

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

February 24, 1961

MEMORANDUM FOR THE PRESIDENT

From : Walter W. Heller

Subject: The "Blue-Ribbon" Committee on Full Recovery

Attached is an outline of a plan for a "blue-ribbon" Committee on Full Recovery, to elaborate the suggestion you made to us yesterday.

After giving serious reflection to the proposal in the course of formulating it in more detail, we now have substantial misgivings about the whole idea.

1. Your present political-economic posture is to stand on the program of your economic message until April and to reappraise at that time the need for stronger measures. To appoint a Committee prior to that time seems to concede the inadequacy of the program already proposed, and to raise the question why a stronger program was not submitted initially.
2. Even in April, appointment of a Committee would be a poor substitute, both politically and economically, for recommending a strong fiscal program. The general nature of the needed actions is well known. Appointment of a committee to study the obvious invites the same criticism as was often directed at the previous Administration.
3. To command the respect of conservatives, a "blue-ribbon" committee must be conservative. The diagnosis and prescription of "blue-ribbon" citizens might ratify the inaction and complacency of the previous Administration and of the conservative wing of Congress. A tri- or quadripartite representative committee will tend to agree only on statements and recommendations vague enough to represent a lowest common denominator. In neither case is it likely that the Administration, the public, or the Congress will be enlightened or persuaded.
4. The problem has been and is being thoroughly studied in the government and elsewhere. Appointing another committee to study it might seem redundant and indicate a lack of confidence in the studies conducted by the Samuelson task force, the Sproul committee, the Council of Economic Advisers, and others in your Administration.

5. As your mention yesterday of a possible April tax-cut recommendation seemed to suggest, the best strategy may be to recommend a truly adequate program in April. If it is defeated in Congress, then the political blame for persistent unemployment is clearly and justifiably on the opposition. If it is passed, there will be a healthy recovery, for which the Administration can claim credit. We are already at work on a potential "second-stage" program for your consideration at the appropriate time.