to correct existing misallocations and inefficient use of resources, CWA will be glad to cooperate to the fullest extent possible.

It might appear from our criticisms of the report that we are ignoring those areas in which we find ourselves in agreement with the administration and the Council. This is not the case. It is perhaps because we recognize the common bonds which we share with the President and with the Council that we dwell especially on those policies and programs which seem to us to fall short of our common objectives. We appreciate the enormity of the task of formulating viable economic policy for the United States in these difficult times.

Our underlying point, however, is that the annual report of the Council of Economic Advisers serves a unique purpose, in the dialog among our citizenry on "whither the economy". In our view, this report should serve, not only as a policy guide for the year ahead, but the report ought to make explicit a broader and longer range perspective on those targets which the American people have the capacity to achieve. The report might provide, as well, some of the guidance and the impetus needed to set us thinking and acting on the achievement of those targets.

It is in this vein that the Communications Workers of America addresses these comments on the 1968 Economic Report to the Joint Economic Committee of the Congress.

(Appended hereto is a supplementary and more detailed statement by the Communications Workers of America on the issue of wage and price guideposts.

We submit these observations as a contribution to the continuing public discussion of an issue vital to the health and stability of our economy, the resolution of which extends well beyond the immediate concerns of the 1968 Economic Report.)

THE WAGE-PRICE GUIDEPOST ISSUE

A Commentary by the Communications Workers of America

The Council of Economic Advisers, reiterating the "guidepost" concept in its 1968 annual report, calls upon labor and management to act responsibly and with restraint to stem the inflationary trends of 1966–67. The principal burden is placed upon labor, however, via an implicit 5.5-percent ceiling on negotiated settlements, while there is no comparable guidepost stipulated for prices. To quote from the Council's report:

> This (price stability) can only be achieved if the average of new union settlements is appreciably lower than the 5½ percent average of 1967 and if business firms avoid any widening of their gross margins over direct costs and indeed absorb cost increases to the extent feasible.

We in CWA are deeply concerned, as are all citizens, that the steady march of rising prices has eroded the purchasing power of all workers' wages. It is our firm conviction, however, that wage guideposts are not the proper policy for achieving meaningful growth while maintaining relative price stability.

Although the record of the last 7 years has been marked by sustained growth, with only minor slowdowns, this prosperity has not been equally distributed among the various sectors of the economy. It is this