

saying that a person is entitled to the earnings from the sweat of his brow. Indeed, you have pointed it out by saying how we are allocating salaries and wages. A lot needs to be done in this field; and yet the marketplace is a pretty good theory.

Senator PROXMIRE. At the same time, it must be recalled, we certainly have had mass unemployment. In the 1930's, we had 14 to 25 percent of our entire work force completely out of work and many others underemployed or part-time employed, or frozen into a job that was not producing much. At the present time, we have 3 million people out of work. We have among some groups—for instance, female, Negro, teenagers, 30 or 40 percent out of work in many parts of the country. So I think we do have a problem in some areas of unemployment, which, for some people, is serious. While there are job vacancies that highly skilled people could fill and are not available for, it would seem to me we do have a serious problem of unemployment continuing even now.

Representative CURTIS. We do, but it is structural and frictional, I would argue.

Senator PROXMIRE. Frictional?

Representative CURTIS. Let me go back to the 1930's. There I think rightly, we had cyclical unemployment and we had unemployment resulting from lack of aggregate demand because we had not been following through the economic theory of Henry Ford and Lord Keynes. But today, I do not think we can relate the unemployment problem to that at all. In fact, this has been the debate that I have felt has been going on in our committee for several years with the President's Council of Economic Advisers. They say heat up the economy and you will take care of the unemployed. I argue that if my theory is right and that unemployment is structural and frictional, you will not. You will help a little bit. It is always easier to get at structural and frictional unemployment when the economy is heated up but the clear proof that this is not enough is to look at the Negro citizen. This is not only a case of frictional and structural unemployment, you can almost say it is institutional. Heating up the economy did not solve this problem.

So you are right, we had unemployment in the 1930's. I think that was cyclical and the failure to have aggregate demand. I think we are over that hump. We could get into it again, but I think we are pretty well over it. But today, the problem, I would argue, is this frictional and structural and how do you meet that?

First, you have to ask the question, are we kidding ourselves that there really are more jobs going begging than there are unemployed.

Senator PROXMIRE. You have been making a big fight and I have been supporting you for job vacancy statistics. It is a shame that we do not have them. I think we ought to have them. But no matter what the argument you can make on job vacancies, it is clear to me that we do still have a problem of unemployment at least in terms of time. You can say that concentrating on manpower training programs will do a better job perhaps of providing incentives to see people are trained. We can take care of this in the long run. But in the long run, as Keynes has said, we are all dead. Meanwhile, these people do not have jobs.