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RELEASE ON RECEIPT

REPORT OF THE JOINT COMMITTEE
ON THE ECONOMIC REPORT

The Joint Committee on the Economic Report was established under the terms of Section 5 of Public Law 304, approved February 20, 1946. Section 5, as amended by Public Law 601, approved August 2, 1946, reads, in part, as follows:

"Sec. 5. (a) There is hereby established a Joint Committee on the Economic Report, to be composed of seven Members of the Senate, to be appointed by the President of the Senate, and seven Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives. The party representation on the joint committee shall as nearly as may be feasible reflect the relative membership of the majority and minority parties in the Senate and House of Representatives.

(b) It shall be the function of the joint committee --

(1) to make a continuing study of matters relating to the Economic Report;

(2) to study means of coordinating programs in order to further the policy of this Act; and

(3) as a guide to the several committees of the Congress dealing with legislation relating to the Economic Report, not later than February 1 of each year (beginning with the year 1947) to file a report with the Senate and the House of Representatives containing its findings and recommendations with respect to each of the main recommendations made by the President in the Economic Report, and from time to time to make such other reports and recommendations to the Senate and House of Representatives as it deems advisable."

Although the Act became a law February 20, 1946, the President did not appoint the Council of Economic Advisors provided for by Section 4 of the Act until July 25, 1946. This Joint Committee was not appointed until just before Congress adjourned, and it was not practicable to set up a staff or begin the work during the last Congress. Five members of the Committee were not elected to the 80th Congress, and it was necessary to reconstitute and reorganize the Committee this month. No staff has yet been appointed. The problems to be considered by the Committee are the most complex economic problems which the country faces, and it is vitally important that the best possible staff and consultants be procured in order that the best possible studies may be made. The Committee is now engaged in canvassing the qualifications of a number of men for this work, but as yet has not selected these men or begun the necessary studies.

The Committee has considered the Report of the Council of Economic Advisors to the President, made in December 1946 (Senate Document No. 6), and the Economic Report of the President transmitted to the Congress on January 8, 1947 (House Document No. 49). It has particularly considered the recommendations of the President in the "short range program" appearing on pages 20, 21, and 22 of his Report. The Committee agrees with the President that removal of war-time controls and the return to a freer economy places on business, farmers, labor, management and consumers the main responsibility for working out price and wage relationships. The Committee joins in

the President's hope that business will reduce prices; that labor will refrain from excessive wage demands; and that both will bend every effort to increase productivity.

The short range recommendations of the President calling for Congressional action may be summarized as follows:

1. Congress should extend rent control.
2. Congress should extend the coverage and raise the rate of the minimum wage.
3. Congress should extend the coverage and revise the benefits under the Social Security system.
4. Congress should enact a long range, comprehensive housing program.
5. While the tax burden should be reduced as soon as possible, it should not be reduced at this time.
6. Congress should deal with the whole field of labor management relations in which sound collective bargaining is essential.

All of these six matters are already under consideration by standing committees of Congress which will make a detailed study of each one of them and submit recommendations to the Congress. Most of them are highly controversial. A recommendation from this Committee at this time which could only be casual before our studies are made, would not be helpful to the solution of the problems. The Committee will proceed to consider these problems with reference to their effect on the maintenance of a stable economy and continuous employment.

The basic problem which this Committee has to consider is the method of preventing depressions so that substantially full employment may be continuously maintained. No problem before the American people is more vital to our welfare, to the very existence of our way of life, and to the peace of the world. It is the most complex and difficult of all the long range domestic problems we have to face. It involves a study of price levels and wage levels and their relation to each other, a study of methods of preventing monopoly control in industry and labor from distorting prices and wages, a study of spending for consumption and for capital investment, a study of individual and corporate savings, and a study of many other economic forces bearing on a stable economy.

Until we have further studied and analyzed the basic considerations which underlie this problem, we do not feel we should become involved in controversy on current issues which have many aspects besides their effect on the prosperity of the country.

With regard to the President's long range program, no immediate recommendations are necessary. The Committee will proceed to consider his different proposals as rapidly as we can reach them, to determine whether they bear a relation to the principal task of this Committee and, if they do, make recommendations to Congress with regard to them.

The Committee notes with approval that the Report places special emphasis upon an over-all policy directed toward the preservation in agriculture of the family-sized farm (page 25) and in industry of free competitive enterprise (page 28). The details of a program to prevent another agricultural depression and of an affirmative program, in the words of the Report "to enlarge the opportunities for efficient and enterprising small businesses" will be among the primary subjects of committee study. Regardless of the recommendations of the Report on which there may or may not be controversy, it is our desire to commend the compilation of statistics and economic facts which are contained in the President's report and furnish a substantial basis for further study.

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