

THE 1969 ECONOMIC REPORT OF THE PRESIDENT

TUESDAY, FEBRUARY 18, 1969

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

The Joint Economic Committee met, pursuant to recess, at 10 a.m., in room 318, Old Senate Office Building, Hon. William Proxmire (vice chairman of the joint committee) presiding.

Present: Senators Proxmire, Miller, Jordan, and Percy; and Representatives Reuss, Moorhead, Widnall, Brock, and Conable.

Also present: John R. Stark, executive director; James W. Knowles, director of research; and Douglas C. Frechtling, minority economist.

Senator PROXMIRE. The committee will come to order.

Today we resume our hearings on the state of the economy, and the administration's economic policies.

I would like to welcome our witness, Mr. Robert P. Mayo, in his relatively new capacity of Budget Director. Mr. Mayo has been a witness before this committee in the past and has always impressed us with his competence and cooperativeness. We are glad to have you with us today.

It is obvious that the Federal budget occupies a crucial place in economic policy. Of our gross national product of \$900 billion, almost \$200 billion passes through the Federal Government in the form of tax receipts and expenditures. I am deeply impressed with the urgent need to reduce expenditures by asserting priorities. There are many low-priority items in the budget, and, in the aggregate, they total many billions of dollars. I intend, later on, to discuss the subject more specifically, Mr. Mayo.

I note that you have a fairly brief statement, which we welcome. After you have completed it, we will proceed to raise questions with you under our 10-minute rule.

You may proceed.

STATEMENT OF HON. ROBERT P. MAYO, DIRECTOR OF THE BUREAU OF THE BUDGET, ACCOMPANIED BY SAMUEL M. COHN, ASSISTANT DIRECTOR FOR BUDGET REVIEW

Mr. MAYO. Thank you, Mr. Chairman, and members of the Joint Economic Committee.

I welcome the opportunity to review with you the budget outlook for fiscal years 1969 and 1970. The Joint Economic Committee's contributions to better public understanding of economic policy issues have earned for it the respect and gratitude of the Nation. The increasing