

increase, then freeze the measure, and hope thereby to make it easier for the Congress to put that increase into effect later, if needed. If you do anything in the legislative area along these lines, I think the measure should be symmetrical, but I don't believe I would travel this road at the present time.

The Congress is in the early stages of this session. By and large, the Congress is able to act when it needs to. If economic conditions became very clear, one way or another, I would have confidence in the Congress acting with reasonable promptness. If economic conditions are cloudy, the Congress may well take its time in debating the issue, and perhaps it is just as well. I don't believe I would be in favor of legislation along the lines you suggested at the present time.

Representative REUSS. Thank you.

Now, let me turn to one point concerning social security. Your testimony is that you think about an 8-percent increase is all we should have. The President—and I happen to agree with him—thinks it should be 20 percent. What we are talking about, then, is whether a person or a family now making an \$80-a-month social security pension should have \$86 a month or \$96 a month, and please don't think that I am trying to paint you as an ogre for being for only \$86, because I would be a \$96 ogre then, too, and that is almost as bad.

However, is it not a fact that most of the things that social security annuitants would buy with that extra \$8 or \$16 a month would be things that are not subject to great inflationary pressures?

You point out in your excellent paper that where the boom is in the aerospace industry, and machinery, and you point out, courageously, I think, that one of the ways to cool off that boom is to cut down on the space program. That means not landing a man on the moon by 1970. I take it that you are prepared to swallow that.

However, when you get to what social security recipients buy, this is largely food, and as you point out, wholesale prices of farm products have weakened, clothing, and as you point out, the textile-apparel-leather sector is noticeably weak. You point out that appliances are weak. Well, one of the things that I think some nice old people with their \$96 a month would do, would be to pool together and maybe buy themselves a washing machine.

It is also true that social security receipts do not enter into the wage picture, and thus do not directly act on the cost-push side. In the light of what I have been saying, couldn't a more generous treatment of our social security annuitants, who you and I agree have lagged badly behind in recent years, be accorded without spelling any real inflationary dangers?

Mr. BURNS. This is a very difficult question of judgment, Congressman. I am afraid, as I tried to point out in my testimony, that a 20-percent boost in social security benefits would have a psychological impact on wage negotiations. I don't see how you can very well escape that.

Representative REUSS. If I may comment at that point, you state: "It would not be unreasonable for working people to feel that if retired folks are entitled to a 20-percent increase in income put at their disposal"—and then you go on to say that working people would not unreasonably feel that they are entitled to it also.

I would, I think, differ from you there. I think it would be unreasonable for an auto worker or a steel worker, who is making \$400