

close to the area which we have considered, some people have discussed in terms of the Government's being an employer of last resort, and others in terms of a guaranteed income. And I do not mean to reject that kind of thinking. I mean to make it perfectly clear that there is involved in some of the developments of that kind of thinking a short-cut across quicksand that still leaves the desirability of looking at those proposals for the great value which is in them, if we do not make the mistakes to which I have referred.

I say, Mr. Chairman, I will be glad to go into this further if there is interest on the part of the committee.

That concludes my statement, Mr. Chairman.

I know from previous experience you may well want to inquire about the collective bargaining picture, about the wage developments which are in prospect, in our recent past, about wage-price policy. I do not, by omitting them from the statement, mean to minimize their importance. They are very well covered in the various reports.

I will, of course, welcome whatever questions you may have in the broader area.

(The prepared statement of Secretary Wirtz follows:)

PREPARED STATEMENT OF SECRETARY OF LABOR, W. WILLARD
WIRTZ

This testimony proceeds from the Economic Report of the President, from his Message of January 23rd to the Congress, and from the Annual Report of the Council of Economic Advisers; and there is little to add as further basis for the fuller development the Committee's questions will permit.

My particular interest and responsibility center on one stubborn fact—a stubborn fact which these Reports have noted: the substantial unemployment which remains after seven years of unprecedented economic expansion—at such a rate that 7½ million jobs have been added in the past four years.

The President referred to this after noting that unemployment in 1967 was at its lowest level for many years: "Yet there is no room for complacency in these achievements. The unemployment rate for Negroes, Mexican-Americans and other minorities remains distressingly high, and far too many of our teenagers look for work and fail to find it. . . . Increasingly our efforts are concentrated on the disadvantaged who have been unable to share in our prosperity."

We now know, quite clearly, that *whatever* is done to strengthen the over-all economy, consistently with the accepted views about the dangers of "overheating" it, will leave—*unless other and entirely different measures are taken*—these consequences:

An average of about 3 million people unemployed *as of any one time*—resulting in an unemployment rate (as traditionally defined—meaning those who "are looking for work and unable to find it") of between 3.5% and 4.0%.

About 10 million people unemployed *at one time or another during the year*.

A so-far-uncounted number of additional people who ought to be working but who for one reason or another are not "looking for work" and therefore are not included in the traditional "unemployment" statistics.

A heavy concentration of the remaining unemployment among particular groups (especially "minority groups" and youth) and in sharply defined areas (the urban and rural slums, especially the "ghettos").

I report to the Committee, therefore, on the development of the policy and the "manpower" programs which are the essential complement of fiscal and monetary policy—for their purpose is to meet the problems of the unemployment (call it hard-core unemployment, or sub-employment, or structural unemployment) which expansion and growth of the economy will not meet.

These are essentially problems of "unemployment" which are more "personal" than "economic"—although each of these terms is less than precise, and reflects poorly quite a lot of new understanding.

I report significant progress in this area: (a) in the development of new methods of identifying and measuring this type of "unemployment"; and (b) in the development of new operating programs to meet it.