for example, people strongly supported increased Government spending on a wide array of programs. When, however, they were asked if the Government should spend more even if taxes had to be increased, no program then received support from as many as 50 percent of the respondents. And the really meaningful cost-benefit calculus comes only when the inevitable tax costs are coupled with the expanded programs—as the administration's need for recommending tax increases again this year makes clear. The evidence does not support the view that people prefer a substantial reallocation of their incomes to the public sector—much as some of us in the public sector would find it attractive to have an enlarged share of the national income come our way. And I might add that a professor in a State university is, of course, in the public sector. Thus an increase in nondefense spending at the rate of 7 percent per year, the evidence suggests, is more in accord with the preferences of people about the division of their incomes between public and private uses than the 11-percent rate proposed by the administration.

(The table above referred to follows:)

U.S. attitudes toward Government programs

[Percent of spending units]

Program	Should spend—	
	More	More, even if taxes are raised
Help for older people	70	34
Help for needy people	60	26
Education	60	41
Hospital, medical care	54	25
Defense	47	30

Source: Eva Mueller, "Public Attitudes Toward Fiscal Programs," Quarterly Journal of Economics May 1963, p. 215.

Conclusions

This is a time when there is real need to make progress on operational aspects of economic policy, and there is receptivity to change. The single most important requirement at this juncture is to take some of the uncertainty and instability out of monetary and fiscal policies. First, monetary authorities must guide the monetary expansion somewhat more steadily along the full employment growth channel.

Second, the budget, and absence of regular information about the budget, has itself been a major problem for economic stability. We should initiate some steps to correct this. The Federal Government should begin to provide the regular and continuing projections of its own fiscal activities for several quarters ahead that it has long requested from key elements of the private sector. And each budget message should contain a 5-year projection showing the administration's present thinking about where the budget is going in the longer run.

Third, with a rise in nondefense spending at the rate of 7 to 8 percent per year through mid-1968 (instead of the 10–11 percent annual rate proposed by the administration), a tax increase can be avoided, or in any case, that issue is not one of immediate importance to economic policy.