

with Government subsidies. I think we have to look upon a new kind of job which is flexible, which accepts people who are not regular workers.

Senator PROXMIRE. Give me a couple of examples.

Mr. MILLER. Well, you set up a job in private enterprise, where you recognize that they are doing a useful production that is marketable and profitable. But these are irregular workers. They are not going to show up every day from 9 to 5 or 8 to 4. They may not show up 5 days a week. It is a high-cost product which is subsidized. The notion is that it is a long-term program, that hopefully, over 5 or 8 years, these men might become regular workers.

Senator PROXMIRE. Why should it be that bad? Did we not have an experience in World War II where we achieved a level of unemployment which I think all of us would agree was about as good as we could get, all those able to work, who wanted to work, except the fractional unemployed. We had a tremendous number of people in the Armed Forces, of course, and enormous proportions of our people were in the munitions industry. But most people who worked were productive, they came to work on time, worked 5 days a week, and so forth. Do you have to create jobs that are designed for people who are just this incompetent or irresponsible?

Mr. MILLER. I think it is a residual, small program of perhaps, at the most, 200,000. I agree with you on your position that an economy that really demanded labor would pull most of the people in. We seem to be so concerned about 100,000 or 200,000 men not working, but I think we can make a special effort here. The conditions of wartime, the special appeal and drama of war, the willingness of employees to lower their standards, cost-plus contracts—a whole variety of things, I think, went into an employer's willingness.

This is not a big program; I agree.

Senator PROXMIRE. I would like to ask Dr. Tobin to speak to this, too, and Mrs. Winston, if she would like—I have great respect for all of your ability. I know Dr. Tobin extremely well, and the marvelous record he had as a member of the council. Do you know of any study that shows how we can do this job and still meet the inflationary problem that is so apparent to us right now, today, at this moment, when we are told that we cannot continue to have a 3.5-percent unemployment rate and heaven knows not a 3-percent unemployment rate without inflation? We just cannot do it. Economists like to talk about the Phillips curve as the tradeoff between unemployment and price stability. Whether you are providing additional employment which both you and Dr. Tobin emphasized as a very important part of this, or whether you are providing a payment to people who do not work, but whose consumption will increase demand—it seems to me you have a very tough inflation problem.

Do you know of anybody who has dealt with this problem, or has done any thinking in this area?

Mr. MILLER. I no longer call myself an economist, so I feel freer to talk about it sometimes.

Two things, one of which is always talked about. That is the imposition of price and wage controls, with the price which is paid for that politically—