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Federal Open Market Committee

Conference Call

October 30, 1991

PRESENT: Mr. Greenspan, Chairman
Mr. Corrigan, Vice Chairman
Mr. Angell
Mr. Black
Mr. Forrestal
Mr. Keehn
Mr. Kelley
Mr. LaWare
Mr. Mullins
Mr. Parry

Messrs. Hoenig, Melzer, and Syron, Alternate Members of the Federal Open Market Committee

Messrs. Boehne and McTeer, Presidents of the Federal Reserve Banks of Philadelphia and Dallas, respectively

Mr. Bernard, Deputy Secretary
Mr. Coyne, Assistant Secretary
Mr. Gillum, Assistant Secretary
Mr. Mattingly, General Counsel
Mr. Patrikis, Deputy General Counsel
Mr. Prell, Economist
Mr. Truman, Economist

Messrs. R. Davis, Promisel, Simpson, Slifman, Associate Economists

Mr. Sternlight, Manager for Domestic Operations, System Open Market Account
Mr. Cross, Manager for Foreign Operations, System Open Market Account

Mr. Wiles, Secretary of the Board, Office of the Secretary, Board of Governors
Mr. Ettin, Deputy Director, Division of Research and Statistics, Board of Governors
Ms. Low, Open Market Secretariat Assistant, Division of Monetary Affairs, Board of Governors

Messrs. Gainor, Hendricks, and Oltman, First Vice Presidents, Federal Reserve Banks of Minneapolis, Cleveland, and New York, respectively

Mr. McNees and Ms. White, Vice Presidents, Federal Reserve Banks of Boston and New York, respectively

Transcript of Conference Call of
October 30, 1991

CHAIRMAN GREENSPAN. Good morning, gentlemen. Events are moving at a pace that probably makes it wise for us to have some preliminary discussions on the basis of the evidence before next Tuesday's FOMC meeting. The data that we saw today on home sales were clearly quite negative. Initial claims will come out tomorrow and, actually, they won't be too bad; in fact, on our seasonals they go down and on the BLS seasonals they go down sharply. The general thrust of the data, however, is that the recovery clearly is petering out at a fairly pronounced pace. And it looks at this stage as though we're going to have difficulty reaching 2 percent GNP in the fourth quarter; the more likely figure is probably closer to zero at this point.

As I indicated at the last FOMC meeting, I think what we're looking at here is a nearly classic disinflation process in which the economy is coming off a very substantial debt buildup and speculative binge in the '80s. In the process our financial intermediaries have been undermined to a very considerable extent. The savings and loan industry is pretty much incapable of lending at anywhere near the [volume] it did in the past. Commercial banking has been significantly debilitated and even the insurance [sector] is creating problems for intermediary lending of the type that usually finances recoveries of the nature we're looking [toward] now. The more I look at this, the more it looks to me as though we have some equivalent of a 19th century kind of economic adjustment. But instead of an economy crashing after a stock market decline such as we had in October 1987 and then coming back a year or so later, it looks as though the inflationary and debt imbalances of the 1980s are being stretched out here. We are well into the adjustment process, but it's fairly evident that the fear element that is associated with the decline in property values is really quite classic in the sense that it has the same effect as those 19th century type corrections. It's apparent from the employment cost index that the disinflation process seems to be working well. I do think that there are questions with respect to what it is that M2 is measuring at this point; but clearly it is not terribly easy just to conclude that the money supply shrinkage is not reflective of some definite slowing in nominal GNP. [The shrinkage] may well be, and indeed I suspect it is, largely a consequence of taking a big chunk out of the savings and loan industry, but the effects are the same. It does reduce financial intermediary capacity and as a consequence of that a contraction process occurs, which is not dissimilar to what the money supply data are showing to us.

I've concluded from this myself that we probably have to do something further, but I'm uncomfortable about a variety of different alternatives. What I'd like to do is to get a sense of this Committee with respect to: (1) an update on how all of you view your various Districts and the nation as a whole; and (2) any suggestions you might wish to offer regarding various alternative ways we might move. We have a number of potential alternatives. For example, we could, were we to choose to do so, do a 25 basis point reduction in the federal funds rate today. We could wait perhaps until Friday and do a [cut in the] discount rate and 50 basis points [on the federal funds rate]; we could wait until after the FOMC meeting and do either or both of those; or we could do none of the above. What I would be most

appreciative of, since we haven't had a chance to discuss the changing developments in the various Districts, is to get from individual presidents specifically a sense of how they view the outlook relative to how they sensed it at the last FOMC meeting. And I would appreciate in that context any views with respect to policy that one might wish to offer.

MR. BOEHNE. This is Ed Boehne. We clearly are seeing a deterioration in sentiment, and I feel that this is now spilling over into 1992 planning for many businesses. Whereas a few months ago I think the view was that this was largely a '91 recession and expectations were that things would be moving back up in '92, what we have now is a view that this recession is going to spill over into '92 and that businesses have to plan accordingly. So, I think we have something here that's going to drag out a good bit longer than we thought. My sense is that we're not likely to see sharp declines in growth; I think we're going to see an absence of growth. You expressed that in your explanation and I would agree with a lot of what you were saying. Another way to put it is that in the latter part of the '80s we borrowed a lot of prosperity from the future and the future is here and we're paying it back. I think that is showing up in debt overloads and problems with real estate and so on.

I would not put as much of a burden, however, on our credit intermediation process. Clearly, there are wounds there and there is new caution on the part of banks. But I think a lot of this is the fact that there just isn't the demand. The demand side is a substantial part of credit [unintelligible], but I would put more weight on the demand side than usual. I think the banks would respond by lending if there were greater loan demand.

As far as what we need to do, I think a 25 basis point reduction [in the funds rate] is not worth the trouble. What we need to do is something that gets attention--something that is more than the usual kind of easing moves we've taken. So, I think we have to go 50 basis points on the funds rate and the discount rate; the exact timing is not as crucial as the fact that we do it. But to go 25 basis points on the funds rate and maybe do another 25 points just doesn't give us much of a bite for what we're doing. My sense is that this disinflation process is moving more rapidly than we may think because, while lower interest rates in and of themselves aren't going to stimulate the economy, they can be a positive. I would guess that before this is over we're going to have to lower the funds rate, and interest rates are going to have to come down more than most of us had contemplated, or maybe even contemplate at this point. But we're rapidly moving into a situation in which the real interest rate is too high to be consistent with even a mild recovery and then we will have to address that in several steps. Initially, I would rather do nothing than do 25 basis points. I think we'd almost be mocked if we did that. I think we have to go for the discount rate and 50 basis points on the funds rate.

MR. PARRY. This is Bob Parry in San Francisco. I share Ed Boehne's concerns about the immediate prospects for the economy. Clearly, in our District we would have to say that [economic conditions] have deteriorated since the last FOMC meeting. We've had recent meetings with our directors and also the Small Business and Agricultural Advisory Committee and they have been as pessimistic in

their reports as I've seen. But at this point I'm a little leery about saying how much this is going to cross over into 1992. I think we could really benefit from an in-person discussion of the prospects for the economy as seen by the Board's staff and also the views of each of the presidents in that regard. Although there is a strong case for doing something, I hope we will not over-react at the present time. I would be almost indifferent between doing two things: To wait until Tuesday to have a very complete discussion of the situation and then consider the possibility of perhaps [moving down] 50 basis points on both the funds rate and the discount rate; or even to make a small move of 25 basis points on the funds rate today, which may be constructive as another alternative. The bond markets have been acting very strangely for the last week or so, and I think such a move could provide us with some interesting information. Another thing we have to keep in mind is the Treasury refunding next week; we have to decide carefully what we're going to do in light of that as well.

MR. FORRESTAL. Mr. Chairman, this is Bob Forrestal in Atlanta. I don't think economic conditions have changed all that much in the District since the last FOMC meeting. They are mixed, and I suppose if you added it all up the tally would show that most are negative. From statements by business people, what is happening here --and I sense in other parts of the country--is that sentiment is really very, very negative. And that, of course, is being translated into business plans for next year and it's causing consumers to hold back; they're holding back for other reasons as well. But the tone is really very bad and it's beginning to feed on itself. In a sense the psychology is taking us down a spiral; I think that was confirmed to some extent by the Conference Board's report on confidence yesterday. So, that's the overriding [concern] rather than the statistics themselves, although the statistics are not great in our District.

The other thing that I'm finding from the business people that we talk to is that they just don't seem to have an understanding that we're not going to have, at least in the foreseeable future, the kinds of growth rates that we had in the U.S. economy over the past decade. They do not yet have it in their mindset, it seems to me, that our potential for growth is lower than it was; they're looking for the kinds of returns that they had before. And they are getting very, very impatient with this relatively sluggish economy.

In terms of policy, we need to do something. I think it would be better to do 25 basis points so we can test the market a little, particularly the long end of the market. Given where the funds rate is today and the fact that if we're going to do something we might as well do it now, I would be inclined to do 25 basis points now and then have a full discussion of the situation, including perhaps [consideration of] a discount rate change, at our FOMC meeting next week.

MR. KEEHN. Mr. Chairman, this is Si Keehn in Chicago. I agree largely with what both Ed and Bob have just said. I don't think the situation has deteriorated that much since the last FOMC, but there has been a perceptible change in attitudes among the people that I've talked to. They just are feeling much more concerned than they were before. The sentiment has turned to the very negative side. I spent some time talking this morning to representatives of the auto industry in preparation for the FOMC meeting next week. I probably

have little to add that you don't already know. Clearly, they are reducing their production schedules and their estimates with regard to sales both this year and next year are coming down. According to the data they gave to me, the order levels coming in from their dealers look pretty terrible; there is a definite trend downward. And the production that is now scheduled for the fourth quarter compared to orders appears to be substantially higher than [has been the case] in quite some number of years. So, unless there is a rather substantial turnaround going into the early part of next year, they don't see any particular improvement.

In terms of the policy decision, I think there are arguments for doing something that is a bit more dramatic. I would very much favor a reduction in the discount rate as a way of indicating what we're doing, but also I would do it because I think we have a logjam on the prime rate. If we choose to reduce the fed funds rate by 25 basis points, it may not be enough to move the banking industry down a notch, whereas if we reduce the discount rate and also the fed funds rate by 50 basis points, that would be enough to reduce the prime rate, I would think. There is quite a bit of apathy and [such rate reductions] could have a very positive effect and, therefore, I would do it. It doesn't seem to me that we need to wait for the FOMC meeting. I'd be inclined to do it Friday morning.

MR. BLACK. Bob Black, Mr. Chairman. I don't remember a time in the postwar period when I felt that the confidence of our business people was as sour or as bad as it is right now. We hear it from our directors; they are quite unhappy. If you look at the report on the Conference Board's confidence survey on the second page of The Wall Street Journal this morning, several [unintelligible] coincident indicators rather than leading indicators. It's also helpful to bear in mind that we are just at the beginning of a recovery and people are always rather pessimistic about it. I do think the recovery is still continuing. I'm impressed by the strength in M1. If you take small time deposits out of M2, M2 less time deposits has grown at a rate of 7.3 percent from the fourth quarter of last year to the third quarter of this year; and in October that measure was up at a rate of 7.9 percent. If we were to cut the federal funds rate, I don't know what it would do to M2; probably very little. But at the same time we can ill afford to ignore this deterioration in confidence and I think we ought to make a move just to try to turn that around even if we see an adverse effect on M2 over the long term. So, I would favor 25 basis points [on the funds rate] today, and then I'd take a look at the figures we are going to get on Friday--the employment report and the report of the National Association of Purchasing Managers. And then Tuesday we might, as you said, consider doing more. But I would limit it right now to only 25 basis points. We ought to do that just to try to stop this erosion of confidence that seems so [evident] to me.

MR. HOENIG. Mr. Chairman, this is Tom Hoenig. Our region hasn't seen a lot of change since the last meeting. It had already gone through a bit of disinflation and I don't see a lot of change from that. Attitudes, though, continue to worsen. We've had some meetings with business groups, and they are very pessimistic. There is still a lot of blame being placed on the banks and, quite frankly, I think the banks have tightened their underwriting standards fairly significantly in reaction to the dramatic losses they've suffered over time. So, there is that [tightening] in standards out there that the

business community is seeing and it is only worsening their attitudes.

As far as policy goes, I would feel comfortable easing 1/4 percentage point right now. As for going further with the discount rate, I don't think it would hurt to wait until next Tuesday when we can have a full airing of views and discussion of this and, based on that, then decide on the discount rate and on a further cut [in the funds rate].

MR. HENDRICKS. Mr. Chairman, this is Bill Hendricks from Cleveland. Our view hasn't changed since the last meeting. The outlook here is flat and we're rather concerned about M2. And we prefer another move by the Desk. We would prefer to do that soon in view of the numbers we are seeing and then have a further discussion next week on what additional moves might be made.

VICE CHAIRMAN CORRIGAN. Mr. Chairman, several people have already made the point that I think is very clear, and that is that the psychology of the situation is slipping. We can debate as to precisely what the reasons are, but it is slipping. Certainly, in the latest rounds of meetings I've had with business leaders there really has been quite a perceptible deterioration in attitudes. In those circumstances, I do think that this is one of those times, of which there are not many, when we have to be thinking of a policy move that is something other than plain vanilla. For that reason, I would associate myself with those who have suggested a reduction in the discount rate with a corresponding reduction in the federal funds rate. I see very, very minimal downside risk in the current circumstances with that approach. And if that does jump-start some things, obviously policy can respond in the opposite direction if it has to later on. But right now I do think that something a bit out of the ordinary is called for to try to stem this deterioration in confidence, which I at least perceive to be fairly broadly based at the moment. So, I would favor a discount rate change. I could go either way as to whether [the Board] does it Friday or next week. I'd be influenced a little at least by what we see in the forthcoming statistics. We get labor market numbers this Friday and that might prove decisive one way or another for me as far as the timing goes. I think Ed Boehne got it right when he said that a matter of a few days one way or another is not the end of the world, but I do think we need something that does convey a message here. Even though normally I would be very responsive to Bob Parry's point about testing the market, in this particular circumstance I frankly find it quite awkward to do 1/4 point on the funds rate today or tomorrow or Friday and then come back with something else at the beginning of next week. It seems to me that that carries the wrong message, including the message of a Federal Open Market Committee that is stumbling around a bit. So, while I normally would be very sympathetic with testing the market, in this particular case I'd rather do it all at once, even if it means waiting until next week.

MR. SYRON. Mr. Chairman, I think that the situation has deteriorated in a noticeable way and that it is important that we do something. I would associate myself with those who say it should be more than--to use Jerry's phrase--a "plain vanilla" change. And sooner is better than later for the reason that, unless Friday's labor market report turns out to be very different from what I think almost any of us expects, I'm wary of doing another move that is tied very,

very closely to the announcement of the employment figures. Also, since we get into the Treasury refunding period next week, I must say I would be in favor of moving today.

CHAIRMAN GREENSPAN. I might say that we can't do anything today; the time for Desk action has passed. Even so, this is still a very important discussion and whether we move today or tomorrow is really not material. But we could still do it "non-Friday," if you want to put it that way.

MR. SYRON. Non-Friday--that is, not on the day the labor market figures are released.

MR. STERNLIGHT. Mr. Chairman, even our inaction today may leave some question about the possibility of a move or of our being on the verge of a move because the funds rate has sunk to 5-1/16 percent. So, by our just staying out, people will wonder whether we are--

CHAIRMAN GREENSPAN. Well, I think creating a little ambiguity at this stage is not a bad idea.

MR. STERNLIGHT. Right.

CHAIRMAN GREENSPAN. But responding with a strong draining of reserves at this point and doing a discount rate or something like that within a matter of days doesn't strike me as the way to behave [unintelligible]. Anyway, shall we continue? This is actually very useful input because while a number of you may be saying that nothing has changed since the last meeting, I can assure you that if we were to do a transcript of this meeting and match it against the tone of the previous meeting, it's really quite remarkably different.

MR. MCTEER. Mr. Chairman, Bob McTeer in Dallas. The one thing I would add is that I don't feel we overstated the credit non-intermediation problem, as Ed Boehne suggested. Maybe it's because Texas has been dealing with it longer, but it seems very real down here and I think that is a significant part of the problem. I agree with those who would like whatever is done to be done other than on Friday because I don't think it's a good idea for us always to seem to react to the employment numbers. So, I would hope that if it's too late today, we could do whatever we do tomorrow or wait until the FOMC meeting.

MR. MELZER. Alan, this is Tom Melzer. In terms of the District, I don't think it's gaining momentum but I don't think it's deteriorating either. So, in that sense, not much has changed.

In terms of policy, I'm satisfied with the thrust of policy. As I look at it, policy is consistent with continuing economic recovery. And as I said before, I'm very leery about our ability to do short-term fine-tuning, especially trying to fine-tune confidence. I was in a meeting this morning so I didn't get a chance to look more than quickly at the screen but I think we got some pretty decent personal income and personal consumption numbers. You said that the initial claims figures are going to look pretty good tomorrow. I don't know what unemployment will look like on Friday, but there's a possibility that those good numbers coming out in and of itself could build some confidence. And then if we take some dramatic actions, the

public reaction is going to be "Well, my word, even in the face of some fairly decent numbers, the Fed is taking dramatic action." And we could actually go at cross purposes to what some people seem to be trying to accomplish. In other words, the reaction will be: "The Fed must know something that we don't know; these numbers look pretty good, so they must see or know something that looks a heck of a lot worse." I worry about that. In any case, in terms of any policy response, predictably, I would be inclined to be quite cautious. I would prefer to wait until next Tuesday when we have an opportunity for all of us to sit down and fully discuss any moves.

MR. ANGELL. Mr. Chairman, I appreciate the remarks that have been made and I understand where they come from. I do not have the confidence that others seem to have in regard to knowing precisely what the fourth-quarter number will be. And since I don't know what the fourth-quarter number is going to be, I would tend to presume that it is going to be closer to what we've seen than to assume that it is going to show a dramatic change. Looking at the third-quarter numbers, we have had a very negative one quarter on net exports, and I find it very unbelievable that that kind of jarring one-quarter [experience] is apt to be sustained. I find it rather doubtful that the inventory disinvestment that occurred in the third quarter will be that large in the fourth quarter. I look at the third quarter and see that consumer spending, if it were to continue quarter-after-quarter at that rate, wouldn't leave much room for any saving that people are talking about. Now, that doesn't mean that I'm on the side [of those who believe] that the economic recovery is on a normal course. I have never thought that this recession was a normal recession and I certainly see no reason that the recovery will be a normal recovery. But what we need to keep in mind here is that when we affect real asset prices the way we have across this country from 1984 onward--and it has hit region after region--that we do not get a snapback. The animal spirits that are out there in regard to borrowing money to buy real estate or to develop this or to develop that are archaic; they are seriously faulted. Consequently, I do not believe that we're going to affect the outcome quarter-by-quarter very much by what we do except run into some danger, as Tom Melzer suggests, of actually making it worse.

Now, Jerry Corrigan is correct in saying that we ought not test the market at this time. If we test the market and then try to come back and do something later, I think that's going to be confusing. I'm really on the side of standing pat here. It seems to me that with the 1-1/2 to 2-1/2 percent growth rate that we're apt to experience over the coming quarters--four, five, six quarters ahead of us--we're going to have plenty of opportunity out there for certain disinflations to demonstrate that they're moving along. The very best thing we can do for the recovery is to continue our policy, which is targeting price-level stability. And out of that we will get the long bond rate moving where we need to get it moving in order to get this recovery going. After the Chairman's remarks the other night, I'm convinced that the bond market won't react adversely to a 25 basis points move. So, I think we've already found that out; the bond markets will tend to do nothing here. Frankly, I think the bond markets will do quite well if we do nothing and they indeed will be better over the coming months if we show patience. The worst thing we can do is to create more uncertainty. [As to the] suggestion that we have to make dramatic moves [my view is that] the market will say the

Fed has moved and nothing will happen. And we actually may contribute to a worsening condition with a worsening bond market and make the circumstance much worse than it would be otherwise. So, I strongly counsel for us to stand [pat]. I just do not believe that there are gains from our throwing 25 basis points away in these winds.

CHAIRMAN GREENSPAN. Governor LaWare.

MR. LAWARE. Mr. Chairman, I tend to agree with Governor Angell's analysis of the situation. I would add that I think the banks are undoubtedly tougher and rightfully so. They've been savaged by these losses and they're determined not to make the same mistakes again. I think the improved results that the banking system by and large is experiencing in the third quarter are going to tend to encourage a bit more aggressive lending policies. And that's going to help us finance this recovery. I'm convinced that there is very slack demand and I'm also sympathetic to the observations that there has been a deterioration in sentiment or attitudes or confidence, if you will. But I'm not convinced that we are [causing] this recovery to stall out or that a change in interest rates would improve the rate of economic growth. I favor standing pat also. But in any case I would oppose any move prior to the FOMC meeting next week when we will have the staff input from the Greenbook.

CHAIRMAN GREENSPAN. Governor Kelley.

MR. KELLEY. Mr. Chairman, our usual posture, which I think is the correct one, is to look at data. We usually find that the data are mixed in a situation like this and that leads us to cautious moves in one direction or another. It seems to me that what we're mostly talking about here at this point in time is the matter of psychology or confidence rather than some careful analysis of impersonal data. Just based on the data, I would concur with Governor Angell, but I do have a lot of concern about this psychology or confidence factor. It's a softer thing but it also is a larger thing and a more difficult one to grapple with potentially. So, it would seem to me that if we're going to do anything, it would be largely for reasons of confidence and psychology. That would lead me to think that if we're going to do anything, it ought to be something more dramatic in the area of a discount rate move of 50 basis points that we allow to show all the way through. There are two things that I would have a little difficulty with right now. One of them is to move in a way that would look rather like business as usual and the other would be to tie a move or appear to tie a move to some specific piece of data, whatever it was. This leads me to feel that we should perhaps think about this matter between now and Tuesday, have a very careful analysis of just what the data do tell us and a further reading on this psychology matter, and then see at that time whether or not we feel that we must move or whether the data will allow us to stand pat and try to sweat it out.

CHAIRMAN GREENSPAN. Governor Mullins.

MR. MULLINS. Well, I generally agree with the diagnosis that we are experiencing a gradual retrenchment from these excesses. I also think that the third quarter--which was I might add a bit lower than our expectations for some of the reasons a number of people have mentioned--had a tail end that is a lot different than the [earlier]

third-quarter reports. The data have changed. Industrial production, which had grown for five straight months, has now grown for four straight months and has been flat for two months; and it might well be flat for a third month. The housing market, which had come back steadily, has pretty clearly flattened out, it seems to me. And the employment situation, which I thought was getting better, is likely to deteriorate some or at least be flat. So, before we talk about the confidence factor, I think on the hard numbers there has been a change in character at the tail end of this third quarter.

There is a problem of deteriorating confidence. Confidence had turned up in part, I think, because of some of our more dramatic moves in the spring when we did cut the discount rate by 50 basis points and passed that reduction through [to the funds rate]. I am concerned that this is a problem, going into the Christmas season and the planning season for the next quarter. In the political environment and the media environment there's an incentive to say that things are bad. Based upon the numbers at least for the tail end of the third quarter, I think we're looking at a ratcheting down of our estimate for the fourth quarter. I won't go through a full argument here but I think our current stance, based upon those numbers, is inconsistent with what we had forecast for a sustainable recovery. With the deteriorating confidence on top of that, I would be in the camp that says we do need a more dramatic move. I think that would help confidence and would facilitate the adjustment process. I also would prefer this more at the end of next week, first to divorce it from the labor market report and secondly because it would have the implication of coming out of a broad-based review at the FOMC meeting. I would like to see us move for once after the 30-year bond auction so they can't blame us. Also, I think there is some advantage in waiting just a little longer than everyone expects, showing that extra patience helps. However, we are at a fairly critical period in terms of the numbers flattening out as well as the confidence deteriorating, so I think I will be in the camp that argues not for business as usual but for a pretty dramatic move to offset this general retrenchment and gradual pressure put on the economy by this process and people's loss of confidence in the recovery.

CHAIRMAN GREENSPAN. Are we missing anybody? Minneapolis? Is Mr. Gainor there?

MR. GAINOR. Mr. Chairman, we haven't seen anything in our economy that would lead us to do something immediately. We think there could be a case for bringing the funds rate down because of slow money growth. But that would be the only basis we would see for that. Our preference would be to wait until Tuesday's meeting to make a judgment.

CHAIRMAN GREENSPAN. Does anyone else have any further [comments] they wish to throw into the pot? Gentlemen, this has been exceptionally useful. I don't know quite where it comes out at the end, but I think we all ought to puzzle about it for a while. No matter what happens between now and next Tuesday with the data, we ought to have a rather extended discussion then. I must say that this is one of the most interesting periods in the development of the American economy that I recall.

MR. ANGELL. Mr. Chairman, maybe we ought to have a leak of this so that Messrs. Sarbanes and Hamilton and so forth would want to get the number of presidents voting up from 5 to 12! [Laughter]

CHAIRMAN GREENSPAN. I'm sure they heard you! Thank you very much, and I look forward to seeing you all next Tuesday.

END OF SESSION