

sult in a release of gold from private hoards into official stocks. Obviously, this would take some international agreements. I would like to know what your reaction to this theory would be.

Mr. MARTIN. I am dead against a change in the price of gold. It seems to me that if it is going to be used as a standard, that it should not be changed in price any more than feet or inches are changed as a measure of distance. I have been through this for many, many years. I used to study under Irving Fisher at Yale, and he was a great proponent of the commodity dollar. If you are going to make this sort of change, why you have to do it every 5 to 10 years or so.

Representative RUMSFELD. I looked through a number of these policy actions statements, and the ones that I noticed were unanimous. Were they all unanimous during the past year?

Mr. MARTIN. I don't think so, Mr. Rumsfeld. For instance, in one case at the end of the year, as I remember it, the vote was 8 to 4. Are you talking about the Open Market Committee?

Representative RUMSFELD. Yes.

Mr. MARTIN. Another vote was 10 to 2.

Representative RUMSFELD. The ones I happened to see were unanimous and I was just curious to know what the pattern had been in the past year.

Mr. MARTIN. On November 22 there were two dissents, and on December 13 there were four dissents, as I remember it. Yes, four dissents, 8 to 4.

Representative RUMSFELD. In your comments in responding to Senator Javits' question, you seemed to me to indicate greater near-term concern about the dangers of overheating the economy than the dangers of a downturn in economic activity or a recession. First of all, is this an accurate interpretation of your view, and, second, if it is, is it at all based on the conviction or assumption that the administration does not plan to make any substantial reductions in Federal domestic spending during the next fiscal year?

Mr. MARTIN. Well, I feel that the adjustment process is proceeding satisfactorily at the moment, but I have repeatedly today stressed the overhang of inventories as a major problem.

Now we started to ease money because of a modest slowing up in the economy, in November last year, and we are continuing on that. We will review policy from day to day and week to week, and we will determine as we go along whether this is justified.

I have supported the tax proposal because I think that there is still a very strong likelihood that we will get a turnaround before long here, and unless the Vietnam expenditures are reduced or other Government expenditures are reduced, we can have another upsurge of inflationary pressures.

Representative RUMSFELD. From your prepared statement and some of your earlier comments, I had the impression that you favored the President's request for a tax increase. Then in response to a later question, you indicated that you, in fact, favored the tax increase now. There is a difference.

Mr. MARTIN. Is there a difference in the President's proposal?

Representative RUMSFELD. A difference between the proposal and an increase? I think so. I think with respect to timing and flexibility there is a substantial difference. My earlier impression was that