

gone up much less, I think. Well, in the last quarter of 1967 it started to go up a deal more again. Early 1967 very little. And for the year, some place between $1\frac{1}{2}$ and 2 percent, for the total private economy.

Representative WIDNALL. And this left inflation unattached.

Secretary WIRTZ. The wage increases and the price increases both, in disregard of the productivity principle, surely did, in 1967, contribute to inflation—both of them.

Representative WIDNALL. But there is no firm guideline now being provided by the Government. It is just voluntary submission to so-called standards, as to what is reasonable.

Secretary WIRTZ. It is true that neither the Economic Report of the President nor the Council of Economic Advisers named a specific figure this year. It did not last year.

It appears originally in 1962, in the Council of Economic Advisers' Report. It was in there up until 1967, and is not in the report as of now.

That is the only place that figure has ever been developed.

Representative WIDNALL. Thank you, Mr. Secretary.

Chairman PROXMIRE. Senator Percy.

Senator PERCY. Secretary Wirtz, I have just returned from 9 days of Lincoln Day speeches in your State and my State, Illinois. I spent a great deal of time in southern Illinois because of our economic problems down there.

The migration of our agricultural workers and people out of the mines continues.

We are turning out fine educated young people at Southern Illinois University, with no place to go to work. They are moving to St. Louis, Pittsburgh, and Chicago, to find jobs, separating families. And this is a problem that many States are experiencing.

Could we think about some of the programs that we might work on to solve some of this problem?

For instance, tax incentives to encourage establishment of businesses in rural communities have been proposed to stop the concentration of industry in our urban areas. I wonder whether it is not well to think in terms of providing special inducements for businesses that will go where we need them, such as where we have large pools of unemployment, where we need to hold people, to keep a community going and alive. We simply cannot keep crowding our urban areas at the present rates.

Secretary WIRTZ. The general problem or question is important.

The desirability of action of one kind or another which would have that effect would have our complete support. I would agree with you completely. I would question only one part, and that is whether the tax incentive is the most effective way of doing that. But aside from that, I know of no larger problem today than to try some way to reverse the tendencies that prompt people to pile on top of one another in the cities. More specifically, we will do everything we can to move in the other direction.

Senator PERCY. Would this also apply to the other areas where industry is going—the suburban areas, outside the city?

Would the same thing hold true for industries locating inside the inner city, where we also have large pools of unemployment, especially Negro workers?

Secretary WIRTZ. I am much less clear about moving, if I under-