

now taken the additional step of pointing a pistol at the Federal Government, and threatening to increase interest rates still more unless the Federal Government increases taxes as quick and as much and along such lines as are thought desirable by the Chairman of the Federal Reserve Board. A Federal Reserve System not responsible to the President, and not truly responsible to the Congress, and therefore, not responsible to the people of the United States, although that system is a public instrumentality created by the Congress, has assumed the role of being the most powerful arbiter of the economic policies of the Nation. This is dangerous beyond description.

There has hardly been a time during the last decade and a half when the Federal Reserve Board has not used the bogy of "inflation" to inflate the fat and starve the lean, to repress the rate of economic growth, and to hold the level of unemployment, especially among the vulnerable groups, to dangerously high levels. Today, with our cities in turmoil, and our nationwide tranquility and domestic accord more seriously jeopardized than at any time during this century, and with a direct relationship between these troubles and the economic distress and unemployment which afflicts scores of millions of our people, the Federal Reserve System, with a vengeance is again frustrating those national policies which might repair the situation and dedicate us to our great national purposes and priorities.

I believe that we need to consider these varieties of problems carefully. I cite them first in reenforcement of the imperative need to take the small but important step toward helping these people in the ways provided in the proposed legislation. And even more important, I am firmly convinced that, unless we stop engaging in the dream of solving great national problems with extremely limited, though worthy programs, with programs which grab hold of only one-fiftieth or one one-hundredth of the real problem, unless as part of this process we move toward a just and American and fair and decent and honorable credit and interest rate policy for the Nation as a whole, which can be provided only through the action of the Government and the Federal Reserve System, we will not accomplish very much by dealing only with one specific aspect of the problem as represented by the proposed legislation, although I compliment this subcommittee for tackling this aspect of the problem so forthrightly, courageously, and constructively.

Mrs. SULLIVAN. Thank you very much, Mr. Keyserling. Every time you appear before us you give us food for thought. I think you have given us a lot this morning.

Next we have Mr. John W. Edelman, president of the National Council of Senior Citizens. I think you are accompanied by Mr. Hutton. Do you both have statements?

STATEMENT OF JOHN W. EDELMAN, NATIONAL COUNCIL OF SENIOR CITIZENS, INC., AND WILLIAM R. HUTTON, EXECUTIVE DIRECTOR

Mr. EDELMAN. Madam Chairman, as it happens, I am presiding officer of two national organizations that are appearing here today. The National Consumers' League will be represented by Mrs. Newman and the National Council of Senior Citizens by Mr. William Hutton.