rather unimportant. The great mistake of 1966 was the costly monetary policy, a setback for which the Independent Fed, not the Government, will have to assume responsibility.

The error was to introduce a dear money policy in December, 1965 without the cooperation of the Government. Had the Government, without a guarantee of monetary ease—which they could not get—have introduced a general income tax rise 1966, then the health of the economy would have been jeopardized. It would take time, even if the Fed cooperated, for an easing to have its impact. In the meanwhile two potent weapons would have helped deflate the economy. The lag in effects of monetary changes is evident in a decline of 15 out of 23 Leading Indicators in October and 15 out of 19 in November, 1966.

SEYMOUR E. HARRIS, San Diego, Calif.

February 16, 1967.

Chairman PROXMIRE. This concludes the hearings this committee will hold on the President's Economic Report. We will have a number of other hearings this year, but this ends our formal public review.

The Joint Economic Committee stands adjourned.

(Whereupon, at 12:25 p.m., the committee adjourned.)

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