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U.S. HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON DOMESTIC MONETARY POLICY
OF THE
COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS
NINETY-SEVENTH CONGRESS
WASHINGTON, D.C. 20515

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WASHINGTON, D.C. 20515
(202) 225-7315

November 24, 1982

The Honorable Paul A. Volcker
Chairman
Federal Reserve System
Board of Governors
20th and Constitution Avenue N.W.
Washington, D.C. 20551

Dear Paul:

I just wanted to confirm my decision to postpone the hearings to which I invited you to testify on December 2, 1982. I reached that decision because I had failed to hear positively of your acceptance, and felt that in light of the shortness of the remaining days prior to the scheduled hearing, that it might be better to simply carry these matters over until January. As soon as I ascertain the Committee schedule, I will direct the staff to contact you regarding rescheduled hearings on the important issues raised in my letter.

Additionally, I want to note my support for your planned recommendation to the FOMC of adoption of a broad credit aggregate that would be set forth alongside the monetary targets in your next report. Like you, I recognize the limitations on the use of a credit aggregate and I think that over the coming months --years even-- the development of such a device will understandably undergo substantial change. Even our monetary aggregates have undergone such changes because of the dynamic character of our economy. While credit data at this time may be less complete and timely than some other forms of information, I believe they will improve as we use them, as we refine the precise measures we want to study, and as the technology for data collection improves. So, all in all, I am in favor of this move, and want to assure you that I will be pleased to work with you in any way I can to facilitate its development.

With every good wish for the Thanksgiving holiday, I am

Sincerely,



Walter E. Fauntroy
Chairman

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P. Tomlin