Then, would you feel that we ought to have some new goal for unemployment? After all, as you say, back in 1961 or 1962 you set this 4 percent. We are down below it now. We have been for more than a year. Prices for the last 3 or 4 months especially have been reasonably stable. The last increase was one-tenth of 1 percent. Wholesale prices have been generally going down.

I wonder if we can't work toward some quantitative guidepost here. Can it be qualified, do you think, at the present time? Should we aim now at 3½-percent unemployment?

Mr. HELLER. I hope that by this time next year, enough of what we can call "echo" inflation, the cost-push inflationary pressure, will be out of the economy so that we can reconsider the guidepost, and I am talking about an official reconsideration. I presume that the continued cost-push inflation in the economy was an inhibiting factor in that consideration this year.

But as we approach stability, and you are quite right, we seem to be on the way: for example, the wholesale prices in the past year have only gone up 1½ percent. As we move back gradually toward economic stability, I don't think we should settle for a 4-percent unemployment goal. We ought to push it down.

Chairman PROXMIRE. And yet as I understood your statement, you said at one point in your statement that we are at full employment, in evaluating something else. I forgot precisely what it was.

Mr. HELLER. This is true.

Chairman PROXMIRE. How long are we going to continue to hold on to that unacceptable level? This means 3 million people out of work. It means a situation in which there is less pressure on management to train employees and to break through the structural problem than there is if unemployment is lower.

Mr. HELLER. You have the very difficult problem of balancing that very important consideration against the expression of that pressure in a wage-price spiral, however modest. It is a question of striking the balance at a point where you do raise your goal, but at the same time, where you don't invite a continuation of the kind of inflation we had last year, and the kind of cost-push pressures that we have this year. We must address ourselves to this problem. By the way, I think we are.

I think our manpower training programs, a good part of the poverty program, the Job Corps, et cetera, all of these are going to improve the skill structure and the mobility of the labor force and help us raise our employment sights.

Chairman PROXMIRE. We have had these programs for a couple of years now. We are at the point where as a matter of fact we project a very, very modest increase in these programs in 1968.

Mr. HELLER. Too modest.

Chairman PROXMIRE. I think too modest, and yet we still have this 4 percent unemployment on the whole. One of the great points of these programs was that they would be able to move us to a position where we could have 3½ or 3 percent unemployment.

Mr. HELLER. Of course, Mr. Chairman, the payoff on those programs is slow, as it is in education investment generally. It's a big payoff, but it is not a fast payoff.

Chairman PROXMIRE. But isn't it true also though, Dr. Heller, that the real force here is in private training, on-the-job training, by em-