

STATE OF THE ECONOMY AND POLICIES FOR FULL EMPLOYMENT

MONDAY, AUGUST 13, 1962

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

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

Present: Representatives Patman, Reuss, Griffiths, and Thomas B. Curtis; Senators Sparkman, Proxmire, and Bush.

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

PROCEEDINGS

Chairman PATMAN. The committee will please come to order. The committee has been engaged in a series of hearings on the state of the U.S. economy and on possible changes in policies of the U.S. Government, which would help us to achieve a higher rate of utilization of our labor force and our productive capacity, and also achieve a more rapid rate of economic growth.

Such improvements are desirable for obvious reasons. First, to raise the level of living of American families, many of whom have many unsatisfied needs and wants; and second, to be better able to help the underdeveloped nations of the free world, and to meet our other commitments to the defense and advancement of free and open societies.

Accordingly we would hope that any changes in policy or technique we might recommend, will be compatible with the economic policies of the other free world nations.

This morning we are honored to have with us a panel of distinguished experts from three European nations. Prof. Alan Day, professor of economics, London School of Economics, London, England; Dr. Ettore Lolli, executive vice president, Banca Nazionale del Lavoro, Rome, Italy; Prof. Jurg Niehans, professor of economics, University of Zurich, Switzerland.

We are happy to have you with us. Our usual procedure is to have each member of the panel make an opening statement. Then the members of the committee put questions to the panel. Each member is limited to a 10-minute questioning period, in rotation. The committee always invites free expression on the part of the witnesses and we do so now.

A panelist may reserve comment on any question asked. Our usual procedure, also, is to have the panelists begin in alphabetical order of