

dent could do other than that which would help our situation, not necessarily only in the governmental line? For example, do you think that some effort should be made to deal with the business problems in making the transition to automation and in financing that transition—something which the President might very well generate through his Labor-Management Advisory Committee? Do you think that some action on the part of the Congress concerning the rash of big strikes that seem to be imminent on the railroads, to deal more effectively than we do under the Taft-Hartley law, with the problem of national interest strikes might be something to which we ought to direct our attention? Do you think that some declaration by the Department of Justice as to its policy in respect of the antitrust laws might be an important factor?

Somebody here suggested that the President ought to make a decisive statement of the view of the country on business profits, and their desirability and importance. In short, do you have any suggestions which go to the only clue to this proposition I find in your statements, that of Professor McCracken's paper which at page 5 says that businessmen were alarmed by the inferences they drew from the administration's handling of the steel price dispute? Then he says on page 6, consumer attitudes have never regained the levels of buoyancy they reached in 1955, and there has been some deterioration since events of April and May, which I would imagine refers to the same events. What do you say about that, gentlemen?

My time is up and I have asked you a long question, because I am a lawyer.

Mr. ECKSTEIN. I think this country has many problems and accomplishments and there are lots of things the Government might do and lots of things the Government might stop doing. One thing the Government might well do is to create a more certain business environment with regard to areas of regulation, antitrust and so on. Even if policy is tough, business is better off knowing it is going to be tough than not knowing at all and having to deal with a rather erratic kind of situation. Other than that, I do not think a little bit of action on these longrun structural problems, such as depressed areas and automation, is any kind of a substitute for the kind of massive fiscal action which is called for. I will even go so far as to say that in some way it distracts us from the main problem.

These structural programs, which I agree are very much needed to ease the introduction of technological progress into the economy, will be much more successful if the overall situation is healthier.

Senator JAVITS. Thank you very much.

Mr. McCracken. May I make one comment?

Senator JAVITS. I would like to have you all comment, if you would.

Mr. McCracken. I do not think any reasonable estimate of the magnitude of the economic effect of action in these other areas would be equal to the kind of stimulus we could get from tax reform and reduction. Now, if these are ruled out, however, then the question becomes: Do we just sit on our hands, or are there other things to do? There is no question in my mind but that something constructive could be done along the lines you have indicated in your question. It would be very helpful to try. It certainly would not hurt to try.

Senator JAVITS. Thank you.