

unemployment down, and that we can do it without a risk of substantial inflation this year.

Secretary WIRTZ. You would not need to press that, Mr. Chairman. I agree completely with you on it and I want to make quite clear there are a great many unemployed today who ought to be and can be employed and that figure should go down below 4 percent to someplace between $2\frac{1}{2}$ to 3.

Chairman PROXMIRE. That answer seems to me has great implications for our fiscal and monetary policy.

Secretary WIRTZ. Yes, sir.

Chairman PROXMIRE. It would mean if you followed that through that we should have a tax policy of probably no tax increase this year, a policy of more expansionary fiscal policy generally and lower interest rates.

Secretary WIRTZ. No; it is a much more complicated thing than that. I am afraid I overstated it.

First, I cannot be talking in terms of a single year.

Second, I am talking in terms principally of what I think can be done by training and educating, and qualifying the people who are not today trained, educated, and qualified.

Chairman PROXMIRE. You know far better than I know, Mr. Secretary, that most of the training is in private industry. You also know that when private industry trains they have a demand for manpower; when they can sell what they produce and they will go out and make an effort, they will train teenagers, train minority groups, train women, and they will do everything to get people into the work force. They will do everything they can to get people who are out of work at work; is that not correct? Doesn't demand pressure step this up more than anything else?

Secretary WIRTZ. That is true down to a point, and I think we are about at that point. I don't think that we will go any further into the hard core area, absent the pressures that we had in 1940 to 1946, which is the only time they did so.

I think that the next million will not be taken by private employers except as we help out in the training of it.

Chairman PROXMIRE. What is the difference between our situation now and our situation in 1952 and 1953 after the Korean war, especially 1953, after we had eliminated price controls? At that time—I am not talking about teenagers, experienced wage and salaried workers—the unemployment rate was 3.3 and 3.2 and now it is 3.5. For blue collar workers generally, it was then 3.6 and 3.4 and now it is 4.2. It would seem to me that there has not been that much of a change in the last 15 years in the nature of our economy, absent teenage problems which I am trying to separate out.

Secretary WIRTZ. I believe there has been and I appreciate your analogy. The point that you leave out is that the machines have had an extra 15 years of education, and that now the machines are so sophisticated that they can do more cheaply the work which was turned over to individuals at a period of comparable pressure heretofore.