Letter to Chairman Martin from John R. Stark:

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
March 15, 1968.

Hon. WILLIAM MCCHESNEY MARTIN
Chairman of the Board of Governors of the Federal Reserve System, Washington, D.C.

DEAR MR. CHAIRMAN: Representative Henry Reuss, a member of the Joint Economic Committee, has asked me to transmit to you a proposed guideline for monetary policy. This guideline appears on page 45 of the enclosed Report of the Joint Economic Committee, in separate views set forth by Mr. Reuss. He is requesting the comments of the Federal Reserve Board on his guideline (at page 46, second paragraph).

> I have transmitted this proposed guideline to the Fed for its comments. The Fed obviously does not agree with the Joint Economic Committee's "advice." Perhaps the advice has been too tersely stated, with insufficient regard for other factors than the money supply, narrowly defined. The above proposed guidelines are designed to elicit precisely what the Federal Reserve regards as proper monetary criteria. Perhaps the resulting exchange can enable both parties to make their future dialog more meaningful."

It would be appreciated if you will let me have the Board's comments when it is convenient.

Sincerely,

JOHN R. STARK, *Executive Director.*

Letter to Representative Reuss from Chairman Martin:

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington, April 19, 1968.

Hon. HENRY S. REUSS,
Joint Economic Committee,
New Senate Office Building, Washington, D.C.

DEAR MR. REUSS: This is in response to your request, transmitted to us on March 18 by the executive director of the Joint Economic Committee, for comments on the guidelines for monetary policy set forth in your supplementary views in the Committee's recent report on the *Economic Report of the President.* We have asked our staff to analyze the proposed guidelines, and I am enclosing a memorandum they have prepared that discusses the guidelines and their implications for monetary policy, together with two articles published in the Federal Reserve *Bulletin* referred to in the memorandum. Since your