

pared statement you urge this committee to recommend that the Government coordinate and utilize all of its plans, functions, and resources to reduce unemployment to no more than 3 percent by the end of this year or by mid-1968 at the least. Obviously you are not satisfied with the Council of Economic Advisers' apparent acceptance of a higher rate.

You also indicated your support and approval of public job training programs, such as vocational education and manpower training and development, which I also support.

Yet in your response to Mr. Widnall, you seem to indicate that you did not favor the concept he mentioned of a tax credit for job training, and instead you referred to your proposal for a fund for assisting displaced workers. I think this is the same proposal you wrote Chairman Mills about last year when a suspension of the tax credit was under discussion.

Possibly we are having some language difficulties, but your proposal as I understand it, is in fact a tax credit for partial costs of job training, is it not? As I understood your letter to Chairman Mills and your response to Mr. Widnall, it would go into a fund, and in the event they met the standards and in the event the job training was performed, they would, in fact, receive this money back. Is this correct?

Mr. REUTHER. That is correct. I think there is a fundamental difference between a general tax credit—a windfall which everyone gets, unrelated to their past performance—and one that says if you do a good job and meet the standards, then you would get the tax rebate. I think that is the fundamental difference.

Representative RUMSFELD. Well, I don't believe that Mr. Widnall's approach or the so-called Human Investment Act, would necessarily not require standards. This is apparently an assumption in your part.

Mr. REUTHER. I am only stating that if you make the proposal of a general tax credit without standards, then I think that you are giving employers help who haven't earned the right to get help, whereas if there were standards, then I wouldn't have any argument.

Representative RUMSFELD. In other words, if there were standards, you would agree with the Human Investment Act tax credit approach to solving some of the job training problems.

Mr. REUTHER. If it had the basic standards that an employer had to perform, and that meant not just training a fellow to do one little limited job to meet his own production requirements, but to try to make a contribution in raising and upgrading the overall skills of that worker so that he would be a more useful economic citizen, then it seems to me that I would not have a great disagreement with that proposal.

Representative RUMSFELD. In your statement a minute ago to Mr. Widnall, as I recall, you said that you didn't feel that business needed the tax credit that he was suggesting.

Mr. REUTHER. I personally think that most of the corporations really don't need that kind of help. But I do believe that the concept that the British Industrial Training Act implements is a sound one, and it does make a contribution towards increasing and improving skills, and I would be in favor of that approach, or any other approach which in effect made a comparable contribution. I am not familiar