

with the present monetary crisis. One, tax surcharge, credit restraint by the Federal Reserve Board, various restrictions in investment, lending, travel, in order to correct our balance of international payments.

Now, two questions immediately arise there.

One, what unemployment are we to expect from—what addition to unemployment are we to expect from this program of retrenchment? We have a right to know what we have to pay for it—not only in dollars, in taxes, but also in the human terms—to wit, does the Department believe that if we go through with this program, there will be an inevitable increase in unemployment?

Secretary WIRTZ. No, sir; we do not.

We have discussed this some, earlier this morning. I would simply summarize the views expressed there. The chairman has advised me of Mr. Ackley's report to the committee, that a surtax could be identified with—the effect of a surtax could be identified with 300,000 unemployed.

My reaction to that is this. I do not argue with that—if that is what has been done. But I would have to rely, because I refuse to compromise with the idea of meeting inflation with unemployment—refuse to compromise with it one bit. My position would be that in other programs, in the training programs, programs of one kind or another, we can do what would be necessary to meet that impact.

I hope and I think we can.

Senator JAVITS. So that really it would be Government that would fill in to the employment diminution which would inevitably occur from credit and other restraints?

Secretary WIRTZ. I do not think it is that simple. How much we can accomplish, for example, with this jobs program, in which we rely upon a combination of Government resources and private resources, I do not know.

But I think perhaps quite significantly that can be done.

We indicated our willingness to pick up the full amount of the training costs in this kind of program.

I think, from my conversation with American businessmen, a good many of them are going to find enough self-interest, in terms of their customer power, of these individual employees and so on and so forth, to make some contribution, too.

But if the question is whether it depends upon an alternative expansion in which Government does have a part, the answer is "Yes."

Senator JAVITS. Mr. Chairman, I have one other question—because my time is up.

Mr. Secretary, the other corollary point which occurs immediately, when you discuss restraint of this kind, is, What about wages and prices? Are any controls contemplated—standby or otherwise—or is the administration satisfied to leave that as it is?

Secretary WIRTZ. The answer to the first part of the question is, "They are not contemplated." The answer to the second part is, "I think there is not satisfaction," and that that is reflected in the President's designation of a Cabinet committee to proceed with the representatives of labor and management, to try to find some further—some more effective form of an expression of not only the public interest, but of the principle of productivity.