

a month, plus, to begrudge the widow's mite being raised from \$80 to \$96, and I hope that in labor negotiations to come, particularly if the Congress does pass the President's social security program, labor negotiators won't be naming Burns as a hero and Reuss as their villain, for what I have just said, because I think that this contention would be properly resisted by employers, and I would hope by the Council of Economic Advisers, to the extent that there is anything left of the wage guidepost.

Mr. BURNS. You and I may differ as to what is or is not reasonable or unreasonable. But the kind of reaction that I described, whether reasonable or not, is a human reaction. Not everything about human nature is fine or noble, Congressman Reuss, as you well know.

Representative REUSS. I want to, in conclusion, endorse very heartily your constructive suggestion for better and more frequent quarterly forecasting by the budgetary authorities. I think there is a very real feeling on the part of this committee that our jagged performance last year was in part due to insufficient reporting. I want to thank you again.

Chairman PROXMIRE. Senator Percy?

Senator PERCY. Dr. Burns, I wonder if you could comment on what you see to be the attitude of foreign monetary authorities on the dollar, what confidence they have in it? If they looked impassionately at our economy as we have looked impassionately at theirs, and were free with their advice as we have been free with ours, what would some of these authorities say we should do to continue to maintain confidence in the dollar?

Mr. BURNS. I am inclined to think foreign monetary authorities would place a heavy emphasis on better control of Federal spending. I think also that they would say that if we cannot curb Federal expenditures, we should raise taxes. That is my understanding of foreign financial opinion at the present time.

Senator PERCY. It may be an unfair question to ask you, but I have had some comment abroad about the Federal Reserve System here and its independence from political pressure. Because Chairman Martin's appointment is coming up soon would you care to comment at all on how he is viewed by international monetary authorities and by those who are in responsible positions in this country, as the person who does maintain freedom from political pressures, and who tries to exert an independent stance on the Fed's part with respect to monetary policy? How important is that appointment as a symbol of having a Fed that is maintained independently as to policy?

Mr. BURNS. Mr. Martin is held in the highest esteem in financial circles abroad, and also in this country. I have heard men say that Bill Martin is worth more than a billion dollars in gold. In fact, I have heard that sentiment attributed to a very high administration official whom I will not name.

Senator PERCY. Those are my sentiments. I did not know what yours were, but I am glad to have them. Mr. Martin is of tremendous value to this Government and the integrity of our fiscal policy.

We have had much discussion about balance of payments. We have talked about it a great deal, and yet the condition continues to deteriorate. Would you care to make some recommendations with respect to some of those things that this country should do to restore equilibrium in these payments, if you feel that is a worthy objective.