

ECONOMIC OUTLOOK AND ITS POLICY IMPLICATIONS

WEDNESDAY, JUNE 28, 1967

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The joint committee met at 10 a.m., pursuant to recess, in room 1318, New Senate Office Building, Hon. William Proxmire (chairman of the joint committee) presiding.

Present: Senators Proxmire and Miller; and Representatives Curtis and Brock.

Also present: John R. Stark, executive director; James W. Knowles, director of research; and Donald A. Webster, minority staff economist.

Chairman PROXMIRE. The Joint Economic Committee will come to order.

Today we continue our hearings on the economic outlook and its policy implications. We have invited four outstanding economists, each of whom is an expert in at least one important sector of the economy. In this way we hope to inform ourselves as well as possible on four of the major determinants of the economic outlook.

On the subject of "Financial Markets," we have Mr. Tilford C. Gaines, vice president of the First National Bank of Chicago. On the subject of "Consumer Expectations," we have Mr. George Katona, professor of economics and psychology at the Institute for Social Research, the University of Michigan.

On the "Prospects for Business Inventories and Spending on Plant and Equipment," we have Mr. Louis J. Paradiso, Associate Director, Office of Business Economics of the Department of Commerce. And on the "Outlook for Residential Construction," we have Mr. Michael Sumichrast, director of economics, National Association of Home Builders.

Gentlemen, we deeply appreciate your willingness to come here today and give us the benefit of your thinking. I might apologize in advance and say that this is going to be quite a busy day. As you know, we have a recess beginning on Thursday, and for that reason all kinds of things are backed up and happening today. We are going to have a series of rollcall votes on the floor of the Senate. I have two amendments of my own, which I intend to press on the Senate, and speak on. I am hopeful that other members of the committee will come, but we can't count on that.

It may be necessary for us to temporarily recess the hearings, if another member of the committee is not here at that time. I must apologize for the members who are absent, but these are some of the reasons for their absence. Your remarks and answers to questions will be, I am sure, fully studied by the members of the committee.

Mr. Gaines, you may begin.