

## PROBLEMS OF FEDERAL TAX POLICY

12 November 1964

COLONEL TILLMAN: General Schomburg, Gentlemen: This morning we consider the "Problems of Federal Tax Policy." It is a subject of great interest to us not only as students in this unit on Economic Policies for National Strength, but also as individual taxpayers.

We are fortunate to have as our speaker this morning a man who was Director of the Treasury's Office of Tax Analysis until he returned to teaching just a little over a year ago.

It is a pleasure to welcome Dr. Harvey Brazer back to the College and to present him to the Class of 1965. Dr. Brazer.

DR. BRAZER: I am pleased to be here for a second time, partly because I assume that the people who are responsible for the program in the College make every effort to avoid making the same mistake twice. So, I am both pleased and flattered because I have been asked to return to talk to you again this year.

Talking to you this year involves the discussion of tax policy under somewhat different circumstances than those that obtained a year ago. Among other things, a year ago I was somewhat pessimistic about the prospects of the Revenue Act of 1964. I was pessimistic not only with regard to the prospects for passage of the bill, but also pessimistic because of the fact that while we were not sure that the bill would pass in acceptable form, the White House had made very strong commitments for curtailing expenditures. And if we had had a curtailment in Federal expenditure such as was actually proposed in the January 1964 budget, and if there had been coupled with that the kind of delay in enactment of the bill which many of us believed would occur, then the net impact of this kind of fiscal policy on the economy could have been seriously deleterious or seriously depressing.