Representative CURTIS. My time has about run out. Now, we are beginning to discuss the real problem. Up to date those who have been proposing this quickie, have been perfectly content to say we will pass this whole problem over to those who have the problem of debt management and let them figure out what they are going to do with the $5 billion of additional bonds that have to be sold without any examination into the economic impact that marketing this additional debt might have on the economy.

I want to emphasize all of this is in light of a very serious balance-of-payments situation which has produced a strained situation where we are trying to keep short-term interest rates high and long-term interest rates low.

As one witness said yesterday, he said it was an impossibility. It almost seems like it is.

Mr. RUTTENBERG. I don't think it is.

Representative CURTIS. It is a very difficult thing, at any rate. This quickie proposal poses great problems in the area of debt management and monetary policy. All discussion of these problems, Mr. Ruttenberg, by the witnesses who have been talking about this quickie, has been absent in their prepared papers. None have been prepared to discuss this key issue.

They have begged the question. The only time the issue is discussed, is when I raise the question. They have not given it previous thought. In my judgment, the Commission on Money and Credit didn't relate its suggestion to an actual situation such as we have today, of deficit financing, coupled with a serious balance-of-payments problem.

I doubt if they would recommend a "quickie" in that kind of economic climate.

Mr. RUTTENBERG. My response to you this morning, Congressman Curtis, is not an improperly advised one of how the Treasury debt financing should be taking place with the deficit financing of the Government.

Representative CURTIS. Why is it not in your prepared paper?

Mr. RUTTENBERG. I was prepared on this because we had a go round on this in the secret session of the Ways and Means Committee.

Representative CURTIS. That is right. Why is it not in the prepared statement so that the people who question it can read it? I think you are passing on a debt management problem to those of us in the legislature who have to be concerned about it, or in the executive, the Treasury Department, and you do not discuss the problems of debt management and the economic impact it might have.

You simply pass it over and say the "quickie" will stimulate the economy, without dealing with the problems that are created by doing it.

Chairman PATMAN. Thank you, Mr. Curtis. Senator Douglas?

Senator DOUGLAS. I would like to pass.

Chairman PATMAN. Mr. Reuss?

Representative REUSS. I would like to comment, Mr. Langum, on your paper, and particularly on the very revealing chart you have in your supplemental materials, entitled "Corporate Profits and Cash Flow." The chart relates to cash flow, that is, net profit after taxes and depreciation and depletion allowances, in relation to sales of all