

which, in turn has implications for the society as a whole that are too obvious to go into.

Mr. SUTTS. That is correct.

Representative BOLLING. Now, isn't it possible, given the peculiarity—and I think it is a peculiarity—of the society today, that you have this, the easy way is to talk about affluence, you have this fabulous affluence with tremendous poverty, which we as a society are just beginning to realize the extent, the depth, and the degradation of. It is sort of interesting to find people catching on to the fact people are starving in the South. They have been doing it ever since I grew up there in the 1930's, as well as in other parts of the country, too.

But isn't it possible in this particular year, given the conditions of great affluence with pockets of poverty, wouldn't it be possible for demands to remain so high, despite a significant increase of, say, a half or a whole percent in unemployment, that inflation would continue at about the present rate, despite the substantial—

Mr. SUTTS. I certainly think it will, at least through this year. I think this is reflected in all the forecasts that have been presented this morning.

Representative BOLLING. I thought it was, too, and I want to make it explicit because what we may be facing is getting inflation under control sometime next year, if we are lucky, and in the meantime everything that is going in the economy, regardless of which way you mix the policy is going to be, I don't want to use an inflammatory word, but more and more irritating to the social unrest that exists.

Mr. SUTTS. I think that is correct.

Representative BOLLING. Thank you.

Senator PROXMIRE. Senator Miller?

Senator MILLER. Thank you, Mr. Chairman.

Gentlemen, the Employment Act of 1946, as you well know, set forth two basic goals—namely, full employment and a stable dollar—and repeatedly administrations have clung to those two objectives down through the years.

The act was overwhelmingly passed. I wasn't here at the time, but I am advised it was completely a bipartisan measure. Now I find according to the statements of Dr. Suits and Mr. Perry that they apparently don't think we can achieve those goals, and I am wondering why. And if you think we can't then why don't you recommend that we revise the Employment Act of 1946?

Mr. SUTTS. I think we can. I think the problem is that we cannot easily. It is not an easy job.

Senator MILLER. I am aware of that.

Mr. SUTTS. In those days—

Senator MILLER. Here is your statement wherein you say, "Rapid price inflation and low unemployment are ultimately tied together in our economy."

Mr. SUTTS. Yes, and if I may just amend that statement, as it occurred to me when I was reading it, this should read in terms of using global controlled policy. In other words, we have to have a wider spectrum of things that we can do. If all we do is speed the economy up to make more jobs, or slow it down to hold prices in check, then we are always going to play this business of seesaw. One man is up and another man is down and that is the only game we are really playing.