

the conclusion that this means, automatically, that the policies of the Federal Government have been so wonderful in arriving at this statistic, does not impress me very much when I realize that there are hundreds of thousands more people working in defense plants because of a war.

Mr. HAGEDORN. What you mean is that there might have been better ways of getting unemployment down to this low level.

Senator MILLER. Well, I don't know, I would hope that there would be ways of getting it down to a low level, but if there is a wartime factor involved, which has had a major impact in increasing employment in defense plants, I don't like to see that forgotten when somebody talks about wonderful policies of the Federal Government in reducing unemployment rates.

That is my point. If you have any light you can shed on it for the committee by a separate memorandum I would appreciate it. I have no further questions, Mr. Chairman.

Chairman PROXMIRE. Thank you, Senator Miller.

Thank you very much, Mr. Hagedorn, for your usual very helpful and enlightening appearance. I appreciate it a great deal.

Our witnesses this afternoon will be Robert Roosa, general partner of Brown Bros., Harriman, former Under Secretary of the Treasury; and Charles Kindleberger, a very distinguished professor of economics at MIT, on the balance of payments.

The committee will stand in recess until 2 o'clock.

(Whereupon, the committee recessed until 2 p.m. of the same day.)

AFTERNOON SESSION

Chairman PROXMIRE. The committee will come to order.

We are very happy and fortunate to have as our witnesses today two of the most distinguished experts in the world on the balance of payments, and two men who have the admiration of this committee.

Our first witness is the former Under Secretary of the Treasury for Monetary Affairs, a man who has found particular esteem throughout America. I have talked to so many people in the financial business who are very much impressed by your brilliance, Mr. Roosa, and we are very happy to have you here. You are now, I believe, the partner of Brown Bros., Harriman & Co.

Mr. ROOSA. Yes.

Chairman PROXMIRE. You have an amazingly short statement. In all the years I have been on this committee, I have never seen a shorter statement, but we will have to go after you in the questioning period pretty hard. You go right ahead.

TESTIMONY OF ROBERT V. ROOSA, GENERAL PARTNER, BROWN BROS., HARRIMAN & CO.

Mr. ROOSA. Mr. Chairman, as I indicated in the statement, I have been impressed this year particularly with the wide range of issues that seem to me to be appropriate for this committee's attention. As I attempted in a cursory way to follow what has already proceeded in the hearings that you have been having, I have found it quite difficult