

you think it has to be met because we, in your phrase, have to pay our bills.

Secretary WIRTZ. No, Congressman. I think you left out the point that my response to that would be first to try to find, and I think we would find, ways of making up that figure. There is a coincidence between that 300,000 figure, which frankly I have not heard until today, and the expansion of the work training program, which is also being expanded this year, 300,000. So my first reaction is not that I just would pay that price. I would try to meet whatever the effect was first.

Representative REUSS. But if you cannot meet it, because—what shall it profit a Secretary of Labor to train people for jobs if there are 300,000 fewer jobs than there otherwise would have been? You just have to keep training them, but they won't get a job, as you think—passing that point, you then come to the nitty-gritty, which is that you would be willing to pay that price in order to pay the Government's bills.

Secretary WIRTZ. No. If that is a proper paraphrase of what I said, I should say it again. I am never going to settle to pay a price in unemployment to prevent overheating in the economy.

I would take into account the importance to the wage earners of this country of prices not getting way out of line. And I will take into account the desirability of paying whatever our bills are.

But I cannot support a proposition that you do any of these things at a recognized price of employing fewer people than there were before. Therefore, I try to bring these things together by making some provision—training them for better jobs—which the economy will continue to need.

I try to meet that price by some alternative method.

Representative REUSS. I tarry on this point so long because it is vitally important. And I am afraid it is one we are going to be confronted with every year for a while, until we solve the secret of the philosophers.

I am concerned, though, as you are, that here we are, unemployment still not down to the 3-percent goal which we used, at least, to say should be our goal, and here we are running a \$14- or \$16- or \$18-billion deficit. Something is wrong with the scenario, obviously, as I have kept observing for the last couple of years. What I think is wrong with the scenario, or in part wrong with it, is that our tax system is so full of loopholes that it is not grabbing the revenues that it should, and I ask you—does it really seem like a good idea to retain those loopholes in the system, to let year after year go by without even asking the Congress to do anything about them, and then take it out on the hide of the average moderate income taxpayer, and reduce his demand-creating potential.

Frankly, it does not seem to me a very good way to run the economy.

I wonder how you account for these huge deficits that we are running, at 3.5 percent unemployment.

Secretary WIRTZ. There are several elements in the question, Mr. Reuss; when we get into the area of tax loopholes, you will realize that it is an area with respect to which my competence would be purely personal, and nothing more. But I am against them.

Representative REUSS. I know that. Everybody is, in principle. But I wonder if it is not a serious matter, that the administration has not