

1952 we had 3.1 percent unemployment. In 1953 it was 2.9 percent unemployment. And in April 1953 price controls expired—April of 1953. So we had a full year, no rise in prices to speak of.

Well, there was a rise but it was very small, seven-tenths of 1 percent in 1953. The next year it was four-tenths of one percent, much better than we have had lately. A very, very low level of unemployment.

We had that experience then before we had manpower training programs on the scale we have now, and it would seem to me that we ought to really press this a lot harder than we have, and since you are the man who has come up with by far the most forthright questioning of the Council's goal, I would feel much better if you could give us a little more assurance on this count; be a little more specific on how we can press it. As I say, we have had this experience.

Mr. TOBIN. The 1951, 1952, and 1953 experience is a bit misleading, because the happy experience of the price level in those years was to some extent due to a decline in agricultural prices. Industrial prices were rising during those years, but they were offset by a decline in agricultural prices.

Chairman PROXMIER. Well that is true, but they couldn't have been rising very sharply if you had near stability.

Mr. TOBIN. I think it would be nice if we had that kind of circumstance again.

Chairman PROXMIER. The situation now is somewhat similar. We have a war going on. We have a lot of our production going into that war.

Mr. TOBIN. Well, all I can say is that I think that we ought gradually to lower the target rate. We ought to be sure we don't have these abrupt kind of changes in the use of capacity and of manpower that we had last winter.

Chairman PROXMIER. Let me just say look at what the Council projects. They say that they expect unemployment to rise. It is now 3.7. They expect it to go to 4 percent. That is not much of a rise, but it is a rise.

Also, they expect the percentage of utilization of plant to fall down to 88 percent, and they expect this with the growth of 4 percent.

Now the projections of the Labor Department—projections of 1970—suggest that even this is conservative. They say that we should have a 4.3-percent growth, not a 4-percent growth, a 4.3-percent growth to maintain unemployment at 4 percent.

So that it looks as if the Council is wrong in its growth rate, that it ought to be not 4 percent but about 4.5 percent, maybe even more, and on the basis of our past experience, and the fact we have had stable unemployment for a year or so, it looks as if they are being too pessimistic on their unemployment rate.

The thing that really concerns me more than anything else is that if we are going to break through this relatively high level of unemployment, higher than almost any other country anywhere, a situation in which we have 3 million people out of work, if we are going to break through it, the way to do it is to press demand. This is what gets the private sector of our economy bringing people in, whether they are minority groups or women or inexperienced teenagers, and training them. Isn't this correct?