doctors, including those who opposed the legislation, have taken advantage of medicare and medicaid to enrich themselves.

This is a clear case of one group, with maximum power to make unilateral price decisions, using that power to take advantage of a market situation for its own benefit, and in so doing perverting the purpose of an essential social reform. The Council passes no judgment whatsoever. But when organized workers attempt merely to protect their standards of living and their share in advancing productivity against the inroads of just such price increases, the Council condemns their action as "inevitably inflationary."

The matter of salaries paid to corporate executives is also pertinent. The Council is troubled by the fact that average hourly employee compensation—wages, fringe benefits, and employer contributions for social insurance—for all employees in the total private economy rose 6 percent in 1967. Included in, and affecting the size of that figure, is executives' compensation about which the Council, to our knowledge, has never uttered a word or offered a single statistic. The Wall Street Journal for February 27, 1968, however, reports on a survey of executives' salaries in 600 companies which show that such salaries far outdistanced the average worker's gains in 1967 and have done so for many years. The survey, according to the Journal:

> * * * shows management salary increases last year averaged the lowest since 1961.

How low was that? The Journal went on to say that the survey:

> * * * put the average executive pay boost at 8.7 percent, down from 10.8 percent in each of the prior two years.

Executives' salaries are included not only in "employee compensation" but also in the Council's figures on unit labor costs. According to the Council's theory, therefore, such sizable increases in executives' pay must have contributed to the upward movement of prices. Why, then, does the Council reserve its admonitions about "inflationary" wage gains exclusively for lower echelon workers—particularly organized workers?

LABOR COSTS DID NOT TRIGGER INFLATION

Implicit in the Council's approach is the assumption that if only workers would accept money wage increases in line with the rate of productivity advance, without insisting on compensation also for rises in living costs, then the upward pressure on prices would be relieved and price stability would be quickly achieved and easily maintained. If that were not implicit in the Council's approach, it would mean that the Council was not asking labor to accept a temporary sacrifice, but rather a permanent sacrifice of part of its share of advancing productivity to compensate for the actions of others in continuing to force up prices.

Yet, table 18 of the Council's own report makes it clear that prices from 1947 to 1966 in fact rose consistently faster than—or despite declining—unit labor costs, both in the private domestic nonfarm economy as a whole, and in all but one of the major industry divisions.

For the period as a whole, in the total private domestic nonfarm economy, the table shows that unit labor costs rose at an average rate of 2 percent per year, while prices rose at an average rate of 2.2 percent per year. For each of the subperiods it also shows that overall prices rose 0.2 percent per year faster than unit labor costs.

A difference of 0.2 percent may seem small, but this is a cumulative