

Although some business and Government spokesmen attempt to blame rising unit labor costs for much of the increase in the price level in the 1960's, the record clearly shows that the price level has been rising, regardless of what happened to labor costs per unit of production. Between 1960 and 1965, for example, when unit labor costs of manufactured goods fell $11\frac{1}{2}$ percent or more (the decline may have been about 3 percent, according to the Bureau of Labor Statistics), wholesale prices of manufactured products rose 1.7 percent, boosting profit margins and increasing the business share of the fruits of the economy's progress. And when workers sought to catch up with the gains of the economic advance and the more rapid rise of living costs in the past 2 years, business raised prices at a faster pace, in an attempt to maintain enlarged profit margins.

After a brief and slight decline in 1967, from the great heights, corporate profits are now booming again. As the Wall Street Journal of February 13, 1968, reports:

Business appears to be back on the comfortable track it wandered off for a year beginning in late 1966—the track that leads straight from one quarterly profit record to another.

Between 1960 and 1967:

—Corporate profits, after payments of taxes, skyrocketed 77 percent.

—Dividend payments to stockholders soared 70 percent.

—Total wage and salary payments to all employees in the entire economy increased merely $56\frac{1}{2}$ percent—reflecting increased employment of 8.6 million people, as well as the wage and salary advances of individual employees.

—Weekly aftertax take-home pay of nonsupervisory employees in private industry, with three dependents, increased only 25 percent—and in terms of buying power, less than 11 percent.

Moreover, in the 2 years between December 1965 and December 1967, the buying power of these workers' weekly take-home pay actually fell $11\frac{1}{2}$ percent.

—Real compensation per hour of nonsupervisory employees in private, nonfarm industries increased only about $21\frac{1}{2}$ percent a year in the 7 years, 1960–67. But the real volume of production per man-hour in the entire private economy rose at a yearly rate of 3.3 percent.

These disparate trends, which result from business policies and Government tax measures, are utterly ignored in the Economic Report, as if they never occurred. The failure of the Council of Economic Advisers to examine these lopsided trends represents poor economic analysis, a blindness to social issues and, perhaps, simple prejudice against nonsupervisory workers, the major economic group in the Nation.

The vast majority of wage and salary earners have not received a fair share of the fruits of the national economy's advance.

A disproportionately large share has gone to business, to executive and managerial personnel, to the self-employed such as doctors and similar groups, to capital gains from the sale of property, to those who receive a significant part of their income from interest payments.

This unfair distribution of the benefits of the economy's progress is clearly unjust to wage and salary earners, who are the vast majority