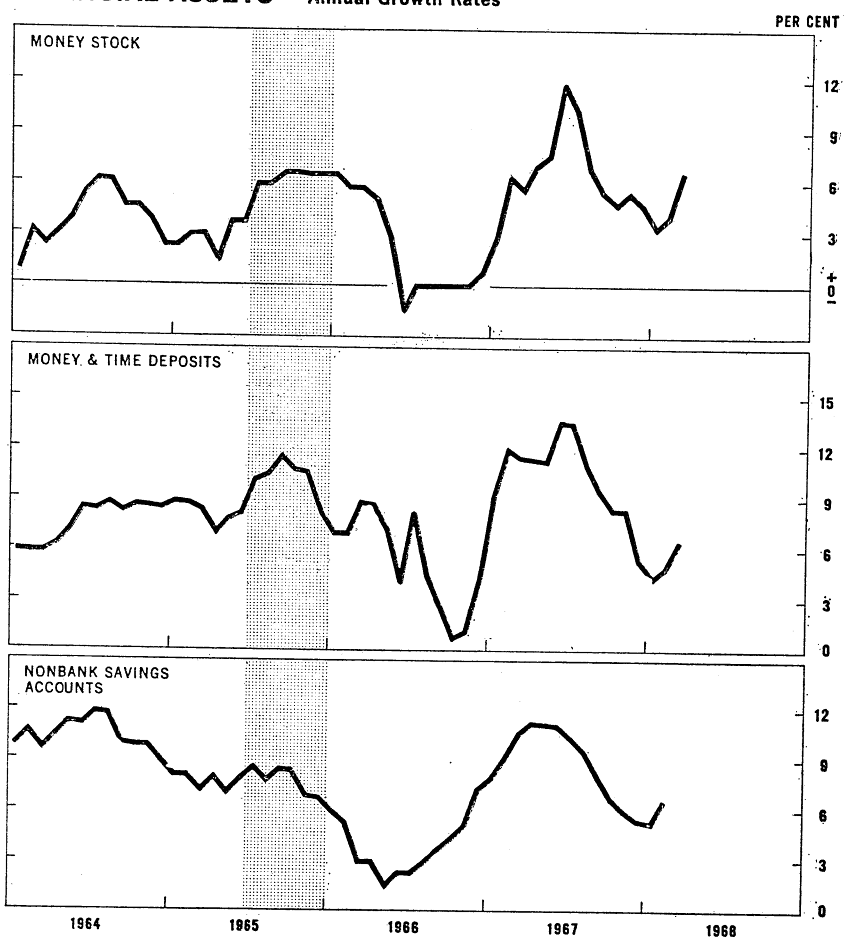
aggregate demand and slow inflationary pressures. Let us fervently hope that the brightening prospects for fiscal restraint we presently see on the horizon provide justification for that expectation.

FINANCIAL ASSETS -- Annual Growth Rates



Chairman Proxmire. Thank you very much, Governor Mitchell.

Governor Mitchell, apparently you and the Board feel that the Congress should not require that the Board follow a policy of a gradual but definite increase in the money supply, say between 2 and 6 percent or 2 and 5 percent, 3 and 6 percent. I am told that you are also opposed to an annual requirement of an annual announcement by the Board setting forth what your monetary policy would be, so that the Congress might be in a position to judge the Board's performance by its own standard.

I understand that the Board is also very much opposed to any congressional requirement that you purchase "Fanny May" obligations in order to support the housing market.