of those goals. The resources are available, we have the technical capability, and, if we demonstrate the will and the sense of national purpose, we can bring the promise of the Great Society into practical fulfillment. We must not fail in this great endeavor, for the cost of our failure will be incomparably higher than the cost entailed in moving vigorously forward toward Great Society goals now.

Chairman PROXMIRE. Our next witness is Mr. George G. Hagedorn, vice president and chief economist of the National Association of Manufacturers. Mr. Hagedorn is an old friend of the committee. He is an excellent economist.

We are might happy to have you here, Mr. Hagedorn, with your concise statement.

TESTIMONY OF GEORGE G. HAGEDORN, VICE PRESIDENT AND CHIEF ECONOMIST, NATIONAL ASSOCIATION OF MANUFACTURERS (NAM)

Mr. HAGEDORN. Thank you, Mr. Chairman.

Chairman PROXMIRE. The rules will be the same. I think we do have time now. Mr. Ruether took 25 minutes for his presentation. We will be happy to have you take 25 minutes, and then we will have a 5-minute limitation on the questions. You go right ahead.

Incidentally, may I say that you have a statement which is rather concise. If you want to skip over some of it, the entire statement will be printed in the record, as well as the tables, and so forth.

Mr. HAGEDORN. I would like, Mr. Chairman, to file the statement for the record and speak extemporaneously. You gentlemen have heard a great deal of testimony, and perhaps the best thing I can do is to try to emphasize some of the points where I think perhaps I might make a contribution to your thinking.

Chairman PROXMIRE. I am sure you will. That will be done. Your statement will be filed in the record at this point.

(The prepared statement of Mr. Hagedorn follows:)

PREPARED STATEMENT OF GEORGE G. HAGEDORN

I appreciate this opportunity of appearing, on behalf of the National Association of Manufacturers, before your committee to discuss the 1967 Economic Reports of the President and his Council of Economic Advisers. These annual hearings, and your deliberations, help to establish the essential framework of economic understanding within which Congress will carry on its work during the year. All of us who appear before you have the duty of presenting our best thinking on the economic situation and the government policies it may call for.

As always, the Administration's Economic Reports provide the starting point for your own appraisal and for the comments of the witnesses you hear. Over the years these reports have done a good job of presenting the factual background, stating the important current issues, and raising the considerations which bear on them. But it is surely not being hypercritical to point out, with our advantage of hindsight, that past reports have sometimes fallen short of infallibility in their appraisal of economic trends. And there would be no point in these hearings if there were not room for some disagreement on the value judgments which underlie some of the economic policy recommendations in the Reports.

Summary of Comments

At this point, let me summarize briefly the major comments we have to make on the Economic Reports. The analysis underlying our reaction to them will be set forth in greater detail in subsequent sections. The final section will state our own recommendations to you on 1967 economic policy.

Our conclusion, after examining the 1967 Economic Reports, is that they have misread the implications of current economic trends and of the economic measures