Senator JAVITS. May I also apologize to the witnesses. Though I will stay a little while, I have an Appropriations meeting to go to.

Representative CURTIS. Ways and Means has an executive session, and we have bills. I will go there. I will read through the statements.

Chairman PATMAN. Stay as long as you can.

Representative CURTIS. I will.

Chairman PATMAN. I don't see how Senators attend all the meetings. It is hard enough on the Members of the House. But the Senators have so many committee meetings, and they are always having executive sessions and important meetings like Senator Bush's, it is just almost impossible to keep them at a meeting for any length of time. Fortunately the record contains everything that is said. Each member gets a copy of the record and although he may not actually read the record himself every time, he has someone read it for him, and his attention is called to the points that he should know about.

In that way they are kept informed. Of course, the record is printed and goes out to practically all the libraries of the Nation, and to people who are interested, so there is wide distribution of the information that we obtain at these hearings. You may proceed, Mr. Culbertson.

Mr. CULBERTSON. Thank you.

I am happy to have an opportunity to appear before you today, because I believe that our country is now at a crucial turning point in its economic policies. Continuation of the policies of the recent past will most likely lead to perpetuation of economic weakness and high unemployment, with the erosion of the prestige and economic and political power of the United States that this would entail.

A policy of more drastic monetary restriction, as has recently been urged upon us from several quarters, surely would make matters still worse and might have quite disastrous consequences. What is required to get the American economy once again moving toward full prosperity is nothing less than a total reorientation of the monetary and debt management policies of the Federal Reserve and the Treasury, coupled with an economically stimulating fiscal policy.

The Government evidently has been deterred from undertaking a thoroughgoing program for full employment in part because of the prevalent idea that this would be a violation of international morality, that the United States at this juncture owes it to the world to give its balance of payments position priority over domestic prosperity, to desist from undertaking the policies that would promote full employment, in a word, to deflate.

I believe that this is an entirely erroneous and dangerous premise. There are means of correcting balance-of-payments disequilibrium other than protracted deflation of the income or prices of any country. Students of such matters took it for granted that the postwar international financial system would explicitly avoid any such reliance upon deflation. However, the emotional gold-standard thinking that wrought such havoc upon the world in the 1920's and 1930's with its mystical attachment to high interest rates and deflation seems, despite the clear lessons of that period, to have reasserted itself with alarming force. The grip of this dogma and the habitual errors of Federal Reserve monetary policy are the principal impediments to the reachievement of full prosperity in the U.S. economy.