

I think the history of the period since 1960 indicates that the expansion of aggregate demand, accompanied by job training, is the most effective means of providing work for the unemployed.

Representative WIDNALL. Would you look with favor on a tax credit for business investment in additional worker training?

Mr. REUTHER. No. First of all, American industry throughout its history has taken on the task of training people on the job to meet their own job requirements, and they do a very effective job of that.

I believe that industry does not need tax relief to carry on that normal function and responsibility. I would favor the approach that the British have made.

The British have established what they call an Industrial Training Act. Every employer is obligated to make a small tax contribution to the funds that finance that training program, and then there are very high standards of training performance worked out, and if an employer meets those high standards, he gets his taxpayment as a rebate. If an employer is not making a contribution to training or doing a mediocre job, then he doesn't get his rebate. I think that approach would give you the highest possible standards of training. Those standards are not just giving a worker a limited skill doing a specific, limited job for a single employer, but trying to elevate the broader skills and competence of that worker so that he has greater flexibility, greater mobility in the total work force, and so that he is a more useful economic citizen in terms of the overall economic needs of the economy.

This is, I think, a much sounder approach than just giving a tax credit to an employer without standards, without any knowledge of what kind of a job he is doing.

I can tell you from firsthand experience that we have a relationship with employers who are doing really a first-class training job, and we have other employers who couldn't care less about training workers, and I don't want to put them all in the same boat. I think the British approach says to an employer, "If you do a creditable job, if you meet these high standards, you get your tax rebated," and somebody else, who is doing a mediocre job, pays for it.

Representative WIDNALL. Thank you, Mr. Reuther. My time is up.

Chairman PROXMIRE. Congressman Reuss?

Representative REUSS. Thank you, Mr. Chairman.

Mr. Reuther, you recently resigned from the executive board of the AFL-CIO. Do your economic views as presented here this morning differ in any particular from those of the AFL-CIO?

Mr. REUTHER. I am really not in a position to give you a definitive answer. I think in general, certainly with respect to the question of putting emphasis upon the need to continue to move forward in reducing the levels of unemployment and these kinds of broad economic questions, there is no fundamental difference in the American labor movement.

The difference that I have with the AFL-CIO is in a different area. I happen to share the view that the labor movement cannot act as a narrow pressure group, that it has to take on broader social responsibilities in terms of the whole community, and it is in this broad area that I think the American labor movement is failing to meet its responsibilities. But this is neither the time nor the place to discuss that.