

livered. For this reason, it seems to me that this is an imperfect, a very imperfect instrument, to be used for economic stability.

We would be much better served, if we either put it on or took it off and eliminated this uncertainty that business has to suffer from with these fluctuations, especially with the gap that you have at the end before it is put into effect again.

That is in the last 3 months of this year. We are going to be lucky to get any investment in plant and equipment, because people will just be inclined to wait. The margin of difference will be very considerable then.

If somebody is going to buy \$100 million of jet planes, for example, on October 1, they wait until January 1, they would pick up \$7 million in net profit. They would be awfully foolish not to wait. A lot of people will wait, and we will have a most unfortunate situation in machine tools and in a lot of other industries.

Mr. BURNS. As I indicated before, I would like to see the Congress experiment a little longer with a flexible investment tax credit. I would say, however, that a flexible investment tax credit has no chance of success, unless the period for which the credit is suspended is kept quite short.

You may recall that last year the Congress—

Chairman PROXMIRE. Let me interrupt for a minute to say Dr. Heller this morning suggested we might consider eliminating the gap by extending it for an extra year. This would mean we would have more than 2 years, 2 years and about 3 months of suspension, and I take it that you would disagree with that.

Mr. BURNS. I would disagree with legislation which suspended the investment tax credit for a period that is longer than a year.

When the Congress considered this legislation last year, I was in favor of suspending the investment tax credit, but I wanted the suspension to end this June, and then have the Congress take another look, and continue it or not, depending on circumstances.

I don't think there should be any suspension of it for a period that is longer than a year, and preferably for a period that is somewhat shorter.

I must add that I bring to this question something of the attitude of a student who wants to learn more. By that I do not mean that I want the economy to become my guinea pig. But I have been eager to learn more about countercyclical policy and a little experimentation, I think, is needed.

Now that we have done it, I would like to see the Congress live with a flexible investment tax credit for awhile, and see how it works out. In the end, I may want the flexibility withdrawn, and I will then not hesitate to say so, Senator, as you know.

Chairman PROXMIRE. Back on August 5, 1963, I was then chairman of the Subcommittee on Economic Statistics of this committee, and we submitted a unanimous report, Republicans and Democrats unanimously, to the full committee, which in turn unanimously submitted it as an official report of this committee, specifying that we wanted quarterly budget estimates, and in saying why, that the budget for each year should be presented in the context of a broader, longer run set of budgetary projections of 5 years.