

jobs and gradually make that transition. I think the shifts that have been made in vocational education should help bring that area of activity into this field more effectively. There are a number of ways in which it seems to me we can work on this. And I agree with you that it is a very important thing to work on, and get people started in the labor market the right way. The fact that in Sweden and in most European countries, and Japan, they don't have this problem suggests that somehow or other it must be that there are things we can learn and do that will enable us to improve on our performance.

Senator JORDAN. I hope so, because that was a revelation to me. One country has apparently solved the problem. But they don't have the problems we do in that respect. But they certainly worked out their own solution for it. And I hope we can borrow some pages from their experience and maybe adopt them to our use here.

Secretary SHULTZ. I hope so. It is always interesting in international conferences on this that most country representatives go to the conference with questions, and before long the Swedes are always giving the answers.

Senator JORDAN. Thank you, Mr. Secretary.

Senator PROXMIRE (presiding). Mr. Reuss?

Representative REUSS. Thank you, Mr. Chairman.

And welcome, Mr. Shultz. And thank you for a very intelligent and humane statement.

I don't find anywhere in your statement an estimate of the number of people who will be unemployed by the end of this year as a result of the administration's demand killing programs. Did I overlook something? Do you have one in here?

Secretary SHULTZ. No, I don't.

Representative REUSS. Then I think we will have to look at what the chairman of the Council of Economic Advisers said the other day when he testified that unemployment in the first 6 months of this year will—and here I am reading from his statement—will rise slightly, and then in the second 6 months of this year it will continue to rise. And he says that unemployment at the end of the year would still be below 4 percent. But the implication is that it will not be very much below, let's say 3.9, it is now 3.3, that is 0.6 difference, which I translate into human terms at something between 300,000 and 500,000 people who by the end of the year will be walking the streets looking for work. Do you find anything erroneous in my arithmetic?

Secretary SHULTZ. I am sure your arithmetic is accurate.

I said in my statement that I was not here as a forecaster, and I guess I mean that in two senses. One is that I haven't tried to make this kind of forecast. The other is that I notice that people who are renowned in the forecasting business are often wrong. For example, the Washington economic community all felt last fall that we should be preparing for a real recession which they were predicting as a result of the surtax. You may remember the testimony that was given by the past Secretary of the Treasury and the Council of Economic Advisers about the surtax, and how important it was, and that somehow or other it was a life and death matter to the economy. It was going to change everything around, and so on. Well, that hasn't turned out to be right. So my approach to this is to say, well, let's use these fiscal and monetary tools. I am sure it is important to forecast and