

Mr. CARSTENSON. Thank you very much, Madam Chairman. I have to be over to appear in another committee.

Mrs. SULLIVAN. Thank you.

Now, we have Mr. Clyde T. Ellis and Mrs. Erma Angevine from the National Rural Electric Cooperative Association. We always consider Clyde Ellis as Mr. Rural Electrification, a genuine innovator and pioneer.

It was at your conference on tight money last spring at which I agreed to consider in these hearings the question of usury ceilings suggested by our full committee chairman, Congressman Wright Patman.

This is why it is in the bill and we want to see what we can do with it. If you will, I would appreciate your giving your statement, Mr. Ellis, and then Mrs. Angevine, we will hear from you. We will then hear Mr. Stone before we start the questioning.

STATEMENT OF CLYDE T. ELLIS, GENERAL MANAGER, NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION, INC.; ACCOMPANIED BY MRS. ERMA ANGEVINE, WOMEN'S ACTIVITIES COORDINATOR FOR NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION, INC.

Mr. ELLIS. Thank you, Madam Chairman. We appreciate this opportunity to appear before your committee.

For the record, my name is Clyde T. Ellis, and I am and have been for 25 years general manager of the National Rural Electric Cooperative Association, which has its headquarters in Washington.

Madam Chairman, since you referred to the tight money conference sponsored by the Consumers Information Committee of which NRECA is a member, I would like to include in the record the consensus of this meeting which was adopted following the address by the chairman of the House Banking and Currency Committee and my good friend, Wright Patman.

Mrs. SULLIVAN. It will be placed in the record at this point. (The material referred to follows:)

TIGHT-MONEY CRISIS—A CALL FOR DECISIVE ACTION

America is in a tight-money, high interest rate crisis. This must be quickly reversed before it leads us into a recession with its resulting unemployment, inadequate housing, unavailable credit, and general economic stagnation.

This crisis is man-made, the product of monetary policies of the Federal Reserve System.

No one can question the significance of the role played by the Federal Reserve Board and Federal Open Market Committee and its effect on the economic well-being of the American people. The result of actions taken by the Federal Reserve System in the area of monetary policy can create an environment productive of economic prosperity or economic recession and ultimate depression.

Monetary policy decisions made by the Federal Reserve Board since the middle of the 1950's have been major contributing factors to four recessions in the United States. The Board's most recent action on December 5, 1965, which increased interest rates by 37½%, raised the rediscount rate and subsequent action which severely restricted the money supply, has not only caused significant disruption between the traditional positions of our financial institutions, but among other things has been a major cause of the depression in the housing industry.