

Representative REUSS. I was buying part of your package. I will buy the Labor Department part—let us increase those training programs to 1.3 million, and then let us provide jobs for those who are getting the training, by forgetting about the surtax, and instead recouping the revenues by plugging tax loopholes. Your answer, maybe, is that we should have done that a year or two ago and we would be all right. But, would you at least give me that satisfaction?

Secretary WIRTZ. I sure would—on this basis. All my life I have said in public places and as an individual, that I am opposed to a number of tax loopholes. I have not changed my mind on that. If it is a matter of expression of administration policy, obviously a statement by the Secretary of Labor about tax loopholes is not worth the back page of a paperback book. But in terms of a personal position that I have held for a lifetime about tax loopholes, I agree completely.

Representative REUSS. I was not asking you the question of morals or equity or fairness. I was asking you the question of whether we do not have to plug our tax loopholes in this country in order to get the revenues we need in the Treasury, so that at a time of close to full employment, we do not keep running disastrously large deficits.

Secretary WIRTZ. It ties the two together again. And I do not rush from that—the loopholes and the effect on employment.

I have not thought it through to an evaluation of whether the closing of the loopholes to which you are referring would have an effect on employment. I would like to try to do it.

I think your question is rather about whether the surtax could be replaced by the closing of the loopholes.

But if the question is—as I gather now it is—if the question is whether the closing of the loopholes would permit a continuation of employment at a higher level, I believe I am out of my depth. I do not believe I could honestly answer the question of the tie-in between the two.

Representative REUSS. It is a question the Secretary of Labor ought to be concerned with.

Secretary WIRTZ. The question—

Representative REUSS. You are not just concerned with structural—

Secretary WIRTZ. That is right.

Representative REUSS (continuing). With structural unemployment. You are concerned with overall demand unemployment, too.

Secretary WIRTZ. Sure, of course. And if overall demand should go down, the unemployment rate would go up. And along with everything I have said about the importance of the manpower program, I recognize that any rocking of the boat—as far as the fiscal, monetary, general economic situation is concerned—would hurt more than anything that we could possibly make up on a structural basis. I know that.

Representative REUSS. Thank you..

Chairman PROXMIRE. Congressman Widnall?

Representative WIDNALL. Thank you, Mr. Chairman.

Mr. Secretary, we are always very pleased to have you before the committee. We know you have a great fund of knowledge in connection with this field.