We commend the Council's concern with price increases, as evidenced by their involvement in price rises for some 50 product lines during 1966—and their firm statement of a continuing "watchdog" role in this area in 1967. Directly related to price movements is the Council's concept of profit measurement for 1967; we strongly support the approach taken by the Council that evaluation of profit rates must necessarily be modified in the light of a continuing uptrend to the economy over an extended period of time—as opposed to the "boom and bust" approach, which dictated a maximization of profits in good years, to offset the lower levels of profit in bad times.

CWA notes with concern, however, the Council's comments on collective bargaining provisions which are geared to protecting the purchasing power of union members' wages. We reject the notion that an escalator clause is or is likely to create an "engine of inflation," as implied by the Council. We see such provisions as a necessary underpinning to the maintenance of that purchasing power base which is the only viable assurance of continued growth and prosperity. We deplore the Council's unfortunate sense of timing in raising this issue in an otherwise useful and healthy discussion of wage-price problems in 1967.

Finally, we take special note of the President's announcement, in his Economic Report, of his intention to explore proposals now current for guaranteeing minimum incomes to those being shortchanged or ignored under our present system for allocating this nation's affluence. Such discussion is a natural followthrough to the recommendations of the National Commission on Technology, Automation, and Economic Progress; we assure the President of our vital interest in establishing a "floor committee" for the economic future of this remarkable apparatus of ours.

CWA firmly supports the raising of the level of economic and political discussion which characterizes this year's Economic Report. We pledge our full efforts to the Administration's objective of a continuing narrowing of the gap between our potential and our performance.