For its part, the Joint Economic Committee has heard much evidence over the years on the role of monetary policy and, in its recent annual report, has made some specific policy recommendations. Nevertheless, there remain some very difficult unsettled questions about monetary management. Some of these arise from our experience of credit scarcity in the "credit crunch" of late 1966. Most of them have to do with actual operations and market responses, rather than with theory.

This report, relying heavily upon the testimony at our hearings on May 8, 9, 15, and 16, 1968, and in many cases making use of the language of the expert witnesses, is directed especially at the following issues:

(1) What are the interrelations between monetary policy and fiscal policy and to what extent can they be regarded as alteratives?

(2) Is the monetary authority able accurately to manage the stock of money, however money may be defined?

(3) How do actions taken by the monetary authorities work their way through the financial markets to affect interest rates and the stock of money?

(4) Has the Congress been sufficiently explicit in providing guidance to the Federal Reserve authorities—its agent in monetary management?

(5) What considerations would be most appropriate and most helpful as guidelines for monetary action?