

credit policy

necessary if the board is going to bring the growth of money under control and reduce inflation. The increase in the discount rate to 12 percent, an all time high, and the application of marginal reserve requirements on managed liabilities are certainly appropriate steps to be taken at this time."

Rep. Henry Reuss:

To *New York Times*, Oct. 10: "I applaud the Fed and the treasury for their actions on Saturday."

Rep. William S. Moorhead:

To *New York Times*, Oct. 10: "We seem to know better how to cure a recession than how to cure inflation. I personally feel the gamble is worth taking."

Sen. George McGovern:

To *New York Times*, Oct. 10: "At some point, higher interest rates no longer serve any purpose except to guarantee a deeper recession. But I don't think there's much we can do about it if the administration seems bent on this course."

Rep. John Conyers:

Through press secretary *Bill Kirk*, Oct. 23: "The congressman is against the policy because it puts the crunch on small business and it puts the crunch on everybody."

Rep. Parren Mitchell:

Letter to *Wall Street Journal*, Oct. 11: "For years it has been difficult to support the Federal Reserve because its modus operandi assured that its impact on the economy would be procyclical. ... Now I can be supportive, and am confident that many of my House colleagues also will be."

Economists:

Charles Schultz, chairman, President's Council of Economic Advisors: "The basic thrust of what the Fed did was needed."

Where are the real Democrats

In 1976, as the campaign for the presidency was in full swing, Jimmy Carter pledged to implement the planks in the Democratic Party Platform. The following is a selection on the subject of credit rates and housing, taken from that official party document.

"The housing industry and construction workers, among the hardest hit by the current recession, could have benefitted by a genuine federal commitment to meeting basic human needs for shelter.

"It is the purpose of this party and the plan of this Party's Platform to reverse this callous practice of neglect. The economic policies proposed in this Platform will greatly enhance the chances for average Americans to own homes or to rent homes at reasonable rates.

"We must reverse the Nixon-Ford tight money policy, an important factor in our housing shortage.

"The biggest reason for escalating housing costs is mortgage interest. Out of every housing dollar, 37 cents is spent on interest. With mortgage rates pushed to the highest levels of the past century, the notion that the public is served by high interest is a myth. Every time the mortgage rate rises a single percent, three and a half million more Americans are locked out of the chance to own a home.

"That is why the Democratic Party's commitment to a more accountable Federal Reserve Board, to price stability, to a housing administration free of scandal, and to reasonable interest rates are essential to the effort to address our housing problems.