Mr. MITCHELL. That is right.

Senator MILLER. And it looks like the employment thing has been satisfied, but we have not been doing very well on the other one, have we?

Mr. MITCHELL. That is correct.

Senator MILLER. And your position would be that the Board has been doing about all it could on it, and that it is the fiscal policy of Congress which must make up for what the Board cannot do with respect to that second objective. Would that be your position?

Mr. MITCHELL. I think that is right; yes, sir.

Senator MILLER. Even though you recognize that it might have been prudent to have not increased the money supply in anticipation of what did not take place by way of physical restraint in 1967?

Mr. MITCHELL. I will agree if you will let me add some other monetary variables to money supply.

Senator MILLER. Please do.

Mr. MITCHELL. Mr. Chairman, could I ask Mr. Brill if he would like to say something.

Chairman PROXMIRE. Yes, indeed, we would like to hear from Mr. Brill.

Mr. MITCHELL. He may wish to amplify something that I may not have adequately covered.

Maybe you would like to say something, Mr. Brill, about the "chart shows" we use to illustrate these issues and to pinpoint them.

Mr. BRILL. Mr. Chairman, I think Chairman Martin alluded to these "chart shows" during the course of the hearings on the President's economic report.

This is a staff exercise we undertake with some regularity, but particularly at the beginning of each calendar year, when the Economic Report of the President becomes available, incorporating the economic outlook in GNP terms as developed by the Council of Economic Advisers. We collaborate with the Council and consult with them in the course of this work, and then try to analyze the monetary policy that would be consistent with an economy unfolding as the Council's projection would indicate.

In the course of that analysis, what falls out are estimates of what would be an appropriate increase in various financial variables: what would be the appropriate course of interest rates, money supply, money supply and time deposits, flows through financial intermediaries? This is all one world and what we try to do is present a picture of what the financial part of the world would look like consistent with the GNP part of the world as indicated in the Council's report.

This, of course, is subject to whatever one's evaluation is of the likelihood of the Council's estimate of GNP being realized, which in turn depends on one's assessment of such things as congressional action on expenditures and revenues, business attitudes toward investments, consumer willingness to spend. But it is one benchmark.

We have been doing this sort of analysis for several years, and presenting it in the form of a slide-show presentation—a chart show—that we then reexamine from time to time during the course of the year to see how the economy is deviating from this pattern and what implications this has for developments in financial markets.

I think this is a type of presentation perhaps that might be con-