(6) Instead of temporizing and extemporizing, should we not move more positively and broadly to improve the international mechanisms of exchange, so as to make them fully contemporary, rather than substantially obsolete or at least inadequate to the times?

VIII. The Economic Report of the President

As I said at the outset, it would be both burdensome and cumbersome for me to attempt a detailed examination of the Economic Report of the President, in that the foregoing analysis of the council's annual report makes clear my views.

Succinctly, the President's report recommends a tight budget policy; extension of the 10 percent tax surcharge for another year; Presidential discretion in the matter of tax policy; voluntary cooperation and increased productivity, toward price stability; and promotion of world trade by reducing trade barriers. The President's report also concludes that "our monetary institutions are working well" (p. 13).

The mere listing of these proposals, combined with what I have said about the CEA report, indicates fully my attitude toward most of them. They appear to me to represent, in the main, excessive satisfaction with policies already adopted and now in being; a negative attitude toward the imperative need for profound correction of some of the most important of these policies; and a generally quiescent attitude, when the country's needs are crying out for a great program of action.

There are only two items on the list which would seem to call for further comment.

I am opposed to the vesting of discretionary tax authority in the President. This proposal places relatively too much emphasis upon fine-tuning and quick and frequent changes in tax policy, when we need a fairly long-range and stable fiscal and economic policy, geared to a long-range and continuous pro-prosperity program, rather than anti or counteracting measures of a maginot line nature. Moreover, the fact that the administration then in office took from early 1961 to early 1963 to recommend a vigorous fiscal policy, despite the promises made during the 1960 campaign and the urgency of the need throughout, plus the fact that it took the Congress only 1 year to enact the recommended program (with some modifications), indicate to me the impropriety of blaming delay excessively upon the legislative branch. Further still, and perhaps most fundamental of all, I do not believe that something as close to the lives and livelihoods of the people should be removed from direct consideration and approval by the people's representatives in the Congress. I think we would lose far more than we would gain by any such change, and I am heartened by the fact that the Congress to date has felt the same way.

I am not against voluntary methods of improving price-wage-profit and other adjustments in the private economy, and I think them to be a preferable alternative to direct controls under current and foreseeable circumstances. But meaningful progress in this direction will require institutional changes toward improved and more continuous consultation among industry, labor, and Government. The first requirement for this will be recognition by CEA of its responsibility to provide a broader perspective for such consultation, in the form of the kind of long-range, comprehensive, and integrated economic and social analysis which thus far has been so sorely lacking.