ADDRESS OF THE HONORABLE WILBUR MILLS, OF ARKANSAS, AT THE AMERICAN ENTERPRISE INSTITUTE SYMPOSIUM ON FISCAL POLICY AND BUSINESS CAPITAL FORMATION

EXTRACTION OF REMARKS OF HON. MELVIN R. LAIRD OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 20, 1967

MR. LAIRD. Mr. Speaker, on April 20, the Honorable Carl Albert, chairman of the Committee on Ways and Means [Mr. Mills] delivered an exceptional speech before the American Enterprise Institute Symposium on Fiscal Policy and Business Capital Formation.

In his address, "Fiscal Policy and the Good Economic Society," Mr. Mills pointed out that fiscal policy should seek to contribute to the good economic society. This good economic society is characterized by a progressive spirit, which leads the citizenry to seek out new challenges, he said.

Perhaps the most thought-provoking remark of the gentleman from Arkansas was the following:

"The good economic society is careful to limit its assumption of responsibility to concerns of this character (those with which society as a whole must deal) and seeks always to reserve to private economic entities—individuals, households, companies—the maximum possible scope for decision-making, for initiating activity.

Mr. Mills rightly notes that—This is the essence of economic freedom in our world today. And maximizing economic freedom is a major objective of the good society."

Commenting on the demand for increases in governmental services as the society grows and becomes both more complex and more affluent, Mr. Mills notes that—

"All proposals for new expenditure programs should be received with a constructive skepticism; we should start with the assumption that the production capability to be allocated to the program would be better available to unsatisfied demands in the private sector of the economy and require the program's proponents to persuade us otherwise."

Noting the expansion of governmental spending, particularly at the State and local levels, Mr. Mills recommends caution about "some recent, bizarre proposals concerning the fiscal relationships of the Federal, and State and local governments." It is here that I must enter a strong reservation to the distinguished gentleman's remarks. Surely, as he so eloquently pointed out, the very essence of our federal system is the principle of subsidiarity; that is, letting the lowest political level provide the services which are demanded by the citizenry. This is a basic precept of our federal system. Thus, it is certainly consistent with Mr. Mills' call for a "good economic society" which limits its assumption of responsibility to those concerns in its own domain, and not usurp which can be better performed by lower units of government and of society.

Another noteworthy point which the gentleman mentioned was that—

"Great importance should be attached to regular, frequent, and significant reductions in tax rates."

The reasons for this are several, as the chairman points out, but perhaps overriding is the fact that—

"Economic freedom is bolstered by general tax reduction which broadens the command of private economic entities over the society's productive resources."

Mr. Speaker, this address is worthy of consideration by every Member of this body. It is thought provoking, and its logic, I think, is convincing. It is an argument that fiscal policy should seek to contribute to the good economic society. A good economic society is efficient. It allocates the various elements of its productive capacity to those uses in which they will contribute most to total output and to the well-being of its people. It quickly recognizes changes in costs and in benefits and facilitates rather than impedes the rearrangement of production activity in response to those changes."

The good economic society is busy and fully employed. It avoids prolonged, involuntary unemployment of large numbers of its labor force, or their prolonged employment in submarginal uses. It recognizes, however, that the rate of use of labor, capital, and other agencies of production cannot be absolutely uneven in a dynamic environment, and is prepared, therefore, to accept moderate deviations from "full employment," for short periods of time.

The good economic society grows. It increases its capabilities for satisfying the material and nonmaterial aspirations of its members, while accommodating their desires for diversity and change.

The good economic society is fair and humane. It seeks to minimize the disparities in its advantages available to all of its members by making sure that none of them are debarred from being or becoming productive participants in its activities. It recognizes differences among its members in their ability to contribute and seeks to moderate rather than to enhance these disparities, not by constraining the more productive but by increasing the productivity of the less fortunate. But where this is not feasible, the good economic society is not indifferent to deprivation. It mobilizes its resources to discover and apply enduring remedies and avoids relying on ad hoc relief measures."

Mr. Mills, then, would have the society rely on its members to provide the impetus and the means for achieving these goals. It recognizes that in our highly complex economic, political, and social environment, individuals will frequently encounter problems with which they are unable to cope unaided; that in other situations, they will encounter problems with which society as a whole must deal. But the good economic society is careful to distinguish between the two types of problems, and to concern those in which the characteristic and seeks always to reserve to private economic entities—individuals, households, companies—
the maximum possible scope for decision-making, for initiating activity. This is the essence of economic freedom in our world today. And maximizing economic freedom is a major objective of the good society.

If the purpose of government is to attain the goals of the good economic society, then (1) every government expenditure involves limiting the availability of production capability for carrying out private economic activity, and (2) virtually every government levy impacts on the taxpayer's choices among economic alternatives.

The first of these facts accounts for the traditional liberal concern for limiting governmental programs. This is no doctrinaire indictment of government spending. On the contrary, as the society grows and becomes both more complex and more affluent, the extent and scope of demands for publicly afforded services must be expected to increase as well. But taking a realistic view of the likely course of government activity doesn't justify indifference to the perpetuation of programs that have proved to be invalid or have outlived their former usefulness. Nor does it lead ready acceptance of the new programs. New programs are overly ambitious and impractical, no matter how grandiose named nor how worthy their purpose. Moreover, they require tolerance for ill-conceived experiments which could pass a rudimentary cost-benefit test. It is not at all clear that a government program's proponents have proved that any program will meet the same tests. In fact, all facts should give one pause about some recent increases in Federal expenditures.

If this is true, the good economic society and the fiscal policy which is appropriate thereto is appealing, one can only regret the circumventing of these constraints by the growth of the public sector of the economy and the regulatory control which is enhanced by tax reduction which moderates the tax advantages or disadvantages of particular groups or taxpayers and thereby reduces tax-induced distortion in the allocation of resources. And beyond doubt, economic freedom is bolstered by general tax reduction which broadens the command of private economic entities over the society's productive resources.

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The 175th Anniversary of Westford Academy

EXTENSION OF REMARKS
OF HON. PHILIP J. PHILBIN
OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES
FRIDAY, APRIL 28, 1967

Mr. PHILBIN. Mr. Speaker, I am honored and most pleased to bring to the attention of the House the 175th anniversary of Westford Academy, the noted school located in Westford, Mass. In my district, which is celebrating this noteworthy birthday event with impressive exercises on April 28 and 29.

In honor of this anniversary celebration, I was privileged to send to the class of 1967 an American flag which has flown over the Capitol, the cornerstone of which was laid 1 year after the founding of Westford Academy.

I know that my colleagues join me in commending the school officials and the citizens of Westford for arranging the special anniversary program to mark the founding of Westford Academy on April 30, 1782, and at the same time extend heartiest felicitations upon this great, historic event along with best wishes for the future.

This anniversary celebration is indeed a most impressive occasion in the life of the Westford community and our State and Nation, and I extend warm greetings to Westford Academy and all those associated with it as well as heartiest congratulations upon the superb contributions of this outstanding school throughout the years toward the education of the young men of the Westford area and in that way strengthening the posture of our national life.

Looking back upon the achievements of this renowned school down through the years since early colonial days, and in the present generation, it is most appropriate that we should express our pride and gratitude for the unselfish service of the dedicated leaders and teachers at Westford and the high-minded citizenship, lofty ideals, and civic interest of the founders and subsequent Trustees, Directors, and all others associated with this fine institution.

As the U.S. Representative in Congress of the beautiful town of Westford, I am proud on this 175th anniversary to hail and salute in this chamber Westford Academy and the Westford community for all they have done to promote the spiritual ideals, moral truths and lofty principles that have helped to make this Nation great.

May the good Lord continue to bring His choicest blessings upon the students and instructors at Westford Academy, so that its superb educational work and achievements may continue to be an inspiration and challenge to all of us for many years to come.

Under unanimous consent I place in the Recess a letter of congratulations which I sent to the graduating class of Westford Academy:

GRADUATES, Westford Academy, Westford, Mass.

My Dear Graduates: It is with great pleasure that I extend to you—the 1967 graduates of Westford Academy—my heartiest congratulations on the completion of your course and very best wishes for the future.

As you join the many other graduates of your historic, outstanding school, you may well feel a sense of justifiable pride in the fulfillment of your splendid educational objectives.

It is my fervent hope that you will continue with your higher education, because these days the boundaries of human knowledge are truly unlimited, and new horizons are opening up with startling rapidity. However, the values of our way of life are basic. The principles of freedom, the moral values and the spiritual ideals which have played such a great part in shaping this nation and projecting our incomparable progress, will always be the cornerstone of our American system.

Whether you enter upon your life's work or pursue your education, the opportunities before you are truly boundless. It will be up to you to embrace them eagerly, and with the same willingness to work hard, the same idealism, enthusiasm, dedication and courage which have marked your years at the Academy.

Your responsibilities as leaders of the future will be great and will require your best efforts. The extent to which you succeed in reaching your goals will depend largely upon yourselves—the way you tackle the tasks at hand, and the firmness of your resolution not to be deterred by temporary setbacks, but to strive with all your hearts, energies and minds until you have reached your chosen objectives.

Your parents and your teachers have done their part and they will continue to counsel, to assist and encourage you. The rest will be up to you. The doors of opportunity are open for you. If you remember with our great New England poet that "there is no such thing as fail. it is a lesson of a bright youth," and order your lives accordingly, you will then be in the best possible position to realize the high goals you set for yourselves in life.

Always remember the lessons you have learned in your homes, in your classrooms, and in your spiritual lives. Stick tenaciously to your principles and your tasks.

Keep your eyes fixed on the stars and your feet firmly planted on the ground. Then, as the Bard of Avon said, "It must follow, as the night the day, Thou canst not then be false to any man."

Above all, remember the duty you owe to those who have made your success possible, to continue to follow their precepts and counsel, to recognize that, in the best sense, the greatest rewards you can secure will lie in the realization that you have not lived for yourselves alone, but that you have sought to serve to help your fellow human beings, that you have done your full part to making yours a better community, this a better nation, and a better world.

As your Congressman, I want you to know that I am very proud of you and have confidence that you will go on to higher achievements. I wish for you all, continued, good health, every measure of success in your chosen careers, and peace for many years to come.

Warm regards and best wishes.

Sincerely yours,

PHILIP J. PHILBIN.

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The Senate met at 11 o'clock a.m., and was called to order by the Presiding Tempore.

Rev. Edward B. Lewis, pastor, Capitol Hill Methodist Church, Washington, D.C., offered the following prayer:

We bow before Thee, O God, in quest of that still small voice within that speaks in moments of silence. Help us for this minute to be quiet in thought and in spirit that we may be aware of the presence of the source of all life.

Come to these hearts and minds in a spirit of peace, that peace may be found and shared.

Enter into the lives of our leaders with the spirit of love for God, for a world in need of love, and for a nation that has been blessed with love.

Give to all the desire for the spirit of truth that new insight, understanding, and solution to problems might be gained from the proceedings of this important day.

Renew us in Thy love, O Lord, our strength and Redeemer. Amen.

THE JOURNAL

On request of Mr. Mansfield, and by unanimous consent, the reading of the Journal of the proceedings of Friday, April 28, 1967, was dispensed with.