higher economic growth rate, by definition. I do not understand how the Council has overlooked this obvious fact. Not a word of what I have said argues against appropriate training programs.

Needed changes in the structure of demand

The top problem is not the structure of the unemployed, but rather needed changes in the structure of total demand. The purely aggregative approach of the Council is erroneous, not only in refusing to recognize that aggregate demand must expand faster to restore maximum employment, but also in failing to recognize that every dollar spent does not have the same impact upon stimulating employment. If production-distribution of one type of product increases by x, and productivity in the industry producing that product increases by $x \times 2$, there will be less employment despite the increase in dollar demand. The whole meaning of the new technology and automation is that we need to restructure the composition of demand, so that more of it will flow into those sectors where the unmet needs of the Nation are so huge that to meet them effectively would call for larger increases in output in these sectors than the advance of technology and productivity in these sectors.

The Council has appallingly neglected this whole problem. If it paid attention to this problem, it would soon see, among other things, that the needed restructuring of demand along these lines would involve relatively more emphasis upon the public sector where so many of the unmet needs are so huge. Thus, the very readjustments which would be best from the viewpoint of the great national priorities and from the viewpoint of social justice would also be best from the viewpoint of encouraging maximum employment and optimum economic growth. The technological considerations which lead me to these conclusions are clearly revealed on my chart 16.

For these reasons, while there is nothing wrong per se in the emphasis which the Council places upon manpower training, it is an exaggerated emphasis when unaccompanied by more fundamental recognition of the points which I have made just above.

Deficiencies in Council's analysis of wage-price problems

The Council's discussion of wage-price problems in this chapter is freighted with all the errors which have characterized the Council's previous approaches to these same problems.

The Council is theretically correct in its argument that wage-rate increases in each sector approximating the nationwide average of productivity gains would be more equitably ideal than wage-rate increases in each sector geared to productivity gains in that sector. But the Council has never come to grips with the point that this ideal could be pursued in practical terms only if accompanied by a price-profit policy and a tax policy which prevented the high-productivity industries from reaping an unjust harvest from the guideposts formula. Such a course would also be necessary to help the wage earners lower down, and other consumers, to get the benefit of the theoretically equitable policy.

The Council has admitted all along that the attainment of this policy would require very substantial price reductions in many sectors, but the Council never established any quantitative or meaningful guideposts for such price reductions. Worse still, the Council has