

In instance after instance, the original purpose has been subordinated, and a new purpose has been taken over, without necessarily having congressional approval.

The Commission's first task is to determine if Government business activity is increasing or diminishing. Second, to catalog, as it were, the original purposes for each of these invasions into the private sector, and to examine whether the original purposes are still controlling.

3. What is the deeper, longrun significance of the growing entrance of Government into sectors of business previously reserved for the private economy.

4. How should public policy be defined with respect to justifiable governmental business enterprises that are engaged directly in competition with the private sector?

5. What steps are required to see that such a policy is respected, after it is enunciated by the various agencies including the Bureau of the Budget. We have followed with a great deal of interest the laudatory work the Bureau of the Budget has done in exploring some of these areas. The question then comes up about the implementation of its findings, after the circulars of the Bureau of the Budget are distributed to the various governmental agencies.

The dangers of governmental competition with private business can be expressed in many ways. In 1954 the House Governmental Operations Committee warned:

If Government competition with private enterprise were pushed to its logical conclusion, the Government would ultimately destroy its source of income and commit national suicide.

I finally end my statement by saying that experience—and this is a quote from Louis D. Brandeis:

Experience should teach us to be more on our guard to protect liberty when the Government's purposes are beneficent. Men born to freedom are naturally alert to repel invasion of their liberty by evilminded rulers. The greatest dangers of liberty lurk in insidious encroachment by men of zeal and well-meaning.

I have not meant my comments throughout to necessarily indicate a bias against governmental activities. I have tried to underscore that as the Government grows in terms of its activities relative to the private sector, it picks up centralization of authority that may or may not necessarily be good for the longrun interest of the American economy.

Representative CURTIS. I certainly want to thank you, Mr. Gainsbrugh, for a very thought-provoking and thoughtful statement. It has been of tremendous value of this committee, and hopefully our committee hearings which are printed, and our reports, will become subject material for the universities, colleges, and other study groups around the country.

I am tempted to pose another problem that is facing the Ways and Means Committee right now. It is of this broad scope.

It has to do with how we handle the retirement of our people, what sort of a system do we establish. The point I have been making when the HEW Secretary testified, and then others on behalf of the administration's proposal, was that you are only calling our attention to one aspect of the retirement programs of our people; namely, the governmental programs, social security.

As I always understood it, we had a tripartite system when social security was advanced. We still have private savings, and of our people