

Chairman PROXMIRE. This is all related to the question raised by your "Projections 1970" which is, I think a wonderful study and did get proper support and praise in the press.

One of the most interesting statements in the study is as follows:

GNP would have to grow by about 4.3 percent a year between 1965 and 1970 to provide jobs for additional workers and to maintain the unemployment rate at 4 percent.

The expectation of the Council is that the growth rate in the coming year would be 4 percent—not 4½ percent or 4.3 percent. This means we are not going to make the kind of progress on unemployment, and it would suggest that perhaps our fiscal policy is too constrained and we could have more expansive fiscal policy—maybe we should not have the tax increase the President is talking about, and at the same time not have stringent monetary policy, lest it be easier than it has been in order to get at this 4.3 percent growth which the Council is not planning.

Secretary WIRTZ. I understand the analysis and you understand my response more in terms of operational possibilities and I do not pretend an independent mastery of the relationship of the fiscal policy to the unemployment figures. I have set myself to this extent—that I think that the rate of growth which the Council projects will probably result in an extension of about the present unemployment situation and that the gain on that has got to come from these other programs—I believe, Mr. Chairman, and members of the committee, that most of those who will be employed as a result of the expansion of the economy are employed and putting it this way, most of those who remain unemployed except for the frictional and seasonal unemployment—most of the others who remain unemployed will not be affected by an expansion of the economy. I know the point that you are making and can only say that I think as far as the effects of the expansion of the economy on unemployment is concerned, it will be maintained on the basis of the growth which the Council anticipates and that the remaining problem, of an affirmative program to reduce unemployment ought to be in this separate area.

Chairman PROXMIRE. My time is up.

Congressman CURTIS?

Representative CURTIS. Thank you, Mr. Chairman.

Secretary WIRTZ. Could I add one other point because it is closely related?

Whatever I may have said just now about 1967 does not apply in the future, and I think that while my statement will stand, the projection for 1967 will cover that situation. I do not suggest that a continuation of a growth rate beyond 1967 would do the job because I don't think it would.

Representative CURTIS. Mr. Secretary, when you talk about productivity rates, you give us 2.8 percent and you project that in 1967 this will go down in the same degree. I note on tables 4 and 5, you apparently gave us fiscal years. Have we got the first half of fiscal 1967 available; namely, the last 6 months of calendar 1966?

Secretary WIRTZ. I wanted to check, Congressman CURTIS—you mean the statement of productivity for 1967?