

STANDARDS FOR GUIDING MONETARY ACTION

WEDNESDAY, MAY 15, 1968

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The committee met at 10 a.m., pursuant to recess, in room S-407, the Capitol, Hon. William Proxmire (chairman of the joint committee) presiding.

Present: Senators Proxmire and Miller.

Also present: John R. Stark, executive director; William H. Moore, senior staff economist; John B. Henderson, staff economist, and Donald A. Webster, minority staff economist.

Chairman PROXMIRE. The Joint Economic Committee today holds the third of its series of four hearings on "Standards for Guiding Monetary Action." We welcome as witnesses Governor Mitchell and Mr. Brill of the Federal Reserve Board.

Governor Mitchell comes to bring us the experience of two long and distinguished careers, as a tax official in the State of Illinois, where he was for a while director of finance, and as a central banker, first with the Federal Reserve Bank of Chicago, and now as a member of the Board of Governors of the Federal Reserve System.

I might add, most important of all in many respects, the fact that he originated in the State of Wisconsin. I am very proud of that, in Richland Center. His fine character and intelligence were nourished in the soil of our State.

Mr. Brill is the Fed's staff man par excellence, senior adviser to the Board of Governors, Director of the Division of Research and Statistics, and Economist of the Federal Open Market Committee. Since the Federal Reserve System is the agency charged by the Congress with the task of managing the Nation's money, your evidence, gentlemen, will carry the weight of responsibility and experience.

I think that you are familiar with the testimony that we have had from some of the Nation's outstanding monetary economists, both supporting and opposing the positions taken by the Federal and supporting and opposing the suggestions that the Congress provide definite guidelines.

Governor Mitchell, you may go right ahead.