THE 1967 ECONOMIC REPORT OF THE PRESIDENT

FRIDAY, FEBRUARY 17, 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, Senate Office Building, Hon. William Proxmire (chairman of the joint committee) presiding.

Present: Senators Proxmire, Jordan, and Percy; and Representatives Reuss, Griffiths, 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. Today the committee is pleased to hear from three more highly competent economists who are well known to this committee for their valuable judgments on matters of economic policy. They are Mr. Beryl Sprinkel, vice president of the Harris Trust & Savings Bank of Chicago; Mr. Nathaniel Goldfinger, director of the research department of the AFL-CIO, and Mr. Carl Madden, chief economist of the Chamber of Commerce of the United States.

I might say all three of these men are known nationally in the academic community as well as throughout the country as very able economists. Obviously, both Mr. Goldfinger and Mr. Madden are closely associated with particular groups, but we should recognize that they are men of objectivity and scholarly achievement, and I am sure on the basis of their past testimony that they will be able to help this committee in arriving at a public-interest conclusion.

I am going to ask you gentlemen—and this is asking a lot, especially for a Senator—to limit your oral statement to 15 minutes or so, and you can place a longer statement in the record if you wish. By limiting your oral remarks, it will provide more time for colloquy which will permit members of the committee to ask you questions that particularly concern them. Mr. Sprinkel, you may begin.

TESTIMONY OF BERYL W. SPRINKEL, VICE PRESIDENT AND ECONOMIST, HARRIS TRUST & SAVINGS BANK, CHICAGO, ILL.

Mr. SPRINKEL. Gentlemen, I am honored to have the opportunity to testify before this committee on economic affairs. My basic thesis will undoubtedly be an unpopular one in the current environment, but I believe it is correct and deserves a hearing.

I argue in essence that despite the best of intentions, the results of monetary fiscal policy in the last 1¾ years has been to destabilize our inherently stable economy rather than provide the stability desired. I plan to develop the relevant evidence.