

closer toward the ideal by a learning process, not as a result of an "arm-twisting" process.

Senator JAVITS. I think Mr. Colm wished to make a comment.

Mr. COLM. May I be permitted to make comments on both questions you raised, Senator? When Henry Wallich first mentioned to me this tax idea, I was very much intrigued by his suggestion, because we are all seeking some solution which injects the public interest in reasonable price stability into a process, which does not accomplish this automatically in a fully desirable manner, and this is certainly an intriguing idea.

But thinking it over, Henry, I have come in a way to a negative answer, reluctantly, even though I liked it at first. The reason is that it makes a tax dependent on an administrative decision.

The guideposts are not and should never be rigid. Even if we didn't have an inflationary situation, if we had the 3.2 percent productivity, we had lots of exemptions in the formulation of the guideposts. In a way, this tax proposal takes the one numerical figure too seriously.

Now, I would think quite differently if Henry would join forces with me and agree with me in the establishment of a price-wage-productivity board, which would have hearings, which would have a procedure for examining the situation of an industry, and then spelling out the guideposts for that industry, where we have the public record as to exactly what the considerations are.

If you then have something which is geared more to a particular industry, I think some of my objections would weaken. I am not sure that they would then entirely disappear.

As we have it now, where we have really no numerical guideposts, and even if the Council had proposed 5 percent or something, it would not be effective under present conditions, I do not think it is a feasible solution.

Second, I would like to respond to the Senator's reference to the report of the goals of the Commission which was started under President Eisenhower. The National Planning Association, with which I am connected, has taken this proposal very seriously. We have picked it up. We have a Committee on National Goals, working on a quantitative evaluation of the goals which can be quantified.

I do not agree with Mr. Wallich's answer that even if this were done by a Government organization, it would impose decisions on the people. I think one of the big events in the American democracy over the last decades is—and we owe it in part to the Russians and I think they should be thanked for that—that we got a public discussion going on national goals, and a procedure by which current policy proposals are related to goals or to what extent they conflict with other goals.

Let's say we now have the SST proposal. We have in the Government a planning and programming and budgeting system; but this is mainly related to the missions of individual departments, and to the budgetary costs. In spite of President Johnson's announcement these agency goals are not related to national goals as to what private endeavor is doing and what effect is on private activities—let's say what the SST would prevent us from doing—I mean absorbing talent which otherwise could be available for something else.