

would make very little difference in the next 6 months, but if you look 2 years ahead and ask will the cost of living be 6 percent higher than it is now, or 4 percent higher than it is now, maybe the tax increase would make that difference, and that would not be inconsistent with anything you have said.

Representative GRIFFITHS. But in making the decisions, the fiscal decisions within this Government, just the budget alone, even under this concept, is not going to furnish sufficient information to make the decisions, right?

Mr. CAPRON. I would certainly agree. I would just underline what I said in my statement, that a great deal more information than can ever be contained in a single table certainly is necessary if sensible decisions are to be made. I do want to record at least partial disagreement with what my Brookings colleague, Mr. Stein, said.

I think—although I agree with him that I cannot give you the exact number—that the level of economic activity was affected by the tax cut of 1964, and I also am confident—again without an ability or claim to any ability to give you a number—that the rate of inflation would be affected by the enactment of a tax increase.

I agree with him completely that precise point estimates are beyond our ability to make these days. I think that is true. But I think the direction of the effect is clear.

Representative GRIFFITHS. For instance, a tax increase might slow up interest rates, but it is not going to stop them from rising. We could not even get Mr. Martin to agree it would stop them from rising. Right?

Mr. CAPRON. I think that is right.

Representative GRIFFITHS. Thank you.

Chairman PROXMIRE. Senator Percy?

Senator PERCY. It seems in my own brief experience in the Congress that the executive branch of Government has better control over its budgetary process—receipts and expenditures and estimates and ability to adjust them up or down through the Bureau of the Budget—than the Congress does. The Congress deals with the budget in sort of piecemeal fashion within a multitude of committees, never looking at the thing as a whole, really.

Could you suggest any procedures by which the Congress could get a comparable degree of control of the budget that the executive branch potentially has available to it? Would you suggest the possibility of a Joint Committee of the Congress on the Budget that would allow oversight that would be improved over our present procedure, or any other procedure that would occur to you?

Mr. CAPRON. Senator Percy, this is a question that from time to time I have thought about, because it does seem to me that the present arrangements that the Congress has made for dealing with budgetary questions do leave—from the standpoint of the Congress and its legitimate interests—something to be desired. I know there have been a number of proposals to improve things. For example, a Joint Committee on the Budget has been suggested in various forms, given various powers.

I feel too inexperienced as to what really goes on and how policy is made in the Capitol to have any firm view. I think that one major step forward, at least in discussion and understanding, has been produced by the Joint Economic Committee which has focused each year on the President's budget and the Economic Report.