STATE OF THE ECONOMY AND POLICIES FOR FULL EMPLOYMENT

THURSDAY, AUGUST 16, 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 and Reuss; Senators Proxmire, Pell, and Javits.

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

Chairman PATMAN. The committee will come to order.

We continue hearings on the state of the economy and policies to achieve maximum employment, production, and purchasing power.

Our concern today is mostly with monetary policies and we are fortunate to have as witnesses some of the country's top policymakers in this field.

Our first witness will be Mr. Alfred Hayes, president of the Federal Reserve Bank of New York.

Mr. Hayes, we are delighted to have you with us. You may proceed in your own way.

After you have completed your statement, the members of the committee may wish to propound questions under the 10-minute rule. You may identify the gentlemen with you if you please.

STATEMENT OF ALFRED HAYES, PRESIDENT, FEDERAL RESERVE BANK OF NEW YORK; ACCOMPANIED BY CHARLES A. COOMBS, VICE PRESIDENT AND SPECIAL MANAGER, FEDERAL OPEN MARKET COMMITTEE; GEORGE GARVY, ADVISER, RESEARCH DEPARTMENT; AND PETER STERNLIGHT, MANAGER, SECURITIES DEPARTMENT, FEDERAL RESERVE BANK OF NEW YORK

Mr. HAYES. Thank you, Mr. Patman. I am glad to be here.

This is Mr. Charles A. Coombs, vice president in charge of our foreign function and special manager of the Federal Open Market Committee.

Mr. George Garvy, adviser in our research department; and Mr. Peter Sternlight, manager of our securities department.

Chairman PATMAN. We are glad to have you gentlemen.

Mr. HAYES. May I proceed with my statement?

Chairman PATMAN. You may proceed in your own way. You have a prepared statement, I notice.