

On the flexibility question we particularly found a notable lack of interest, I think, in European official circles at this point. So, I do not think that these ideas are right on the docket in terms of immediate moves in this kind of direction, and I do not want to give that kind of impression at all.

On the other hand, this is something that we will be looking at internally, obviously. And I would encourage others to look at it. And I, in fact, would be doing this in some of these academic circles myself had I not been sitting here. After a little longer period of gestation and the conclusions become clear as to where the interest of this country and other countries may lie, I think we will be in a position to reach some official conclusions on these matters. But we are definitely not there at the time.

Representative MOORHEAD. I can merely say that I encourage internal Treasury studies in addition to the academic studies on this important issue.

Chairman PATMAN. I would like to ask a question like I asked Secretary Kennedy. Do you, Mr. Walker or Mr. Volcker, own stock in commercial banks?

Mr. WALKER. I own no common stock in any business corporation.

Mr. VOLCKER. I own no stocks.

Chairman PATMAN. Now, if I understand correctly, there are four bankers in the Treasury Department now under the new administration: Mr. Kennedy; yourself, Dr. Walker; Mr. Volcker; and recently added was a man by the name of Jim Smith for Congressional Relations. Wasn't he your assistant in the American Bankers Association's public relations office?

Mr. WALKER. Mr. Smith was a long-time employee of the Senate and was assistant to Senator Mundt until he came to the American Bankers Association's Washington staff about 1961, 1962 or 1963. As for myself, I am not a banker. I never was a banker. I was a trade association executive.

Chairman PATMAN. If you represented the banks, I do not see how you could come here.

Mr. WALKER. I admit that you have got a point.

Chairman PATMAN. I mean as a career.

Now, I would like to ask another question. The President approves interest rates that are fixed on long-term Government bonds; isn't that correct?

Mr. WALKER. Anything over 1 year, any note or bond.

Chairman PATMAN. That has always been my understanding. I looked it up one time, and I was very clear that it was that way; but if it has been changed inadvertently or otherwise, I do not know it.

That means you keep talking about a 1951 accord. That was a meaningless so-called accord. That was under Mr. Truman. And Mr. Truman not only could not approve it; he denounced it. And how can you say there is an accord where he is the principal actor, since he has got to fix the interest rates on long-term Government bonds and he did not approve it?

He is one of the principal actors and, therefore, it could not be an accord.

I just submit that for your consideration.