

## THE 1967 ECONOMIC REPORT OF THE PRESIDENT

WEDNESDAY, FEBRUARY 8, 1967

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

The joint committee met at 10:05 a.m., pursuant to recess, in room S-228, the Capitol, Hon. William Proxmire (chairman of the joint committee) presiding.

Present: Senators Proxmire, Talmadge, Ribicoff, and Javits; and Representatives Reuss, Griffiths, Curtis, Widnall, Rumsfeld, Brock, and Scheuer (visitor).

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

Chairman PROXMIRE. The committee will come to order.

Our witness this morning is the distinguished Under Secretary of Health, Education, and Welfare, Wilbur Cohen, an old friend of the committee, and he is accompanied by Robert Myers, who is the Actuary for the Social Security Administration.

The Department of Health, Education, and Welfare is responsible for the operation of the social security programs in addition to including the old-age and survivors insurance. It also contains a substantial portion of what we know as the "Great Society" programs. In addition, that agency has a major responsibility for the education and health programs of the U.S. Government, both of which represent very important sectors of the Great Society program.

I should say that from the standpoint of economic policy, this is an operation which can only be compared with the Defense Department. The figures that have just been given me by the staff is that altogether, counting HEW funds of \$13 billion and trust funds of \$27 billion, the total amount involved here is \$40 billion. I might also add that we are always hopeful that the Defense Department expenditures decline; we want those to decline as rapidly as possible. We certainly expect them to be lower in the future. On the other hand, it is anticipated HEW-supervised expenditures will be constantly increasing, and the impact on economic policy is conspicuous and definite.

For this reason, the testimony this morning of the very able Mr. Cohen will be most useful to us. Mr. Cohen, you may begin.