by quarter, similar to the information that the government now compiles on business sales expectations and investment intentions.

4. Perhaps most important of all, we need better coordination of economic policies. When, in a year of full employment and inflationary pressures, the government runs up expenditures sharply, tightens credit to a point that one day this summer seemed almost to invite panic, does little about taxes, exhorts labor to be modest about wage demands, and simultaneously legislates a substantially higher minimum wage, it appears that the art of managing our national prosperity has not yet reached the excellence that we hope for it.

A. G. Edwards & Sons, an Address Before the Industrial Relations Club of St. Louis by Oliver M. Langenberg, November 16, 1966: "Profit Prospects—1967"

So, very briefly and putting my conclusions at the beginning, what we look for is a continuation of this present period of slackening growth going through the balance of 1966 and most of next year, 1967, with negative forces gathering momentum in the early and the middle part of the year, hopefully bottoming out late in 1967 or early 1968. It is still too early to determine the extent and depth of a downtown. We just don't know about Vietnam. If the many questions that can only be resolved by the Administration are done so properly, the effects of a downturn can certainly be modified and the stage set for exploiting our bright long-term potential.

So, what does this all add up to? The picture as we see it is that we are closing in on a long period of business expansion. Demand by the consumer and business is leveling off and will decline next year as a result of the imbalances that have developed since 1965. Government spending, however, will rise, hopefully less than earlier expected as a result of the recent elections. We now have to boil off some of our excesses during which corporate profits, which already are flattening out, will be declining. How much you ask? Plus or minus 15 percent by year-end 1967, with some industries with a high labor component experiencing a much greater decline is my guess.

Business Week, December 31, 1966: "The 1967 Balancing Trick"

The U.S. economy will be trying to pull off a high wire act in 1967. And business, government, and labor will all have a tough time keeping their balance.

By all the odds, the problems will not cook up into a recession. The best available information points to a 1967 gross national product of around $790-billion, up $50-billion, or 7%, above last year.

Plenty of trouble. Demand will continue to press against capacity. Productivity gains will come hard. Profit margins will be difficult to maintain. And the fight will be intense between business and labor over how income should be distributed.

Real output will grow at a 4 percent annual rate.

Prices will continue to rise fast—at a 3 percent annual rate.

Productivity gains—the oil from the wheels of the economy—will come harder. The Labor Department experts who track productivity expect the year-to-year increase to average no more than about 2.5 percent to 2.6 percent in 1967, as against this year's 2.9 percent and the 3.5 percent average of the earlier years of the boom.

Unemployment will rise slightly from the current 3.7 percent.

Profits will stay high, but the trend will be level or perhaps slightly down.

National Association of Homebuilders, November 1966: "Economic News Notes—1967 Forecast"

In 1967 the economy will likely once again show substantial growth but at a slower pace than during 1966. Gross National Product will increase by $53 billion or at a rate of 7.2 percent. Due to increased inflationary pressure already being experienced during the latter half of 1966, real growth will be held to about 3.2 percent. The total GNP next year will be double that of 1959. In that 8 year period, however, residential construction will have increased by only 12 percent.