

in the real volume of total national production that is somewhat greater than 4-4½ percent per year. It will also require adoption of a Federal program to create 1 million public service jobs for the hard-core unemployed and seriously underemployed.

On these issues, the AFL-CIO Executive Council declared on February 23, 1968:

We reiterate our conviction that the American economy has the resources to extend and expand social advances at home, while meeting military requirements in Viet Nam. The cost of the war should not be absorbed by cutting back or freezing essential federal programs for domestic progress. The great productive ability of the American economy can provide the foundation for both continued social progress at home and an honorable settlement of the war in Viet Nam.

The expected sharp rise in the government's administrative budget deficit in fiscal years 1968 and 1969, due to military expenditures, can be reduced, without mounting pressures on interest rates and the availability of money and credit. A temporary war surtax is needed to reduce the amount of money the government will have to borrow in the money market and to eliminate the threat to home-building and related industries from tight money and higher interest rates.

The needed temporary surtax should be based on ability to pay, including taxation of personal and corporate income that escapes taxation through major loopholes in the tax structure. The surcharge on corporations should be at least twice as great as on personal income. The surcharge on personal income should be clearly set on the basis of ability to pay. Corporate and personal income, excluded from taxation by tax loopholes, should be subjected to at least the same tax rate as the surcharge.

We insist that the top-priority objective of national economic policy should be to achieve and sustain full employment—jobs at decent wages, for all people who are able to work and desire employment. The demand for goods and services from consumers, government and business must expand sufficiently to provide enough new job opportunities for the unemployed, for the great numbers of entrants into the labor force and for those displaced by spreading automation. The federal government's tax, expenditure and monetary policies, in combination, should encourage the necessary expansion of demand to achieve and maintain full employment.

Adoption of a program to create one million public service jobs for the unemployed and seriously under-employed is essential—along the lines of the bill introduced by Congressman O'Hara of Michigan. Such decisive measure to create jobs in socially useful work—to perform much needed services that would not otherwise be done in parks, playgrounds, hospitals and other public facilities—is urgently needed.

Manpower training programs—including basic literacy education, personal guidance and health rehabilitation—are essential to aid the unemployed and under-employed to compete more effectively for available employment. Although such programs do not create jobs, they can be of great benefit to the national economy, as well as the workers themselves, by upgrading the skills of the unemployed and unskilled. The recent emphasis on government-financed business programs to train workers should not include wage subsidies or other payments to the employer, beyond the extra cost of providing special training and supportive services for the hard-core unemployed, that are in addition to his normal training costs. Even the best-planned training programs, however, can be of little avail, if they are not accompanied by government programs to create jobs and achieve full employment.

UNBALANCED DISTRIBUTION OF BENEFITS OF THE ECONOMIC ADVANCE

Most Americans have benefited from the economic advance of the 1960's—from increased employment and gains in income. But these benefits have not been shared equitably.

Business and upper income families have received a major share of these gains. Improvements in the wages and salaries of nonsupervisory workers have lagged.