

The current Federal Reserve policy of tight money and high interest rates—rates which have soared to 40-year highs—has been detrimental to consumers, as wage earners, farmers, home builders or small businessmen. The current tight money, high-interest rate policy has not only thwarted, but in many cases actually wrecked President Johnson's Great Society Program.

The increased interest costs which will have to be paid by the American people due to increased costs of carrying Federal, State, and local debt, and the increased interest costs which the American consumer must bear for funds borrowed for home purchases and other consumption needs will amount to many billions of dollars. This burden will have to be carried by coming generations as well as the present.

Many vital programs, such as rural electrification, cooperative housing, Farmers Home Administration loans, Veterans' benefits, education aids, other programs which are dependent upon the Federal, State and local governments for direct loans or insured loans cannot survive under current monetary policies.

No one benefits from a tight-money, high-interest rate policy except those in the fortunate position of having funds to lend. A high-interest, tight-money policy promotes concentration of wealth rather than encouraging wide-spread distribution of income and money. The policy erodes the American tradition of advancing effective and efficient small business, home ownership, and decent standards of living for all our people.

Our present economically and socially undesirable monetary policy is a direct consequence of the refusal of the Federal Reserve Board System to operate in harmony with Congressional mandate and Executive policy. In fact, the actions of the Federal Reserve Board and System over the last several years constitute a direct violation of the policies and objectives contained in the Employment Act of 1946.

For reasons presented in this brief review, the delegates to this National Conference call upon the Congress and the President of the United States to take positive action now in reversing the present dangerous tight-money policies and in putting the country back on the road to growth and prosperity.

Specifically, we urge an action program which will include:

1. Prompt hearings by appropriate Congressional Committees to determine how this country has been placed in the present dangerous situation and to initiate prompt and necessary action to correct and to prevent the recurrence of this situation.
2. Enactment of legislation to make the Federal Reserve System fully responsive to the Congress.
3. We urge the President not to reappoint McChesney Martin. If he is reappointed we urge the Senate to reject his nomination.
4. Establishment of machinery to give representatives of consumers and other major groups of citizens an opportunity to share in the design of monetary policies.
5. Utilization of all available and appropriate new direct and guaranteed loan and credit programs wherever appropriate to strengthen the hand of the consumer—the home owner, the businessman, the farmer, the working man, the borrower, the poor, the student, the elderly—in his efforts to share fairly in the growth of America.
6. Reaffirmation of the Employment Act of 1946, which calls for continuing growth as a national goal, with full employment of manpower, maximum utilization of plant and wise use of resources recognized as major objectives in the public interest.

As delegates of this National Conference, we are concerned that the Nation be given the opportunity to move forward. We extend an urgent invitation to all our fellow citizens to join with us in a crusade for sensible monetary policies.

While the Federal Reserve Board has recently and belatedly made small efforts to loosen money, it is clear that these modest corrective policies are still ineffective to achieve the flow of money and interest rates necessary for a growing and secure economy.

Mr. ELLIS. I might say that we feel that credit hardships in the rural electric systems and among our members do exist throughout this Nation, throughout America. Mrs. Angevine will go into that further in her statement.