Chairman PATMAN. Well, of course, we have broad jurisdiction, you know.

Dr. NOURSE. But again, it is a question of balance.

Chairman PATMAN. I doubt that a point of order would be good on almost anything asked for before this committee. But, in any event, I will not pursue that further, except to ask what you consider to be the paramount subject today; monetary policy, or monopoly?

Dr. NOURSE. Well, monopoly; except more broadly stated. That is to say, I think that we have canvassed more fully the situation on fiscal policy, and we have not gone adequately into the question of market relationships, not merely monopoly, unless you interpret monopoly very broadly in terms of the concentration of labor power, as well as the concentration of managerial power.

Chairman PATMAN. Well, thank you very kindly, Dr. Nourse. We appreciate your testimony. It will be helpful to us.

I understand that Dr. Nourse is unable to be with us this afternoon. He has asked, however, that we include in the record a reprint of an article that he published in 1960 on "Some Questions Emerging Under the Employment Act." It contains his views on the issues with which we are concerned in this phase of the hearings.

(The matter referred to follows:)

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SOME QUESTIONS EMERGING UNDER THE EMPLOYMENT ACT

By Edwin G. Nourse, Joint Council on Economic Education

I

There is a striking disparity between the grand national purposes declared in the Employment Act of 1946 and the paralyzing squabbles that have erupted in the steel industry and that impend for the automobile and railway industries in 1960. As setting for an analysis of causes of this disappointing development and for promising means of combating or, if possible, reversing it, I submit several all-too-categorical propositions.

The Keynesian dialectic for a high-production economy sustained by the grace of compensating fiscal policy and stabilizing monetary policy has proved inadequate for dealing successfully with the postwar problems of our economy. We have been confronted with many operational dilemmas in trying to adapt particular pricing and income-determining institutions and practices to the higher price level which had been, in a very irregular pattern, induced by the tumultuous wartime developments and improvisations. Alvin Hansen admirably previewed the complex nature of the Employment Act problem in his Economic Policy and Full Employment (1947). Referring to inflation as "the immediate danger," he said: "In our modern, highly complicated economic order we are continually in danger. It is not easy to keep the system in balance. That involves not only fiscal and monetary controls, but also, among other things, a balanced *wage-and-price policy, control of monopoly, promotion of high productivity, technical progress and, above all, social unity and cohesiveness.* [Italics added.] Stability, maximum production, and full employment are not easily achieved goals. We are perhaps out of the kindergarten, but we still have a long way to go." (Page vii.)

Unfortunately, neither Hansen nor any great number of our fad-following profession felt moved to explore the private market prerequisites for full employment symmetrically with their explorations of the public control aspects. But thirteen years of experience, during which conditions have been very favorable and performance of the economy on the whole quite gratifying, have shown that, under the institutions and the mores of our enterprise economy, "opening the money spigot" wide enough to get full employment results in dangerous