

I am more interested, and I know you are, too, in the problem remaining to be done rather than what we have already accomplished and here the problem is painfully clear. We know a great deal more than we did before about the people who needed this help; who they are, where they are, and what the situation is. I could be quite specific about that. It is an area in which it is hard to measure your gains especially if you have to argue with the economists about whether it was the economy or the program. It is very hard to measure your gains but very easy to measure the jobs that are left.

Chairman PROXMIRE. I am not so sure the fiscal analysis is right. One of the big reasons they point out for the rise in personal compensation in 1966 is the movement of people off the farms, especially marginal farms where income is low, into industry where wages are high. I'm afraid this is too easily taken as evidence that wages are pushing up prices. This is not true at all. This means that the jobs were there and people left employment where they were not needed and you could produce much more efficiently and move into an area where they are producing more and earning more.

Secretary WIRTZ. The figure on this line is, that is so often left out, is the increase in the work force. We talk about unemployment —

Chairman PROXMIRE. I'm talking about people working on the farm, leaving it and then working in a higher paid category.

Secretary WIRTZ. Yes, and they are moved from the lower paid to the higher paid category, the mix has changed, the number of people who have come into it has changed. All these things could happen. The standard of living in this country can go up substantially and the unemployment rate stays the same. It is an incomplete index and so often the answers to all these things we are talking about is that it has been a combination of factors.

When you ask me how do we measure our activities, all I can say is that it took both an expandable economy and a conscious manpower program.

Chairman PROXMIRE. Because of the analysis and nature of price increases and they are so important, I would like to ask Mr. Ross if he could supply either now or for the record an analysis of the proportions of the overall rise in the Consumer Price Index accounted for by its major components, for example, services, particularly interest rates, food, et cetera.

The table given by the Council is too big in my view to break it down to determine what are wage sensitive and what are not. It is difficult for the staff of this committee and for myself to make any kind of an estimate as to how inflationary fiscal policy is unless we have this kind of breakdown.

Mr. Ross. We will supply that, Senator.

Chairman PROXMIRE. Thank you very much, Mr. Ross.