead, because events never quite match up to what you thought they were going to be. What you really need is to break the problem down to logical parts and look at what alternatives and options are open to you and be ready to move on those options as events occur. But you don't necessarily, it seems to me, in this kind of situation come up with a single rigid plan which will fit only one set of circumstances and plunge blindly ahead with that. You examine what your various circumstances might be and what kind of options you have under several kinds of circumstances. Examination of options—this is a major value of this study—instead of coming up with a single blueprint that you then put away and forget about.

Representative MOORHEAD. I am glad to hear you say that there will be options, because it seems to me that the basic decision of whether you place emphasis on the private sector or the public sector, or the mix in between, is one on which no committee of this form could possibly decide.

Mr. SCHULTZE. As a matter of fact, our constitutional and Government structure is obviously set up to insure that this should be a matter