Income maintenance, however important as it is for the large group of individuals who are by reason of age, disability, family situation, unable to participate usefully in the labor force, is not a full answer to the problems of the unemployed poor who are capable of work, willing to work, but unable by current employment criteria to find acceptable jobs. It is here that the appeal of government, the Federal Government essentially, but not necessarily only, as an employer of last resort, is I think very, very strong.

Everybody who has been in a hospital or a park or a school or a museum is aware how chronically short-handed these institutions are, how short of service, how unable to meet the needs of the people who use them. The Automation Commission, what is more, had prepared for it an analysis of the public service jobs that could be filled using current criteria of need, and the total divided among education, national beautification, welfare and home care, medical institutions and health services, and so on, is over 5 million jobs—5,300,000.

We should all gain from the access of human care and attention, the sheer increase in the quantity of social kindness that filling these jobs would entail. The men and women who did the work itself would regain the dignity and the sense of participation which are in our society inseparable from the performance of useful work.

Can we afford the $2 billion necessary for the creation of these half million jobs? No economist could say that we lack the resources. Whether we also possess the wish is not for an economist to say.

What I have concluded, with a generous use of public funds, is with the statement of the cost of desirable shifts which I have noted. Increase of Great Society programs to earlier authorized levels, public service employment, and an initial movement toward income maintenance—$10 billion, which has inevitably the appeal of a good round number, and this is the one which I conclude with, pointing out once more, however, that it is involving a redistribution of only about 1¼ percent of gross national product, or a bit more, and considering also that $10 billion amounts to half the reduction in taxes that has taken place in the last 3 or 4 years.

I suggest that we have become, fortunately, accustomed to using fiscal policy, tax policy, as a means of stabilizing the economy. I think it is probably desirable that we get used to using the tax system also, even raising taxes at the Federal level, in order to accomplish desirable social objectives of which this year the two most desirable are a further reduction of unemployment and some alleviation of the amount of poverty.

That does finish my statement.

(The entire statement submitted by Mr. Lekachman follows:)

PREPARED STATEMENT OF DR. ROBERT LEKACHMAN

Whether or not the official forecast of Gross National Product, employment, price behavior, and balance of payments improvement will turn out to be reasonably accurate is this year particularly difficult to be certain about. The usual tribulations involved in estimating the volatile behavior of the market for capital goods and consumer demand for durable items such as autos and household furnishings are this year aggravated by fluctuations in credit policy, uncertainty about the time that the investment tax credit will be restored, and continuing weakness in a number of important markets, notably automobiles.