

vail in the House, then it comes to the Senate, of course, as you know, for a trial by the Senate. But the Senate never could get to it.

So it doesn't foreclose the question at all, Mr. Kennedy, because the Senate confirms you, not at all.

Now, I asked consent to file some pertinent information. Without objection I will do so, and then I will yield to the other members.

I have introduced a bill to prohibit certain conflicts of interests on the part of officers of the Government having responsibilities with respect to the banking and monetary system. And the provision here is:

The Secretary of the Treasury and the Under Secretary of the Treasury shall be ineligible during the time they are in office for 2 years thereafter to hold office, position, or employment in any bank whose deposits are insured by the Federal Deposit Insurance Corporation. Neither the Secretary nor the Under Secretary of the Treasury shall be an officer or director of any such bank or Federal Reserve bank or hold stock in any such bank; and before entering upon their duties they shall certify under oath that they have complied with this requirement.

Now, the main point is that they cannot hold any office, position, or be employed in any such bank during the time they are in office or for 2 years thereafter.

A lot of people believe that a person shouldn't go out of office and go right into business that he has been exercising judgment over. How would you feel about a law like that, Mr. Kennedy?

Secretary KENNEDY. I haven't looked into the law that you propose. If that is the law, I will abide by it, of course. I have no idea of what will happen after I leave the Treasury. I have been chairman of a bank. I will surely not go back as chairman of a bank. I don't go back into past places as far as chairmanships are concerned. I don't know what I will do. I would like freedom of action.

Chairman PATMAN. Mr. Widnall?

Representative WIDNALL. I will pass.

Chairman PATMAN. Senator Proxmire?

Senator PROXMIRE. Mr. Kennedy, following on the line which the chairman has opened up here, you and your two colleagues I think were excellent appointments. And I am specially aware of the remarkable job you did as Chairman of the Board of the Continental-Illinois Bank, one of the great banks in the country. And you were also head of the Commission on the new budget which we have adopted now and which you did such good work on.

Mr. Walker, too, has a fine record. I recall his appearing many times before our Senate Banking Committee, always knowing precisely what he is talking about and being a very, very helpful and intelligent witness.

Mr. Volcker has appeared before this committee. He has been a real expert not only in private life but also in the Treasury, I understand, in foreign international—I should say international financial matters.

And yet you do raise an embarrassing problem, not in your confirmation—I was enthusiastically for all of you, as I said—but on getting disinterested objective advice from the Treasury on several matters: One, to which the chairman has alluded on this artificial write-off of 2½ percent on bad debt reserves; another on interest rate policy as it affects institutions; and the third, which concerns me very much, is in