

civilian goods. So you see the impact of that in terms of the inflationary problem. Of course this fact points up for us the importance of post-Vietnam planning. This work, as you know, is under the leadership of Herb Stein of the Council of Economic Advisers.

A second point in the manpower story is that when you look at the employment picture you see very little impact of the fiscal restraint that has been introduced. Perhaps you can see some reduction in the workweek but I think you have to look pretty hard at these figures to see any impact.

Next, I think it is significant to notice the substantial reduction in the number of people who have lost their jobs. I think it is a mistake to think of the unemployed purely in these terms, but at any rate, we see a reduction of about 40 percent in people who are unemployed because they have lost their jobs, as distinct from people who quit their jobs voluntarily, and new entrants.

Chart 6 is an interesting one on this account since it shows unemployed persons by reason for seeking work. You can see on this chart the numbers of those who have lost their jobs as distinct from voluntary quits, and new entrants. This gives a picture of the composition of the unemployed.

These data make clear that some unemployment arises when the worker has freedom to quit in order to improve his position, freedom to seek part-time rather than full-time work, and freedom not to take the first job that is offered. One of the benefits then, of full employment—I think this is a benefit that shouldn't be underrated—is that it makes it easier to exercise these choices, to shift jobs and to be selective. Quit rates are usually high when the job market is tight and low when it becomes less buoyant. Similarly, the number of new entrants or reentrants may rise and fall with job opportunities.

The next point I would like to make is that the current low overall employment rate masks wide disparities. In some areas, especially the married male supporting a family, unemployment is very low; below 2 percent, and this is probably down to about the lowest fractional rate of unemployment. On the other hand there are areas where unemployment is quite high. And I think particularly the teenagers deserve attention here. The unemployment rate for teenagers remains stubbornly high. The current teenage rate is significantly below the rates for the first half of this decade. But it has hardly changed in the last 3 years; it has not shown the kind of improvement that has been experienced by adult workers.

The situation of the Negro teenager requires special mention. The jobless rates for Negroes 16 to 19 years old was 25 percent, as against 11 percent for white youngsters. I might say that unemployment rate for Negro teenagers has really not changed very much in a decade. It was high a long while ago, and it is still high. Negro teenagers have remained virtually untouched by the recent employment reductions, whereas their white counterparts have experienced a substantial reduction in joblessness. As a result, the ratio of Negro-to-white teenager unemployment rates has risen substantially in recent years. In 1954 the teenage Negro-to-white ratio was 1.4 to 1. By 1968 the ratio had risen to 2.3 to 1. And Negro girls have fared somewhat worse than boys.