for a long period of time, and I think you are trying to be a public servant as hard as you can in the position you occupy.

But you have a different constituency than we have. I know you don't have to run for office, but you have to get along with your board of directors, and two-thirds of them are bankers. Sometimes they have a different idea from what we have here.

I just want to invite your attention humbly, but sincerely, to the fact that although you cannot be defeated for office and you cannot be put out by the people or the Members of the Congress who have no control, there is a great challenge right now that you have as a permanent member, and the only Federal Reserve bank president who is a permanent member of the Open Market Committee, to look carefully at this situation, because the money supply has been going down and is down now, probably the lowest in the history of the Nation.

We recognize that some of the greatest upheavals we have ever had in history were caused by the lack of money and credit. Do not let us approach them again, Mr. Hayes. You know, although you gentlemen are exercising your powers and your functions as though you were a fourth branch of Government, almost, there can be upheavals in this country and a change in sentiment. I just hope you take another look at this shortage of money and credit and see if you cannot help us out by easing it some.

We will not take up any more time.

Would you like to comment?

Mr. HAYES. Might I, Mr. Patman?

Chairman PATMAN. Certainly.

Mr. HAYES. Thank you for your expression of confidence.

You made some reference to our squeezing of private debt. I would like to say that I don't believe we have been squeezing the amount of private debt in any sense. In fact, mortgage debt has been growing at a very excellent rate. Outstanding corporate debt has also been going up. The mortgage money has been so available that in spite of the substantial increase in new mortgages placed, the rates have tended to go down right through the last 6 or 7 months.

So again I would say we believe thoroughly that we are following a policy of ease and not one of tightness.

Secondly, I would like to correct one comment on the makeup of our Board of Directors, which does not include six bankers. As a matter of fact——

Chairman PATMAN. Wait just a minute. You say the bankers don't elect six of them?

Mr. HAYES. I understood you to say, Mr. Patman, that two-thirds of our board——

Chairman PATMAN. You can't dispute me on that because the bankers elect two-thirds of those directors. You agree to that?

Mr. HAYES. I agree the bankers elect two-thirds. But I understood you to say that two-thirds of them were bankers. There is a difference.

Chairman PATMAN. I asked Mr. Martin to interrogate class B directors at one time, and I believe he found that over half of them owned stock in banks. That was by a poll by the Chairman of the Federal Reserve Board. The member banks elect two-thirds of the