

rather than the 4 percent. For the nonwhite unskilled, the unemployment rate there is 15 to 20 percent, and even this fails to adequately describe the unemployment there. Unless these youngsters are actively seeking employment, under the new definition of unemployment, they will not be counted as unemployed in our own community. There are many on the streets who are not picked up as unemployed, primarily because they are no longer seeking jobs. They have given up the pursuit of seeking legally recognized type of activity. Some of them find employment in pursuits that don't show up in the national income figures.

But under this new definition of unemployment, unless the individual is actively seeking employment, and can specify the types of activities that he is pursuing, in his search of a job, he wouldn't even be picked up in the official figures.

Senator JORDAN. Very few of them voluntarily go back to school. It seems to me like about all there is left for this young fellow is to drift into a life of crime many times to start with, and then from there on.

Mr. GAINSBROUGH. The question basically is how do you motivate that particular individual to accept his responsibility. The community I think is beginning to recognize its responsibility; the private sector is, also. In part, I think this comes back to problems of training within the home, by the church, as well as by the private sector and by the community. We need all of these efforts I believe to transform this human resource into a productive resource under the conditions that you have described.

Senator JORDAN. Thank you, sir.

Representative CURTIS. We will get back to aggregates now.

Mr. GAINSBROUGH. I am delighted that the stress has been upon the productive pursuit in which many of these individuals on public payrolls are engaged, and the constructive activity for which these expenditures are made. But I don't want to leave not fully underscored the fact that this means concentration of power somewhere within the public structure. When we have 18 of every 100 persons on government payroll, there is the growing power within government to determine who shall work and where an individual shall work. When you have over 20 percent of the marketplace determined by government buying, you get some indication of the power that resides somewhere in government as to what shall be bought and where it shall be bought.

Referring to my prepared statement, we look at still another dimension of the government in the economy—and slowly we are working our way toward the area that is of specific interest to this subcommittee—direct competition with business counterparts in the private sector.

All we have done here has been to highlight the extent to which the Government, through the transfer payment mechanism, has become an important source of income for more and more people in our society. Again, there is innate power residing in government as a result of this particular development.

Representative CURTIS. This is essentially social security, isn't it, the bulk of that?