Secretary FOWLER. I think a great many steps have already been taken to moderate what was an excessive rate of growth, taking into account the fact that most of the slack in the economy has been absorbed.

I call attention to the moderation from an increase in gross national product averaging around $16 billion in the last two quarters of calendar 1965, and the first quarter of 1966 to the more modest levels of $11 to $13 billion that have characterized the second, third, and fourth quarters of calendar 1966. The combination of policies that effected that result are giving rise to a different situation. The wholesale price index is today about what it was in August. And that price movement seems, at least for the time being, to be fairly well arrested, and presumably some of that will be reflected in the Consumer Price Index, which in each of the last 2 months I think has only crept up about one-tenth of 1 percent.

Another observation is that careful study should be made of the reports, such as the report of the Subcommittee on Economic Statistics of the Joint Economic Committee, which conducted a careful examination of the Consumer Price Index and the wholesale price index, and pointed out the various factors of bias, if one can call it that, that caused, particularly the consumer, the CPI, to move upward, and which are reflected in these figures that you cite as representing inflation.

I think that it is going to be very important in the year ahead, in the year we are currently in, for all of those interested in this problem of price stability, and a return to price stability—and I refer not only to the executive, but I think to Congress, and to the organs of public opinion—to impress, through whatever our channels and methods are, the importance of the principle embodied in the guideposts of holding down increases in wages to something in the neighborhood of increases in productivity.

Now as Chairman Ackley has explained, we are not going to get that right on the nose this year, in view of the fact that the cost-of-living has increased to some extent in the past year, but an emphasis on the cost-push aspects of inflation is one that all bodies of government and public opinion ought to be constantly concerned with, and I welcome the attitude and the concern that this committee has voiced in the course of these hearings, that more and increasing attention be paid to it.

We on our side in the executive will certainly try to do so.

Senator MILLER. Thank you very much, Mr. Secretary. My time is up, Mr. Chairman.

Chairman PROXMIRE. I understand that Mr. Brock had a question or two, and then Senator Percy has a couple of questions.

May I just interrupt for a minute to say that I apologize, Mr. Secretary. We are detaining you a long time. However, it will save your coming back this afternoon.

Secretary FOWLER. That is fine. Thank you. That is all right.

Representative BROCK. Our questions have been cut short by our appetities, I am sure.

Mr. Secretary, you did mention a word which caught my attention just a moment ago when you mentioned the wage/price guideposts and guidelines. When we had Dr. Ackley before the committee, we