For the immediate problem we have decided to go along with these special measures, with the hope that the interest equalization tax, the voluntary foreign credit restraint program—both the Commerce part of it and ours—will not become permanent but will be temporary.

Representative CURTIS. Let me ask it this way. I see my time is up. The President has recommended that the interest equalization tax be extended. Does the Fed go along with that proposal?

Mr. MARTIN. Yes, I think the Fed does.

Representative CURTIS. I am very sorry to hear it.

Chairman PROXMIRE. Mr. Rumsfeld?

Representative RUMSFELD. Just to get this clear in my mind, your position is that your coments in your statement with respect to the President's tax proposal, and your support of that is based on basically your concern about the deficit, and that your overall attitude is that either of the two would be equally effective, whether it be a tax increase or reduction in Federal spending.

Mr. MARTIN. That is correct.

Representative RUMSFELD. Now with that in mind, did you take into consideration the President's proposal concerning changes in the Social Security Act, and if you did take it into consideration, did you make the assumption that his budget makes that they will in fact be passed at roughly the 20 percent level. And finally, does it make any difference to you, since it doesn't bear directly on the question of deficit?

Mr. MARTIN. Well, I wasn't involved in any way in that.

Representative RUMSFELD. I appreciate it, but you are making a judgment on the tax proposal and this is in the same general area. Are you assuming it will pass at the President's requested level?

Mr. MARTIN. Yes, I am.

Representative RUMSFELD. That is part of the assumption.

Mr. MARTIN. Right.

Representative RUMSFELD. Would it matter if it wasn't passed at that level in your position with respect to the tax? Say instead of passing it at the average 20 percent level it were passed at 8 percent with no increase in taxes, social security taxes. Since it doesn't affect the deficit, I would assume it wouldn't matter.

Mr. MARTIN. No, I don't think it would matter in that respect.

Representative RUMSFELD. I don't think it would matter particularly.

Mr. MARTIN. Yes.

Representative RUMSFELD. But with respect to your position on the tax.

Mr. MARTIN. That is right.

Representative RUMSFELD. I have been aware for many years of my absence of knowledge, but as a new member of this committee I have been impressed with the broad areas where we as the society lack knowledge and information, and the ability to effectively relate different trends and activities. Are you satisfied, I would guess you would agree with that statement from your earlier comment——

Mr. MARTIN. Right.

Representative RUMSFELD. Are you satisfield that the country is applying sufficient brainpower in these areas to try to see if we can't develop the ability to relate things more precisely? Do you have the feeling that generally in the country there is a good deal of attention