

ness, much more than it needs higher prices. Here is where the matter of achieving a level of corporate profitability which is necessary and desirable merges with the general public interest in achievement of the fullest potential of the economy. What is good for the economy will be good for corporate profits. Adequate expansion and growth in the American economy is the most important ingredient of high and rising corporate profits.

My judgment is that much of the historical decline during the post-war period in corporate profitability as reported is not as significant as is commonly thought in business circles.

But, the hard and bitter struggle that every business is engaged in—no matter how big or how small—must receive adequate attention as a key factor in the current economic scene. Every business firm must make vigorous efforts to keep pace with competition, to develop new products, to introduce the newest technological improvements, and to try to keep at least even in the hard and relentless race against higher costs. These actions by businessmen in response to the profit motive, in turn, are a most important ingredient of adequate expansion and growth in the American economy.

Chairman PATMAN. Thank you, sir. Our next witness is Mr. Joseph A. Livingston. Mr. Livingston, we are very delighted to have you and glad to hear from you. You have a prepared statement, I believe.

**STATEMENT OF JOSEPH A. LIVINGSTON, FINANCIAL EDITOR OF
THE PHILADELPHIA BULLETIN AND NATIONALLY SYNDICATED
COLUMNIST**

Mr. LIVINGSTON. Yes, sir. I am honored and complimented to have been invited to appear before this committee. As a newspaperman, I am accustomed to have Senators and Congressmen talk to me and not listen to me. I hate to think of myself as a worm, but it is pleasant to have the worm turn.

If economics were an exact science, this committee wouldn't be holding hearings. And if I or anyone else knew the correct answers to this Nation's economic problems, again there would be no need for hearings. We'd simply accept the judgment and policies of this economic giant.

An economist is a bundle of biases, who isn't always able to see history and trends in the making because of his biases and theories. I offer that generality, because I may be completely wrong in what I am about to say.

It seems to me that too many economists believe in deficit spending as a panacea for everything. If business slacks off a bit, let the Government cut its income, either by spending more or taxing less.

If we have chronic unemployment, let the Government jab some deficit adrenalin into the system.

If we don't grow as rapidly as the Soviet Union or Western Germany or Italy or France, well, obviously, it's the Government's fault. It is not doing enough.

We are trying to treat prosperity in the same way we dealt with depression.