be somewhat less private demand. That may not be a very large amount, because initially people may try to borrow to compensate for some of the income.

Chairman PROXMIRE. Save a little less?

Mr. BRILL. Save a little less, but I think on balance, if the program is effective it will reduce private spending, including spending financed by borrowing.

Third, if the whole program is effective in reducing the rate of inflation, I would imagine there would be less inhibitions on the Federal Reserve in terms of the supply of funds. So that if all of these factors work, and they all work in the same direction, work in the right order of magnitude, one could see a lower level of interest rates persisting even after the initial expectational impact. But it does depend on all factors breaking right.

Senator MILLER. But it would still probably be at a pretty high level.

Mr. BRILL. Oh, I doubt whether anybody is considering return to the rates that were reached, say, in the winter of 1958, which were abnormally low.

Senator MILLER. Thank you.

Thank you, Mr. Chairman.

Chairman PROXMIRE. Thank you, gentlemen, very, very much for a fine job, most helpful. We are looking forward to the information which you indicate will be forthcoming.

Mr. MITCHELL. Very good.

Chairman PROXMIRE. We will include in the record, at the end of today's proceedings, a submission from Mr. Brill.

Tomorrow we are going to hear from three experts from the banking and insurance community, and we will meet in this room at 10 o'clock.

(Whereupon, at 1:10 p.m., the committee recessed, to reconvene at 10 a.m., Thursday, May 16, 1968.)

(Mr. Brill's submission follows on page 156:)