

VII. Recent Developments in Council Operations

This report has already made it abundantly clear that work under the Employment Act is a cooperative venture in the broadest sense. It involves business and government because both have basic responsibilities for the stability and growth of our economy in a free society. It involves organizations of workers, farmers, and consumers, which are of equal importance to business management although in this particular report we have stressed the functions of the latter. (On later occasion, as we have said, we may deal in equal detail with the relations between government and these other organizations in our private economy.) It involves the interplay of numerous agencies and instruments of government. It involves the President and the Congress. It implicates the economics profession, whose members prepare so much of the resources of scientific research underlying the practical tasks of the Council. Perhaps the hardest task of the Council as a small body is to develop relationships between itself and others which will keep moving in both directions a constant flow of information, stimulation, and improved thinking. The best way to describe the progress in our operations, therefore, is to outline some of the recent trends in these relationships.

WORK WITH PRIVATE ECONOMIC GROUPINGS

The Council has continued during the year its frequent meetings with representatives of business, labor, agriculture, and consumers. During our first years, these meetings were devoted mostly to general discussion of the economic outlook, supplemented by somewhat random consideration of specific problems which our visitors might raise with us around the conference table. But beginning with the last quarter of this year, we have instituted a new idea for which we have high hope. We have suggested to our conferees that together we undertake to designate one or two special problems for consideration at our next succeeding quarterly meeting, and that in the interval their staff resources as well as ours undertake to work up specific studies which might be circulated in advance of discussion. In addition to the manifest merit of this pooling of resources, we hope that the psychological advantage of *working together* as well as *talking together* will intensify the realization that the purposes of the Employment Act involve the whole nation and certainly cannot be furthered in an ivory tower.

In the course of our development of this plan, some of our conferring groups have suggested that, instead of meeting separately with representatives of various sectors of the economy, we should undertake joint meetings and perhaps joint studies with representatives of industry, agriculture, labor, and consumers functioning as a single team. There are some practical difficulties involved in this method of approach, but the Council does not deem them insurmountable. Certainly the argument that such meetings lead to hot disputation instead of calm analysis can carry little weight among those who realize—as this report has sought to stress—that the reconciliation of conflicting views and seemingly conflicting interests is the hallmark of free enterprise and free government.

We hope that procedures along these lines may be perfected, and that one of the most important collateral benefits will be the encouragement of mutual efforts along the same pattern but on a more decentralized basis throughout the nation. In such efforts the Council will not generally be able to join because of limitations of time and staff, but it is encouraging to note that already in some states agencies somewhat similar to the Council are being considered or have already been established.

WORK WITH GOVERNMENTAL AGENCIES

The network of the Council's relationships with other agencies of government has been described rather fully in previous reports. Particularly during the latter part of this year, these arrangements have been carried further. In the preliminary development of materials for the forthcoming January reports, members of our staff assigned to specific topics have initiated working committees tying in with other parts of the government devoted to research or operations in the various fields. Different groups have been studying the requirements for and the impediments to a high level of business investment; the interrelationship between international and domestic economic policy; the progress of the program for treating spot areas of unemployment; the relationship between agricultural adjustment and the general economy; the coordination and timing of the wide range of public works and developmental activities in the perspective of economic trends both secular and cyclical.

The Council should not be simply a reviewing body which looks over the proposals made by operating agencies and recommends to the President how these proposals may be fused into a consistent and sound economic policy. Our work to be effective must commence at a much earlier stage in the process. It should include participation in the developmental thinking about those policies and programs which are of central concern to the whole economy. Only thus can other agencies receive our assistance at an early enough stage for it to be fully effective; and only thus can we be brought in contact with their work at an early enough stage for us to comprehend it fully and be benefited fully by their thinking and experience. We feel that during the course of the

coming year, encouraged by the splendid cooperation thus far received, we shall be able to move toward the fuller professional service which the reading of the Employment Act and of its legislative history shows so clearly to have been the expectation of the Congress.

Practically every program and policy of government passes at some stage through the Bureau of the Budget; and those matters which importantly affect economic affairs channel also through the Council. This does not involve duplication, because the functions of the two agencies are manifestly different although closely interrelated. Yet the problem of adjusting other economic policies to the hard facts of the budget, and the correlative problem of adjusting the budget to the hard facts about the economy, mean that the Council must maintain closer year-round contact with the Bureau of the Budget than with any other agency. This contact has been greatly facilitated by the cooperation which the Bureau has extended to the Council.

RELATIONS WITH THE CONGRESS

The signatories of this report have never found any reason to believe that our special service to the President under the Employment Act could be inconsistent with that degree of cooperative servicing of Congressional Committees—particularly the Joint Committee on the Economic Report—which has become the traditional practice of policy advisers to the President who are set up under law, entrusted by law with a specific field of study and advice, and responsible under law for explicit participation in reports and recommendations transmitted to the Congress. The “problems” which such advisers face in occupying a confidential relationship to the President while cooperating with the Congress have been exaggerated, and in any event are not peculiar to economists; and it is less important that the Council be spared these “problems” than that the Congress, at least as much as the economic groups with whom we deal, have access to our open and full discussion of economic fact, outlook, and policy.

Our most recent discussions with members of the Joint Committee on the Economic Report have strengthened our belief in this principle and practice. We look forward to exerting every effort toward making our best contribution to the furtherance of one of the most important objectives of a free government—mutual respect and common purposes between those who serve in the executive and those who serve in the legislative branch. The only way to further these ends is to work together on problems confronting both.