tain dislocations in the economy, particularly in the credit sensitive industries of homebuilding, durable goods.

Mr. MARTIN. No question about it, because the flow is at certain times impeded by rigidities in the market. Now the thing that has been so pressing from our standpoint with respect to housing has been that the rigidities in the market place an undue burden on housing.

If you have to restrain, something has to be restrained. I regret that so much of it fell on housing, because I think our long-term requirements for housing mean that we ought to have more housing.

Representative BROCK. I agree with you. I do think there are some pretty good signs of a resurgence now in the availability of money to savings and loans.

Mr. MARTIN. Oh, I do indeed.

Representative BROCK. And also in the homebuilding industry.

Mr. MARTIN. And we hope this part due to our present policies.

Representative BROCK. I do, too. I hope your present policies don't create another problem.

Mr. MARTIN. Right.

Representative BROCK. Specifically in the international balance of payments field, is it not true in funding debt on a short-time basis that we are actually paying a higher interest rate than we would if we could finance it on a long-term basis?

Mr. MARTIN. Well, it depends on the size——

Representative BROCK. I am talking about right now.

Mr. MARTIN. Right now, yes.

Representative BROCK. We are paying more money because we are forced into the short-term market.

Mr. MARTIN. I am absolutely convinced, as I said earlier, that the 6.04 rate on the 6-month bill that occurred during the summer would never have occurred, if it were not for the $4\frac{1}{4}$ percent interest ceiling, and the whole debt could have been financed at a lower rate.

Representative BROCK. We have discussed this before my committee on previous occasions, Mr. Martin, but I just want to be sure that your position hasn't changed. You would be interested in the Congress considering this particular problem, would you not?

Mr. MARTIN. I would indeed.

Representative BROCK. With a view toward——

Mr. MARTIN. I would be enthusiastic for it.

Representative BROCK. Thank you. One last comment. There have been some of our political figures in Washington and elsewhere who suggested that the Federal Reserve is making an unconscionable profit on the interest that is paid to it on the bonds that you own. Would you tell me, first, how many bonds are held by the Fed, U.S. Government obligations, today? Do you know offhand?

Mr. MARTIN. $44 billion.

Representative BROCK. What is the annual interest yield on those bonds to the Fed?

Mr. MARTIN. Last year our earnings were about $1.9 billion.

Representative BROCK. What were your expenditures on the Federal Reserve System?

Mr. MARTIN. Very, very small.

Representative BROCK. Just approximately? Was it $200 million, $150 million?