

and improved as they may be, what we need above all, I think, is an economy which provides a maximum opportunity for those seeking work to find it in private employment, and good as the Government's manpower training programs are, far more important, and far more effective, by and large, are the training programs that take place in private industry.

Under these circumstances, what is the justification for a surtax that can very seriously interfere with employment opportunities for the hard-core unemployed?

Secretary WIRTZ. My response, Mr. Chairman, takes account of two inhibiting factors. One is that—the statement I am about to make has been made by so many people under so many different circumstances it will be discounted as being only the voice of a parrot. And second, my response to the question must necessarily be intuitive to a certain extent, because I recognize the significance of broad principles which I only partially understand. But my answer adds up to a complete and unqualified endorsement of the surtax proposal.

I mention it only briefly—because they have no novelty. It is with a very serious and concerned consideration of the fact to which you refer. I know that when we talk about the necessity of cooling off the economy, what that translates into as far as my most immediate concerns go is the prospect that some fewer people will be working than were before—unless we do something else about it.

Now, I am not completely clear about the additional things that we can do about it.

We are talking about some of them when we raise the training, the work training program for next year from a million to 1.3 million people. We have that problem in mind. And then the greatest consideration, Mr. Chairman, and one which I do not profess personal competence to evaluate, is in terms of the alternatives. If the figures are correct—and I assume the correctness of the figures which you have since I have not talked to Mr. Ackley in terms of the specific figure of 150,000—and if that is the job price tag of a 10-percent surcharge, my approach to it would be, first, to try to compensate for it in other ways—significantly, in the work and the work training program. And second, to say that I would not think that a very high price to avoid the alternatives which could be involved in an inflationary spiral. And that if that were the price, I would like not to have to look it in the face, because it is a tough price. But if we are talking about, as I am convinced we are, a situation in which we must avoid the dangers of inflation, I think the benefit and advantage to the working wage earner of this country—who is by statute my constituent—is very much on that side—just very much.

I said my answer would be intuitive, and it is to this extent. When I get through all my homework about the surtax, and so forth, and do not understand all of it, I still come out with a complete conviction that in this stage in the development of the prosperity of the economy we ought to pay our bills. And I know that is an oversimplification. And I know that it is not an absolute that I am talking about. But, if the prospect is for a \$14, \$15, \$20 billion deficit, whatever it may be—when I look at our gross national product—I say it is intuition, I suppose it is upbringing—in fairness to the folks, I do not think that is total ignorance—my reaction is that we ought to pay.