

things, the abolition of the Open Market Committee, as such, and the turning over the function of the Open Market Committee to members of the Federal Reserve.

Chairman PATMAN. I have advocated that a long time, and I agree with you.

Mr. RUTTENBERG. Secondly, that the Chairman should be appointed, and his term should expire coterminus with the expiration of the Presidency.

Chairman PATMAN. To make him more responsive to the President.

Mr. RUTTENBERG. In a sense, a President can come in as President Kennedy did, in 1961, and he could not change the Chairman of the Federal, March 1963, when his term expires.

Chairman PATMAN. If he does make a change, he has to select somebody on the Board at the time. He could not go outside.

Mr. RUTTENBERG. He would not necessarily have to, Mr. Chairman. If, for example, you had also the termination of a member of the Board's term coinciding with the odd year in which the President takes over.

Chairman PATMAN. It would be a coincidence.

Mr. RUTTENBERG. It so happened that there was a term expiring and there was a vacancy. Governor Vardeman resigned at the end of his term, and Mr. Mitchell, of Chicago, was appointed. At that point in time, had the President authority to change the Chairman, he could, if he wanted to have done it. One of the recommendations of the Commission on Money and Credit is that you reduce the number of members of the Federal from 7 to 5. You run their terms 10 years. You have them expire in the odd years so that the odd year when the President takes office, he will not only have a vacancy, but he would also have the right to designate his own Chairman without changing as a member of the Board, the man who might have been previously Chairman.

Chairman PATMAN. My time has expired. I am glad you went that far. I hope the Congress can do something about it because it is not treating the President of the United States right to make him depend upon the Open Market Committee, to do what he should have the power to do himself. Certainly the Committee should be more responsive to the President. I yield to Mr. Curtis of Missouri.

Representative CURTIS. Thank you, Mr. Chairman. I presume from that that you are glad that they didn't make these life-term appointments, as we do our Federal judges.

Chairman PATMAN. I certainly am. We didn't do that. I think the Constitution did it.

Representative CURTIS. Yes. I am pleased about one thing particularly in Mr. Ruttenberg's paper, of drawing the issue, and I think you do it fairly, you point out a basic distinction must be made between a tax cut designed to stimulate economic activity, and one designed to produce permanent and structural tax reform.

I believe our hearings in the Ways and Means Committee, which were in secret session, as well as these hearings here, have demonstrated a muddled approach to this. Many of the people who were here urging a tax cut were thinking in terms of tax reform. I know the theory, I feel, the theory that is being advanced in our public discussions along the lines of that which was recommended by this Com-