STATE OF THE ECONOMY AND POLICIES FOR FULL EMPLOYMENT

WEDNESDAY, AUGUST 8, 1962

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The committee met at 10 a.m. in room AE–1, the Capitol, Hon. Wright Patman (chairman) presiding.

Present: Representatives Patman, Reuss, Thomas B. Curtis, and Widnall; Senators Douglas, Proxmire, Pell, Bush, and Javits.

Also present: William Summers Johnson, executive director; John R. Stark, clerk; Hamilton D. Gewehr, research assistant.

Chairman PATMAN. The committee will please come to order.

This morning we have as our panel Mr. Douglas Greenwald, Mr. George Katona, and Miss Mona Dingle of the Board of Governors of the Federal Reserve System.

This morning we continue hearings on the state of the economy. We have with us a panel of distinguished economists who are specialists in surveys of business and consumer expectations.

Before we begin, I would like to say a special word of thanks to Miss Dingle and her associates on the staff of the Board of Governors, who worked over the weekend in order to speed up the tabulation of their most recent survey of consumer plans for purchases.

We will proceed now with Mr. Greenwald first, and then the members of the committee may put questions to the panel. If there is no objection, the committee will ask questions under the 10-minute rule.

Mr. Greenwald, you may proceed in your own way, sir.

STATEMENT OF DOUGLAS GREENWALD, MANAGER, DEPARTMENT OF ECONOMICS, McGRAW-HILL PUBLISHING CO., NEW YORK, N.Y.

Mr. GREENWALD. Thank you, sir.

My assignment is to discuss the current and short-run health of the economy with particular reference to the key area of the economy—private investment in new plants and equipment. My contribution, for the most part, will be based on recent important factual information from McGraw-Hill's surveys of business' anticipations. And results of these surveys indicate that capital investment intentions by business constitute an element of strength in the business outlook.

In my department of the McGraw-Hill Publishing Co. we have made surveys of plans for business' spending on new facilities for 15 years. We also maintain a monthly index of new orders for nonelectrical machinery which reflects the new incoming business of pro-