CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE.

CHAIRMAN PROXMIRE ANNOUNCES HEARINGS BY THE JOINT ECONOMIC COMMITTEE ON THE ECONOMIC OUTLOOK AND ITS POLICY IMPLICATIONS

Senator William Proxmire (D., Wis.), Chairman of the Joint Economic Committee, today announced that the Committee would hold hearings on the economic outlook and its policy implications beginning Tuesday, June 27. The schedule of witnesses for the three days June 27–29 is attached.

In announcing the hearings, Senator Proxmire said: "The Joint Economic Committee is and has been very much concerned about the state of the economy and the growing prospects that the Nation faces the largest budget deficit since World War II in the coming fiscal year. Although we do not yet have the completely revised official estimates for fiscal 1968, unofficial and semi-official statements which I summed up on the floor of the Senate last Wednesday, June 7, indicate that the administrative deficit is likely to run somewhere between $16 and $29 billion; the cash deficit between $12 and $20 billion; and even on the National Income Account basis, which excludes transactions in capital items, the estimates of the deficit run between $9 and $17 billion.

"Deficits of these magnitudes, if realized, coming on top of the built-in-cost-push inflationary pressures caused by wage and price increases over and above the guidelines, would in all probability bring about a return of excessively high interest rates and tight money conditions similar to, if not worse than, last year. This is a meat-axe approach to the solution of the problems of the Nation which could produce great harm to just those sections of the economy least able to bear its burdens, namely, consumers, small businessmen, farmers, and home buyers.

"In the light of these worsening prospects, the Committee believes it desirable that Congress have the benefit of a fresh review of the economic situation and outlook in order to obtain a proper basis for the reassessment of Government fiscal and monetary policies. We shall have before the Committee representatives of the Administration as well as outside experts to provide the most up-to-date information on the state of the economy and the relative desirability of alternative means of dealing with the situation which their analysis reveals.

"Congress must soon act on spending programs for the coming fiscal year. If we do need a tax increase in addition to economy in expenditures, then we should know this as soon as possible. We also need to know whether the economy is strong enough to require such restraint or whether weaknesses in some sectors make at least some deficit in the budget inevitable, In short, we need to know the facts so Congress can legislate intelligently and soon."

SCHEDULE OF HEARINGS ON THE ECONOMIC OUTLOOK AND ITS POLICY IMPLICATIONS

June 27, 28, and 29, Room 1318, New Senate Office Building

TUESDAY, JUNE 27—10:00 A.M.

Gardner Ackley, Chairman, Council of Economic Advisers

WEDNESDAY, JUNE 28—10:00 A.M. PANEL DISCUSSION

Conditions and Prospects in Financial Markets

Tilford C. Gaines, Vice President, First National Bank of Chicago

Consumer Expectations

George Katona, Professor of Economics and Psychology, Institute for Social Research, the University of Michigan