Mr. Fitch. Grossly inadequate for the most part.

Mr. Levitan. It is a question, again, of funds. What level of benefits are you going to pay the trainee and, as Mr. Fitch pointed out, for how long a period? For instance, under the new careers program, the goal is to train participants for subprofessional jobs and when the program gets going many participants will be women. But the costs are high since the duration of enrollment is longer than in the usual MDTA courses and some new career projects involve college courses for a period of 2 years. For example, in Minneapolis, if the State Legislature approves, the new careers will have led to a new certified type of job for teacher assistants. It will require an annual investment of $5,000 or more to train a participant in the project. Under MDTA, as you know, the law allows 2 years of training, but very few courses are designed for as long as 1 year and most of the courses are of 26 weeks duration or less.

Again, it is mostly a question of funds. If the Congress would give the employment service more funds for MDTA, I am sure that MDTA would offer more courses of longer duration.

Representative Griffiths. Right after tomorrow, I am sure all of them will be cut.

Yes, Mr. Rees?

Mr. Rees. I wanted to comment on the question of full-employment policy and what it would do for the poor. It seems to me that we cannot go much beyond where we have already gone in getting full employment without the danger of inflation. When unemployment is as low as 3.5 percent, to put it lower by aggregate demand can only be done in connection with very sharp price rises. I think that is why the administration was willing to fight so hard for the surtax and why they were willing to buy this rather bitter package of the combination of the surtax and the expenditure cut. It seems to me it will be extremely unfortunate now if the expenditure cut includes job-training programs, since these are the only policies remaining that will reduce unemployment without inflation.

Representative Griffiths. How can it do anything else? You have already ruled out of it the Defense Department. You have ruled out of it veterans, you have ruled out of it social security. There is only $21 billion that can be cut. If you are going to take out $6 billion, that looks to me like 30 percent of everything that is left.

Mr. Rees. Then the result is going to be substantially higher unemployment rates among the poor than we now have.

Representative Griffiths. This is exactly what the tax conference report says:

> We are going to stabilize this country at the expense of the poor. We cannot afford full employment. Because of inflation, we are going to have to put some of these people out of work.

That is exactly what the report is saying.

Mr. Fitch. Let me add another paradox, which is simply that by cutting training programs and throwing the poor out of work, we are decreasing the potential productivity of the country and adding to inflation.

After all, when you are not training these workers who are in dire need you do not have the construction workers, you do not have the