

basis or by occupation, by area, or both. Each of these purposes would require a different survey design and sample size.

All of the purposes could be served, and served better, on the basis of the data the Employment Service would be able to generate if employers were induced to list their job vacancies with it.

Question. What is your position on Federal revenue sharing with the states and localities?

Answer. My position on this matter is spelled out in my prepared statement under the heading "Tax Sharing and Social Responsibility."

(The prepared statement of Mr. Reuther, submitted to the Joint Economic Committee in advance of his appearance, follows:)

PREPARED STATEMENT OF WALTER P. REUTHER

The fundamental question to which our nation has not as yet found a satisfactory or acceptable answer is: What is the purpose of a free society and how does it intend to harness the full potential of the Twentieth Century Technological Revolution and commit this potential to the advancement of human and democratic values.

Our nation is more richly blessed than any other nation in the world. We possess tremendous economic resources, a highly developed technology, a skilled and industrious work force. Yet, despite all these advantages, we are still failing to satisfy many urgent and basic human needs. Thirty-two and a half million Americans continue to live in poverty in a land of plenty. Our urban centers are blighted by decay and spreading slums. Our education and medical facilities are inadequate; we are polluting our air and our water; we are strangled in traffic congestion; we are destroying the beauty which was our great national heritage and are creating a living environment unworthy of citizens in a free society.

We have the resources and we have the technical know-how to overcome all these problems. We have lacked the will, however, to match these resources and this know-how to our needs.

We must make up our mind as to what we feel is important within the framework of our value system, declare a list of national priorities, and commit ourselves and our resources to the achievement of those national priorities.

Achieving and maintaining full employment and the maximum utilization of our human resources must continue to be at the top of our list of national priorities. The Employment Act of 1946 committed our nation to the achievement of maximum employment, production, and purchasing power. Twenty years after the enactment of this legislation we are still short of achieving these objectives.

Since 1960 we have made steady and meaningful progress in reducing unemployment, moving from 5.6 percent to 3.9 percent. Presidents Kennedy and Johnson deserve enormous credit for pursuing policies and programs that made this progress possible. Nevertheless, as a nation we cannot escape the fact that the United States still has the highest rate of unemployment of any democratic, industrialized nation in the world.

During the Eisenhower Administration, the obsession with balancing the budget unbalanced both the economy and the budget. In recent years we have also been unduly alarmed by exaggerated fears of the balance of payments deficit and of inflation, and have permitted our concern over these two problems to prevent fulfillment of the mandate of the Employment Act of 1946, to which our nation is and must be committed.

Today I would like to discuss steps which can be taken to further reduce unemployment and ameliorate the hardships and economic losses that flow from it, and to discuss ways and means to contain inflation.

In that connection, I will discuss such subjects as:

- the mandate of the Employment Act;
- the balance of payments;
- the guideposts and the manner in which they have fostered inequities at the expense of workers;
- cost-of-living wage escalator provisions;
- bargaining over income shares, with particular reference to the automobile industry;
- the need for a comprehensive incomes policy applying equitably to all forms of income;