

we have discussed to reduce the unemployment rate of the Negro teenager, for example, where the unemployment rate is extraordinarily high. The impact of that on the average is to bring the unemployment rate down, whatever it is. If we are successful in reducing this very high rate to something lower, we will be using these manpower policies in a coordinated fashion as a matter of economic policy. I think it is only recently that the scale of manpower policies has approached the level at which it is realistically possible to conceive of it in this way. Maybe the scale isn't quite large enough, but it is quite large now. And if we can manage it properly we can probably make some important contributions in the overall economic policy area.

Representative REUSS. What I am saying, though, is that your administration comes in and tells us in effect that the scale of these manpower programs falls short, and that we are going to have to sit still for some 400,000 new unemployed. I see no need for this. I would think that the course of wise statemanship would be to augment the scale—if it costs a billion or two, find it overnight by plugging tax loopholes, or a number of other ways—

Secretary SHULTZ. What particular tax loopholes do you have in mind, sir?

Representative REUSS. See the Reuss 13-point program—oil depletion, the very inflationary 10-percent investment credit, hobby farms, accelerated depreciation of slum property—I think if you put your active mind on it you could improve my program and make it a 20-point program. But anyway, we are talking about just a fraction of the revenue that would raise. And I don't see why the job of the Secretary of Labor within the total team is not to be the standard bearer of a program which would take care of those 400,000 upcoming unemployed by an expansion of these excellent programs that we now have on the books, and which I am confident are in humane hands under your administration. As I said, I think the tone of this paper is fine. The only thing is, you leave out the arithmetic. But the Council's arithmetic says, as I read it, we are going to have 400,000 more unemployed by the year's end. Well, the unemployed are going to have great difficulty in figuring out why the Nation leaves them high and dry, why we couldn't have found a billion dollars or so, or whatever it would cost, to get jobs, or their equivalent, for them.

Secretary SHULTZ. As I read the Council's testimony, they did sort of throw the ball in part to manpower programs, and pointed this up. As I read the President's message yesterday, he also pointed up the importance of regarding the manpower area as one to be made more comprehensive, to be coordinated in a better manner, and in general to be made more useful in the way that you are suggesting.

Representative REUSS. The fact he is shifting the Job Corps from one agency to another, doesn't raise the level of jobs at all. What is needed, I think, is more money spent on manpower training and job programs. Mr. Moynihan's residual employer philosophy. And it seems to me that we ought at least to shoot at not creating any more unemployed than we now have. We have a very fragile social situation as it is. I think it is a very poor time to throw 400,000 people out of work.

My time is up. May I ask you to do this. Would you file at this point in the record, at my request, the dimensions of a Department of Labor program designed to sop up the unemployment caused by the slowing