

in the restoration of the investment tax credit. This would make even an allwise political theorist—

Representative WIDNALL. Are you recommending we abolish the Senate?

Mr. WESTON. No, quite the contrary. I think it has some important functions to perform. But it shouldn't have authority over those areas for which the Executive Office really has responsibility, and that was the reason for my emphasis on the distinction between tax structure, the responsibility of the Congress, and the level of taxes within some discretionary limits, a responsibility of the Executive Office or at least outside Congress, just as monetary policy is outside Congress. Since the two strong areas of force of policy—monetary and fiscal policy, should be conducted with some proper balance between the two, it would be an improvement for tax policy not to be such a potentially sluggish element in the system.

It seems to me that, in view of the events of the last year where outstanding experts can't agree even that the tendency is toward a plus or minus side, and where increasingly with the complexity, increased complexity of the interrelationships between the economy which makes the interpretation of statistics more demanding, that speeding the reaction time on taxing policy is something that has a considerable amount to recommend it. I am surprised, in view of, as I say, the numerous people who were recommending this several years ago, that this has not even been mentioned in an economic setting where it seems to me that the facts themselves represent a very strong argument for it.

Mr. SAMUELSON. If I may be responsive to your question very briefly, from a technician's viewpoint, two things stand out in the last report; two aberrations, as I recall it. One is the adoption of a very strong and new view for this committee with respect to money. Now, money is very important, but it is not important in the way, in my judgment, that your majority and minority reports have believed in plumping for a fixed rate of growth of money. I can enlarge upon that.

The second aberration that I detect in the report is, in my judgment, a false asymmetry between the attitude toward tax change as one weapon of fiscal policy and toward government expenditure change as a weapon of fiscal policy; and I do not see in your recent report an even-handed treatment of these issues and understanding of them from the standpoint of stabilization.

Specifically what I have in mind is this: a person may be of the judgment that we have too much government spending in this country. He may have that judgment in season and out of season and then, quite without regard to stabilization, he may press for a reduction of what he considers to be inefficient, wasteful, or low priority spending. Or a person may have a judgment that we have too little public expenditure and that we are surrounded by private opulence and public squalor; and in season and out of season he may preach the message that we need more public spending.

I can understand that, and that has no regard to stabilization. But whenever the issue of stabilization comes up, I detect increasingly (and I think a student of content analysis who analyzes documents point by point and counts the frequencies on the computer with which they occur) that again and again the *Carthago delenda*