

to increase the number of work opportunities. It was system-centered. The only measurement was in terms of a totally undifferentiated national average. The principal feature of that policy, so far as recognition of the individual was concerned, was paying him insurance benefits for a time when he lost his job—if he had contributed to the system.

The second stage has been to recognize the necessity to assist the disadvantaged individual in qualifying himself for the work opportunities which are available. This has meant significant advances—reflected in the “manpower” program which has been described here. The needs of “the system” continue to be recognized at this stage as dictating what employment is to be.

The significant character of the third stage has already emerged. It involves the quality of “employment,” the circumstances of the employment relationship, the meaning of work to the individual—beyond the fact of its providing a minimal living wage. This new factor takes a variety of forms, affecting much more than the employment of the disadvantaged. It is reflected in the fact of current measurement: that we count as fully employed a person whose capacities are only half-used. It is most sharply apparent today in the increasing realization that equal employment opportunity for the previously and presently disadvantaged groups demands a good deal more than providing their members just *any* kind of work on any kind of terms. The basic human elements in the civil rights revolution would remain untouched by hollow assurances to Negroes of the chance to be “hired hands” or life time holders of public works shovels or guilt-edged Government income guarantees. What is sensible in current proposals for “last resort employment” and “guaranteed income” plans must be carefully separated out from elements which would make these disastrous short-cuts across quicksand. This is a social, not an economic, revolution.

The implications of these broader considerations go beyond the scope of this hearing. But there is reason to remind that any consideration of “economic policy” tends to assume that man lives by bread alone, and that any report on “manpower policy” tends to overlook the implications of the fact that even the phrase itself derives from “horsepower.”

I realize that the Committee's inquiry of me will proceed into other entirely different areas—collective bargaining prospects, wage and price policy, and so forth. It has seemed advisable to confine this statement to a single area. I shall of course welcome your broader questions.

Chairman PROXMIRE. Thank you, Mr. Secretary. I have been listening to statements before Senate committees now for 10 years. This is—I think this ranks as one of the most powerful, eloquent, moving, and competent statements that I have heard.

Secretary WIRTZ. Thank you.

Chairman PROXMIRE. It is most impressive and most encouraging. I am delighted you put it into a perspective of progress. You are right that we tend to be pessimistic, and we tend to look at the weak spots, and overlook the progress. Your statement did a lot to give us the kind of perspective we need.

Also, it is good to get this instrument of social policy that you are giving us; the breakdown of unemployment figures by city, and by the areas surrounding cities.

I want to get to that.

Before I do, however, I would like to ask you for your own justification of the administration's proposal for a 10 percent surtax which the Council of Economic Advisers, which I should say the Chairman of the Council, Chairman Ackley, wrote me would diminish the number of jobs during this calendar year by 150,000—fiscal year 1969 by 300,000—and would hit at a time when many economists feel that the economy is likely to be softer.

Under these circumstances, it seems to me that this very well might create a situation where it is much harder to get at the hard-core unemployment—recognizing that excellent as the new programs are,