Chairman PATMAN. When funds are flowing properly or improperly is this something you know intuitively, or do you have some objective guidelines?

Mr. MARTIN. We are working constantly to try to find out whether there are guidelines that would be workable. The one thing that I feel strongly about in this field, and we have discussed this many times, is that the most important asset a member of the Open Market Committee can have is humility with respect to the use of any guidelines.

Chairman PATMAN. You are talking about guides.

Mr. MARTIN. We should not let our intuitive judgments or our biases or predilections control us; we should do our best to try to view all the factors objectively.

Chairman PATMAN. You mentioned awhile ago about how terrible it is to finance a deficit with bank-created funds. You have been bearing down on that lately. You refer to that as bank-created or "printing-press" money. You put bank-created and printing press in the same class, I notice.

Mr. MARTIN. No; I made a very careful distinction.

Chairman PATMAN. I thought you said that in your statement.

Mr. MARTIN. I did. Whenever you supply funds to cover a deficit for the Treasury in such a way as to hold rates at such a level that they could not be attractive to nonbank investors, I am sure that is what we are talking about, printing-press money.

Chairman PATMAN. Mr. Eisenhower had quite a big deficit in 1958, $12 billion. I did not hear you say anything about that.

Mr. MARTIN. Then you were not listening very well. Because that is all I talked about, Mr. Patman.

Chairman PATMAN. But they did finance it with created money.

Mr. MARTIN. I object to that. I don't believe that. This is an analysis and judgment passed on that. I believe the reason we had the "magic fives" as they were referred to—and they did bring out a lot of nonbank investment money—was due entirely to that deficit.

Chairman PATMAN. You think the deficit was helpful?

Mr. MARTIN. We are not talking about that. We are talking about how it was financed. I say that nonbank investors were attracted by the higher interest rates during that period. I am sure the Eisenhower administration would have been a lot happier if the Federal Reserve had just printed the money to meet its deficit problem.

Chairman PATMAN. Do you have in mind a certain percentage of the national income that should go into savings, Mr. Martin?

Mr. MARTIN. No. I keep away from percentages or from guidelines the same as I do on unemployment. I don't think we should fix levels and say this is it. We naturally want to do a balanced job.

Chairman PATMAN. I wonder if you would submit for the record a statement along these lines: First, give us all the relevant statistical information you have by which you make judgments as to whether or not there is a proper or improper flow of funds. Arrange the information in the way you normally arrange it, so it is most meaningful to you, in making your analysis. I would like to see this information covering the past 10 years.

Mr. MARTIN. You are getting more modest, Mr. Patman. You used to ask for 20 years.