

Since then, we have been able to lengthen out the debt slightly. It is not a great thing, but the average debt now is 4 years and 11 months. I think the last time it was that long was sometime in 1958.

Representative CURTIS. Again, is it your policy to continue to lengthen the debt in maturity?

Secretary DILLON. I am not sure, with a debt of the size we have in our country, and the problems we have, whether we would want the average to go very far beyond, say, 5 years. We certainly do not want it to shorten up much below that.

The country does need a very substantial amount of short-term debt, which is really part of the money supply of the country. And we certainly would not want to diminish that now, because it is needed, and the country operates on that.

Representative CURTIS. We are not in any danger of running short in that area, are we?

Secretary DILLON. We would be in real danger today if we did. If we did run short we would probably drive the short-term rates down, and it would be very difficult as to market scarcity and very difficult for our balance-of-payments problem.

But, within the area in which we can operate in large volume, we would rather have not all the debt coming due in 3 years or 4 years. The more that we could have in 6, 7, 8, or 10 years, the better we would feel.

And we do feel that a certain amount, a relatively small amount, of the total, should be stretched out over the whole maturity range. We do not think you should try to put the whole debt out in 25 years or 20 years, because then you would compete in the area which has been largely reserved, and I think wisely so, for municipal debt for mortgages and for private corporate debt that is generally originally issued at long term, probably 20 to 30 years.

Representative CURTIS. My time has expired.

Chairman PATMAN. Mr. Reuss?

Representative REUSS. I want to congratulate you, Mr. Secretary, for your usual comprehensive and elegant statement.

Earlier this week we had a number of visitors from overseas who put out the idea that this country ought to issue gold guarantees or exchange guarantees on its foreign short-term holdings in this country. What do you think of that idea?

Secretary DILLON. I think it is a very poor idea. I do not think it should be seriously considered, for a number of reasons.

In the first place, the dollar is and has been for many years the equivalent of gold. That is what makes the gold exchange standard. The President has stated that the value of the dollar will be maintained, and its value will be maintained in a fixed relationship to gold.

To talk seriously of a gold guarantee, in the first place, would be to question his word, and the faith of the United States, in a way which I do not think is necessary.

In the second place, I do not think this thing would work at all, because it is generally put forward as a guarantee for certain specific types of deposits, usually deposits of foreign banks and official institutions and not of American citizens. And I think that is totally unjust, unfair, and would not work, because if that happened,