

set its own thinkhouse in better order, instead of asking others to help support its misconceptions.

It is especially discouraging to note that this new Committee is charged in effect with promoting policies to avoid so-called cost-push inflation, but is not charged with responsibility to consider the role of wages in maintenance of adequate expansion of consumer purchasing power. Nor, in the Council's summary of the functions of this new Committee, is there any mention of the fact that (as so abundantly demonstrated by the failure of the price-wage guidelines) any attempt to deal with prices and wages, without getting into the inseparable problems of profit and investment levels and needs, is entirely inequitable on its face and a dangerously astigmatic approach to the whole problem of needed economic adjustments.

Directing the attention of such a group, without sufficiently broad economic perspectives, to segmental problems such as wage and prices, tends toward futility, and toward mere reiteration of the established positions of labor and management.

Coordinating public and private economic policies

I have long recommended, and now recommend again, an entirely different kind of voluntary labor-management-Government instrumentality. The starting point, however, should be development, by CEA itself, of a long-range and short-range budget of our economic resources and the economic and social ends which they should serve, quantified in nature, and integrated with the development of policies attuned to the achievement of the revealed goals. This is what I have at times called an American economic performance budget, and this is no less than the Employment Act of 1946 really calls for.

With this starting point, labor and management and other groups could be brought into consultation with the CEA on a regular basis. This would confer upon these private and voluntary groups (without delegating to them the public responsibilities of CEA) a sense of real participation in the development of the analysis and policies ultimately embodied in the Economic Reports of the President and the annual reports of the Council of Economic Advisers.

Such a process would improve the formulation of public policies, and promote understanding and support of such public policies by private economic groups. It would also help these private groups to achieve a larger consensus in their own voluntary development of policies and programs geared more closely to the public interest, more consistent with concurrent public policies, and more in line with the great purposes of the Employment Act.

This, I suggest, is the kind of creative relationship between public and private efforts which can steer between excessive centralization in the Federal Government and excessive reliance upon uncoordinated private adjustments.

IV. ECONOMIC DEVELOPMENT AND INDIVIDUAL OPPORTUNITY

This chapter of the CEA report discusses a wide range of very important problems, such as trends in the distribution of population and their significance, the demography of poverty, and problems of housing, education, and health.