

STATE OF THE ECONOMY AND POLICIES FOR FULL EMPLOYMENT

MONDAY, AUGUST 20, 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: Representative Patman; Senators Sparkman and Proxmire; Representative Reuss.

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

Chairman PATMAN. We have as our witness this morning Assistant Attorney General Lee Loevinger. Are you ready, judge?

Mr. LOEVINGER. Yes, sir.

Chairman PATMAN. Do you have some statements?

Mr. LOEVINGER. I apologize, Congressman Patman. I do not have a statement. Mr. Johnson telephoned me while I was at the American Bar Association in San Francisco, and I have not had an opportunity to confer with my staff extensively or prepare a formal statement.

Chairman PATMAN. That is all right, sir. Before we start, however, I want to say something for the record.

A few days ago, a letter was addressed to the Honorable William McChesney Martin, Jr., Chairman of the Board of Governors, Federal Reserve System, by me, for the Joint Economic Committee, concerning the minutes of the Federal Open Market Committee for the year 1960. The letter was dated August 14, 1962.

Today I have received a reply, dated August 16, 1962, from Mr. Martin, stating that the matter that was presented in the letter will be taken up at a meeting of the Federal Open Market Committee on August 21, which is tomorrow; and answers to our questions will be given to us as promptly as possible.

Without objection, both letters will be placed in the appendix of the record.

(Letters referred to appear in the appendix at p. 955.)

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

We turn our attention this morning to policies for maintaining competition.

As we know, the traditional policy of the Federal Government is to rely on free and open markets, and on competition in those markets, as the main forces bringing about maximum employment of our re-