Senator PROXMIRE. He was pretty well backstopped by a distinguished professor of business and commerce from the University of Wisconsin and by a New York University professor, all of whom had served on the Federal Reserve Board as economists, either the Federal Reserve Board in Washington or the New York Federal Reserve Bank.

Mr. HAYES. Senator, I have been gratified to observe that the severity and depth of recessions in the last few business cycles seems to me was less than we used to think was normal. In fact, the latest dip was a very shallow recession. I would hope that similar experence would be true in the future.

If we should get a business turn, of which I see no evidence now, I think there is a good chance that it would again be a pretty shallow dip.

Furthermore, I would like to take this opportunity again to say that I don't think we have anything remotely resembling a tight money policy at the present time. I think it is distinctly easy policy and it seems to me from the common sense standpoint of asking bankers how they feel and their willingness to entertain credit applications, their avid search for outlets for their funds, it is obvious to me it is a fairly easy money atmosphere.

Senator PROXMIRE. Would you submit for the record the historical relationship between liquidity and GNP?

Mr. HAYES. Yes.

(The following was later received for the record:)