the consumer spends the dollar for, but whether the consumer is going to save the dollar, instead of spend it whether he is going to invest it or whether he is going to hoard it, if he saves it. I think there is a difference between investing and hoarding, whether he is going to invest it, spend it, or hoard it, becomes very important.

Mr. SAULNIER. If I may comment just for a minute on that——

Representative CURTIS. Yes.

Mr. SAULNIER. There is common route by which we get to wrong conclusions on these matters. I think it is not unfair to say that theories on these things divide into two major categories. One of these is that there is an inadequacy of demand, and that somehow or other it is this inadequacy of demand that keeps our economy from working at its optimum level. Those who hold that theory typically argue that the way to correct the situation is to increase consumer demand or overall demand. Sometimes the proposal is for higher wages. Sometimes, and frequently nowadays, it is not that, but to cut taxes. There has been quite a shift, I would say, in the last 10 or 15 years in the formulation of this theory, but it comes in the end to pretty much the same thing.

Representative CURTIS. It is based on that volume.

Mr. SAULNIER. It is based on the general premise that there is an inadequacy of demand and that if you somehow increase purchasing power, whether by wage increases or tax cuts, you will get yourself moving again.

Representative CURTIS. I wanted to ask one question.

Mr. SAULNIER. May I conclude and just add one point.

Representative CURTIS. Yes. I am sorry.

Mr. SAULNIER. I don't deny the possiblity of there being an inadequacy of demand in a specific economic situation, but in many economic situations, and I think in the present economic situation, our problem is to be found in the relationships within our economy and in our capacity to make the kind of economic adjustments that must be made if our economy is to work well.

More specifically, I have mentioned the relationship between costs and prices. This is a key to a large part of our problem. I would also like to say to this committee, and I have not mentioned it in my testimony, that I think we need to do a great deal more in the area of education, in vocational training, in the area of guidance, to fit our people better to the employment opportunities which do in fact exist. I think we can make considerable improvements in our economic performance by these methods. I do not believe that you can substitute a program of expanding demand for such programs. Failing a solution of these problems of internal relationships and capability to perform adjustments, failing a solution of those problems, I think the demand-type formula will produce largely an inflationary result.

Representative CURTIS. I want to comment on that in this other way, too, because there are areas where there is a real demand. I was very interested in our Federal budget for the National Institutes of Health, and I was interested in two growth figures. One was the growth rate of technicians and people that are needed, research people, by the NIH, and the other was the growth rate of money available to be spent by NIH. The money available to be spent has a very high