Interplay of economic and social problems

From the time when I became a member of the Council of Economic Advisers in 1946, I made manifest my view that those problems, sometimes looked upon as "social" or "noneconomic," are just as much economic problems (though social also), and just as much within the purview of the Employment Act of 1946, as problems of business

investment, tax policy, or price levels.

In fact, all programs which involve use of substantial goods and services, and are very substantially affected by economic and financial decisions, are clearly within the purview of the Employment Act. Such programs, therefore, should be made part of something equivalent to an American economic performance budget or a freedom budget. This equivalent, as I have long insisted, should be at the core of the Economic Reports of the President and the annual reports of the Council of Economic Advisers. For these reasons, I am in accord with the inclusion of some discussion of these programs within the current CEA report, as well as in its previous reports.

Ineffectual CEA treatment of economic-social issues

But I feel compelled to criticize most vigorously the scope and quality of the treatment of these problems in the current CEA report. This treatment does not rise to the mandate and challenge of the Employment Act of 1946. A comparable treatment (aside from such matters as the details figures on the demography of poverty, which are available in other Government publications), could be prepared in the main by assembling a paste-up of recent articles on these subjects in well-known or semipopular magazines and journals.

Admittedly, the Council exhibits modesty in these matters. Its report

says (p. 139):

There does not appear to be available at the present time an adequate amount of information to answer [these important questions], nor even a satisfactory analytical framework within which these answers can be approached in a tolerably scientific fashion.

My view is that these matters are quite as susceptible to treatment in depth as others of far lesser importance which CEA does attempt to deal with in depth, and that their superficial treatment by CEA is

without justification.

For example, the Council attempts to set forth (pp. 140-142) some general clarification of problems of migration and redistribution of population within the United States. These stated general principles are that migration helps as well as hurts; that local problems are outcroppings of our more basic national problems; that the most explosive issues in urban areas relate to racial antipathies and prejudices; that we suffer from artificial and obsolete political boundaries; that there should be more study of the per capita cost of service relative to population density; that there should be more study of alternative local distribution of private production and consumption; and that trends in technology can alter the course of some of the foregoing developments. It seems to me that any competent graduate student could include this highly generalized statement of principles in a master's