Mr. KEYSERLING. For the specific product.

Representative CURTIS. Which that plant manufactures.

Mr. KEYSERLING. Yes. You gave the agricultural example. It seems to me that there has been a confusion in the discussion among actual demand, purchasing power, and real needs. I define actual demand to mean what people are actually spending out of resources that they have to spend. I don't think that anybody can contest that actual demand, whether it comes from income, whether it comes from credit, whatever it comes from, is far below our current productive capacity of manpower and plant.

This is incontestable in my view. It is far below it, and because it is far below it, actual demand has to be lifted.

Now, I come to the next question. Your next question is, would actual demand be lifted if the people had more purchasing power, or would they just save it, or, to put it in another way, have they got enough purchasing power now but are they just not making the actual demand because they have everything they need or want.

Here is where I think your agricultural example is absolutely fallacious, because it is always true in our economy that as to some specific products there is a saturation point, and this may now be true in agriculture. This simply means that you have to shift your resources to some other kind of production, but it is still true that, in the overall economy, you can't say that the potential demand isn't there, in the sense of needs being satisfied, when there are such tremendous unmet wants.

If you think that $4,000 a year or less for one-fifth of our families, and $6,000 a year or below for two-fifths, is the optimum of what the American economy can use and consume, assuming the purchasing power is there, then I would disagree with you.

Representative CURTIS. Let's get back now. You have registered one point; in the agriculture sector if it is saturated, then you have obsolescence or unused capacity.

Mr. KEYSERLING. The only way you can translate those productive resources into other sectors of the economy, because you can't plow people under, you can't plow families under—you could plow crops under—is to create enough demand in other parts of the economy to absorb those underutilized resources.

Representative CURTIS. The point I am going to suggest to you is that they are there. That is why I referred to the NIH. I will give you an area where there is tremendous demand, for private nursing homes or any nursing homes.

Mr. KEYSERLING. Then if the demand is there, and this is the root question, why do we have 9 percent idle manpower?

Representative CURTIS. Because it takes time to train and retrain. It takes time to retool, to build plants. It takes time to do these things. It takes time for research and development, and that is why all these dealings in aggregates that you are doing, in my judgment, ignore these components wherein lie the differences and difficulties.

Mr. KEYSERLING. But the problem of retraining and retooling is a constant problem over the years in the American economy, so you are saying in another way that a level of 9 percent unemployment is the