

THE 1967 ECONOMIC REPORT OF THE PRESIDENT

THURSDAY, FEBRUARY 23, 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 318, Old Senate Office Building, Hon. William Proxmire (chairman of the joint committee) presiding.

Present: Senators Proxmire, Sparkman, and Percy; and Representatives Patman, Bolling, and Reuss.

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

Chairman PROXMIRE. The Joint Economic Committee will come to order.

This morning's hearings will be the last for our extensive and very profitable inquiry into the President's Economic Report and the major current issues in our economy. Let me take this occasion to reiterate the committee's profound appreciation and gratitude to the witnesses for the excellent insights and analyses they have given us. It has been a most stimulating experience.

Today it is fitting that we close with testimony from two outstanding experts on one of the crucial issues of economic policy, that of wage-price stability. This Nation must resolve the wage-price question if it is to deal successfully with the requirements of the Employment Act. Our members and the Congress as well as the public are deeply concerned about this issue and we look forward to this morning's testimony.

Our first witness will be Prof. Carl A. Auerbach, of the Law School of the University of Minnesota, and our second witness will be Jules Backman, professor of economics at New York University. If there is no objection, I shall revert to the practice adopted on Monday of this week when 1 hour and 15 minutes was allowed to each of the morning's witnesses. If that is agreeable I shall ask that Professor Auerbach testify first, with the additional request that you limit your initial statement to 20 minutes. If you can do so, we can devote more time to the colloquy.

If you want to skip over part of it we will put your full statement in the record, and I might add for the record that Professor Auerbach is an old friend of the chairman and an old friend of Congressman Henry Reuss. We have known him as an extraordinarily able and competent law professor, and as a very fine person, and we are delighted to have you here this morning. Go right ahead.