THE 1967 ECONOMIC REPORT OF THE PRESIDENT

WEDNESDAY, FEBRUARY 15, 1967

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

The joint committee met at 10:10 a.m., pursuant to recess, in room 318, Old Senate Office Building, Hon. William Proxmire (chairman of the joint committee) presiding.

Present: Senators Proxmire, Symington, Javits, and Percy; and Representatives Patman, Bolling, Reuss, Griffiths, Curtis, Widnall, and Rumsfeld.

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. The committee reconvenes its hearings this morning on the President's Economic Report. We are privileged to have as our witness one of the Nation's leading economists, former Chairman of the President's Council of Economic Advisers under both President Kennedy and President Johnson, Dr. Walter Heller.

Dr. Heller has been a very helpful witness in the past on many occasions, and it is most comforting to have him before us this morning when, as many of us observe, the economy seems to be on the knife edge between inflation and contraction.

Let me add a personal note. Dr. Heller has come here at my request in face of a most demanding schedule, and we owe him a vote of thanks for that. Dr. Heller, you may proceed.

STATEMENT OF WALTER W. HELLER, PROFESSOR OF ECONOMICS, UNIVERSITY OF MINNESOTA

Mr. HELLER. Mr. Chairman, it is a pleasure to appear before this committee. I feel very much at home, particularly to appear under your chairmanship. As a fellow midwesterner, and having my roots in Wisconsin, I take particular pride in your chairmanship of a committee for which I have such great respect, and which has contributed so very much to the advance and understanding of the economic matters of this country. So it is a real pleasure to be here. I will proceed if I may with the reading of my statement.

Chairman PROXMIRE. Go ahead.

Mr. HELLER. As I once again enjoy the privilege of appearing before your committee, I hope you will indulge me in a moment's reflection on the changing character of our national debate over economic policy.

Four years ago, for example, in defending President Kennedy's tax-cut proposal, we found that the very principle and propriety of fiscal