

I am thoroughly convinced it is the mood of the people of the United States now to really take just a good hard look at what is going on to see where we are going, and I think also the economic community is starting to realize, too, that we just haven't got an inexhaustible barrel of funds in order to take care of all these programs.

I just throw this out as my own opinion, as one person representing a lot of people in Congress. I think possibly you agree to some extent on that yourself.

Mr. BURNS. Yes, I do.

Representative WIDNALL. Thank you very much.

Chairman PROXMIRE. Congressman Reuss?

Representative REUSS. Thank you, Mr. Chairman. Thank you, Dr. Burns.

We couldn't do without your testimony and help. I appreciate your coming here.

Many of us on the committee who share your views with respect to the 6 percent proposed July 1 tax surcharge—that Congress would do well to have a policy of watchful waiting—feel that a way of doing that, and still keep our anti-inflationary powder dry, would be to have the tax-writing committees of the House and Senate and the Congress itself address themselves very promptly to the general outlines of a proposed tax increase, should one become necessary, and make such amendments as they care to in the President's proposal, and then have the Congress act on that, with the proviso that the tax increase would not go into effect, if at all, unless and until the President requests it, and that Congress by a joint resolution, which could be passed in a couple of days, approves.

Does that seem to you a possibly useful device in the situation of cross-currents which you have so well pointed out in your statement?

Mr. BURNS. Well, this would put the problem into the President's lap. I don't see why Congress cannot deal with this issue quite competently. It may take the Congress a little longer, but I am not entirely sure, even, of that. When the President has discretionary power, he may or may not use it.

Representative REUSS. Perhaps I didn't state the proposition clearly enough. I said the Congress, by a joint resolution, could activate the tax proposal which it had already legislated on but had put into deep freeze. The President might request it, but the Congress could also, by joint resolution, act, if it wanted to.

Mr. BURNS. I am a little afraid that, if Congress passed a joint resolution to this effect, there would be a good deal of confusion over the country. Some people are concerned now about taxes. This may be having an influence on consumer spending at present.

Representative REUSS. I am concerned about just that, and that is one of the reasons I am somewhat unhappy about the firm administration request that as of July 1 we should have a 6 percent surcharge. I would seek to avoid that overhang on the economy now by having a national judgment that we just don't know, but we want to be prepared and not have to consume months of lengthy congressional hearings, if inflationary pressures should develop.

Mr. BURNS. Congressman Reuss, I hope you will not misunderstand me. I certainly would not argue for a tax cut under present conditions. But it seems a little odd to me to pass a resolution in favor of a tax