"Business Management and the Washington Government Process"

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The Nixon Administration has embarked on a campaign to increase Federal government efficiency and to improve federal-state-and-local relations. This is not being done only in the interest of saving tax dollars. It is also vital because how well the Nixon Administration does in managing our financial resources will determine to a large degree how successful we are in solving many of our domestic problems.

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To make the fight against inflation more effective, we need at least two federal surpluses back to back. We need to wind up in the black not only this fiscal year but next.

It would seem impossible to achieve a surplus in fiscal 1970 without the revenue which would flow from a continued surtax.

President Nixon wants to get rid of the surtax as soon as possible, and so do I.

But if the Congress were to allow the surtax to expire as of June 30 and the Federal Government therefore incurred perhaps a $9 billion deficit in fiscal 1970, the battle against inflation would be lost and the American people would be the losers.

Looking at the situation affirmatively, the Nixon Administration, the 91st Congress and the Federal Reserve Board have it within their power gradually to bring inflation under control. And their efforts deserve the support of the American people because in the long term the people will benefit.

The price trend does not yet reflect official efforts to slow down the boom but it soon will.

We now have fiscal restraint from the combined effect of the surcharge and the Social Security tax increase which took effect last Jan. 1. This will be reinforced by monetary restraint flowing from current Federal Reserve Board policies.

Gradually this combination of fiscal and monetary restraint will bring us back to relative price stability.

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The slowdown is under way.

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