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APPROVED
JUN 30 1976

86/30/76

THE WHITE HOUSE
WASHINGTON

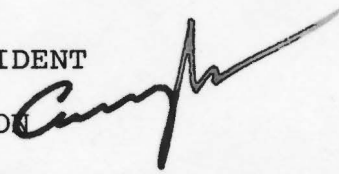
ACTION

June 30, 1976

MEMORANDUM FOR

THE PRESIDENT

FROM:

JIM CANNON 

SUBJECT:

H.R. 14114 - Temporary Increase
in Public Debt Limit

Attached for your consideration is H.R. 14114, sponsored by Representative Ullman.

The enrolled bill would increase the temporary debt limit from \$627 billion to \$636 billion through September 30, 1976, to \$682 billion through March 31, 1977 and to \$700 billion through September 30, 1977. The bill would also provide an additional \$5 billion of authority to issue Treasury bonds without regard to the 4-1/4% interest rate ceiling.

Additional information is provided in OMB's enrolled bill report at Tab A.

OMB recommends action as soon as possible, since the existing temporary increase in the debt ceiling expires June 30, 1976. Max Friedersdorf, Counsel's Office (Lazarus), Bill Seidman (Porter), CEA (Davis) and I concur.

RECOMMENDATION

That you sign H.R. 14114 at Tab B.



JUN 30 1976



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUN 30 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 14114 - Temporary increase
in public debt limit
Sponsor - Representative Ullman (D), Oregon

Last Day for Action

Recommend action as soon as possible, since the existing temporary increase in the debt ceiling expires June 30, 1976, and the ceiling will revert to the permanent limit of \$400 billion.

Purpose

Increase the temporary debt limit from \$627 billion to \$636 billion through September 30, 1976, to \$682 billion through March 31, 1977, and to \$700 billion through September 30, 1977, and provide an additional \$5 billion of authority to issue Treasury bonds without regard to the 4-1/4 percent interest rate ceiling. (No change is made in the permanent debt limit of \$400 billion.)

Agency recommendation

Office of Management and Budget	Approval
Department of the Treasury	Approval (informally)

Discussion

The Administration requested that the Congress enact a temporary debt limit of \$711 billion through September 30, 1977.

The Administration also requested an increase from \$12 billion to \$22 billion in the statutory limitation on the amount of Treasury bonds held by the public with interest rates in excess of 4-1/4 percent.

On June 14, 1976, the House passed H.R. 14114 by a vote of 184 to 177, providing:

- an increase in the temporary debt limitation to \$636 billion through September 30, 1976, to \$682 billion through March 31, 1977, and to \$700 billion through September 30, 1977; and
- an increase from \$12 billion to \$17 billion (rather than the requested \$22 billion) in the amount of Federal long-term debt that may be issued at an interest rate greater than 4-1/4 percent.

On June 30, 1976, the Senate approved H.R. 14114 without amendment.

While the enrolled bill contains less than the Administration requested in the debt ceiling, there will be, as Treasury noted in its testimony on H.R. 14114 before the Senate Finance Committee, ample opportunity in the next Congress to deal with any changes in the statutory limitation that may be necessary. Similarly, a further increase in the exception to the 4-1/4 percent interest rate ceiling on Federal long-term debt can be requested later.

Both Treasury and OMB recommend prompt approval of the enrolled bill.

Naomi R. Sweeney for

James M. Frey
Assistant Director for
Legislative Reference

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: June 30

Time: 556pm

FOR ACTION: Max Frieder@dorf
Ken Lazarus *only*
BillSSeidman *W*
Alan Greenspan *L (Davis)*

cc (for information): Jack Marsh
Jim Cavanaugh
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: June 30

Time: asap

SUBJECT:

H.R. 14114 - Temporary increase in public debt limit

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

please return to Judy Johnston, Ground Floor West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President



THE DEPUTY SECRETARY OF THE TREASURY

RECEIVED WASHINGTON, D.C. 20220

JUL 1 12 25 PM '76 June 30, 1976

OFFICE OF
MANAGEMENT & BUDGET

Director, Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

Attention: Assistant Director for Legislative
Reference

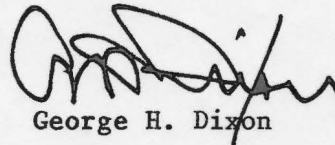
Sir:

Reference is made to your request for the views of this Department on the enrolled enactment of H.R. 14114, "To increase the temporary debt limit, and for other purposes."

Public Law 94-232 authorized an increase in the temporary debt limit to \$627 billion through June 30, 1976. The enrolled bill would provide for a temporary debt limit of \$636 billion from July 1, 1976 through September 30, 1976; a temporary debt limit of \$682 billion from October 1, 1976 through March 31, 1977; and a limit of \$700 billion from April 1, 1977 through September 30, 1977. It would also increase the authority for the Treasury to issue bonds outside the 4-1/4 percent limitation from \$12 billion to \$17 billion.

The Department recommends that the enrolled enactment be approved by the President.

Sincerely yours,



George H. Dixon

THE WHITE HOUSE

LCS copy

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: June 30

Time: 556pm

FOR ACTION: Max Friedersdorf
Ken Lazarus
Bill Seidman ✓
Alan Greenspan

cc (for information): Jack Marsh
Jim Cavanaugh
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: June 30

Time: asap

SUBJECT:

H.R. 14114 - Temporary increase in public debt limit

ACTION REQUESTED:

- | | |
|---|---|
| <input type="checkbox"/> For Necessary Action | <input type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input checked="" type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

please return to Judy Johnston, Ground Floor West Wing

Approve BBP

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President

THE WHITE HOUSE

WASHINGTON

June 30, 1976

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MAX L. FRIEDERSDORF *M.L.F.*
SUBJECT: HR 14114 - Temporary increase in public debt limit

The Office of Legislative Affairs concurs with the agencies that the subject bill be signed.

Attachments

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: June 30

Time: 556pm

FOR ACTION: Max Friedersdorf
Ken Lazarus
Bill Seidman
Alan Greenspan

cc (for information): Jack Marsh
Jim Cavanaugh
Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: June 30

Time: asap

SUBJECT:

H.R. 14114 - Temporary increase in public debt limit

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to Judy Johnston, Ground Floor West Wing

*CEA has no comment on this attached
other than to approve it*



PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James W. Cannon
for the President

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUN 30 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 14114 - Temporary increase
in public debt limit
Sponsor - Representative Ullman (D), Oregon

Last Day for Action

Recommend action as soon as possible, since the existing temporary increase in the debt ceiling expires June 30, 1976, and the ceiling will revert to the permanent limit of \$400 billion.

Purpose

Increase the temporary debt limit from \$627 billion to \$636 billion through September 30, 1976, to \$682 billion through March 31, 1977, and to \$700 billion through September 30, 1977, and provide an additional \$5 billion of authority to issue Treasury bonds without regard to the 4-1/4 percent interest rate ceiling. (No change is made in the permanent debt limit of \$400 billion.)

Agency recommendation

Office of Management and Budget	Approval
Department of the Treasury	Approval (informally)

Discussion

The Administration requested that the Congress enact a temporary debt limit of \$711 billion through September 30, 1977.

The Administration also requested an increase from \$12 billion to \$22 billion in the statutory limitation on the amount of Treasury bonds held by the public with interest rates in excess of 4-1/4 percent.

On June 14, 1976, the House passed H.R. 14114 by a vote of 184 to 177, providing:

INCREASE OF TEMPORARY LIMIT ON PUBLIC DEBT

JUNE 4, 1976.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. ULLMAN, from the Committee on Ways and Means,
submitted the following

REPORT

together with

MINORITY VIEWS

[To accompany H.R. 14114]

The Committee on Ways and Means, to whom was referred the bill (H.R. 14114) to increase the temporary debt limit, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

I. SUMMARY

This bill provides that the public debt limitation is to be \$636 billion from the date of enactment through September 30, 1976, \$682 billion from October 1, 1976, through March 31, 1977, and \$700 billion from April 1, 1977, through September 30, 1977. These increases are \$9 billion, \$55 billion and \$73 billion respectively, above the present debt limitation of \$627 billion which is applicable through June 30, 1976. The bill also adds one provision concerning debt management.

The present debt limitation consists of a permanent limitation of \$400 billion and a temporary limitation effective through June 30, 1976, of \$227 billion. This bill makes no change in the permanent debt limitation. It provides increases in the temporary debt limit for the transition quarter and the first and second halves of fiscal year 1977, which ends on September 30, 1977. The temporary increases are \$236 billion for the period from July 1, 1976, through September 30, 1976, \$282 billion for the period from October 1, 1976, through March 31, 1977, and \$300 billion from April 1, 1977, through September 30, 1977.

The committee provided an increase in the debt limit that is sufficient to meet the Government's debt requirements through the transition quarter which ends on September 30, 1976, and through fiscal year 1977. The amounts set in this bill are consistent with the revenue, expenditure and debt figures that were established as targets in the first concurrent resolution on the budget for fiscal year 1977. This bill also places the debt limit extension on the same calendar as the budget process.

The committee debt management amendment increases the limitation from \$12 billion to \$17 billion on the amount of long-term bonds that may be issued bearing interest above the 4¼ percent statutory ceiling. The committee believes that the \$5 billion increase is sufficient to enable the administration to plan now for at least the next two or three long-term bond issues during the course of the next 15 months.

TABLE 1.—STATUTORY DEBT LIMITATIONS, FISCAL YEARS 1947 TO DATE, AND PROPOSED LIMITATIONS IN FISCAL YEAR 1977
[In billions of dollars]

Fiscal year	Statutory debt limitation		Total
	Permanent	Temporary additional	
1947-54	275		275.0
1955 through Aug. 27	275		275.0
1955: Aug. 28 through June 30	275	6	281.0
1956	275	6	281.0
1957	275	3	278.0
1958 through Feb. 25	275		275.0
1958: Feb. 26 through June 30	275	5	280.0
1959 through Sept. 1	275	5	280.0
1959: Sept. 2 through June 29	283	5	288.0
1959: June 30	288	5	290.0
1960	285	10	295.0
1961	285	8	293.0
1962 through Mar. 12	285	13	298.0
1962: Mar. 13 through June 30	285	15	300.0
1963 through Mar. 31	285	23	308.0
1963: Apr. 1 through May 28	285	20	305.0
1963: May 29 through June 30	285	22	307.0
1964 through Nov. 30	285	24	309.0
1964: Dec. 1 through June 28	285	30	315.0
1964: June 29 and 30	285	39	324.0
1965	285	39	324.0
1966	285	43	328.0
1967 through Mar. 1	285	45	330.0
1967: Mar. 2 through June 30	285	51	336.0
1968	358		358.0
1968	358	7	365.0
1969 through Apr. 6 ¹	358		358.0
1969 after Apr. 6 ¹	365	12	377.0
1970 through June 30 ¹	380	15	395.0
1971 through June 30 ¹	400	50	450.0
1972 through June 30 ¹	400	50	450.0
1973 through Oct. 31 ¹	400	65	465.0
1973 through June 30 ¹	400	65	465.0
1974 through Nov. 30 ¹	400	75.7	475.7
1974: Dec. 3 through June 30 ¹	400	95	495.0
1975 through Feb. 18 ¹	400	131	531.0
1975: Feb. 19 through June 30 ¹	400	177	577.0
1976: through Nov. 15 ¹	400	195	595.0
1976: through Mar. 15 ¹	400	227	627.0
1976 through June 30 ¹	400		400.0
Proposed:			
From enactment through Sept. 30, 1971 ¹	400	236	636.0
From Oct. 1, 1976 through Mar. 31, 1977 ¹	400	282	682.0
From Apr. 1, 1977 through Sept. 30, 1977 ¹	400	300	700.0
After Sept. 30, 1977 ¹	400		400.0

¹ Includes FNMA participation certificates issued in fiscal year 1968.

II. INCREASE IN THE TEMPORARY LIMIT ON THE PUBLIC DEBT

A. PRESENT LAW

The combined permanent and temporary debt limitation on the public debt is \$627 billion through June 30, 1976. When the present limitation was enacted last March, Congress had not completed its deliberations on the first concurrent budget resolution, but the previous statutory limitation would have expired on March 15, 1976. The then pending budget resolution was to determine levels of outlays and receipts for the next fiscal year. At the time action was taken on the debt limitation last March it was considered prudent to provide a limitation for a period long enough for Congress to have to return to this subject after it adopted the budget resolution.

B. CURRENT ECONOMIC AND BUDGET OUTLOOK

The recovery from the recession has been maintained since it began in the second quarter of 1975. Gross national product in the first quarter of 1976 is 12.9 percent above the level in the first quarter of 1975. Although prices have continued to rise, for example, the implicit price deflator rose 5.4 percent during the same period, gross national product in terms of constant prices also increased by 4.5 percent. These figures, on a quarterly basis, are shown in table 2.

TABLE 2.—GROSS NATIONAL PRODUCT IN CURRENT AND CONSTANT PRICES AND GNP IMPLICIT PRICE DEFLATOR QUARTERLY, 1973-76:1

[Billions of dollars; seasonally adjusted annual rates]

Year and quarter	Gross national product								
	Current dollars			Constant (1972) dollars		Implicit price deflator			
	Total	Difference	Percent change at annual rate	Total	Difference	Percent change at annual rate	Total (Index: 1972=100)	Difference (Index: 1972=100)	Percent change at annual rate
1973									
1st quarter	1,265.0	+45.6	+15.8	1,227.7	+25.5	+8.8	103.0	+1.6	+6.5
2d quarter	1,287.7	+22.8	+7.4	1,228.4	+7.7	+2.2	104.8	+1.8	+7.2
3d quarter	1,319.7	+31.9	+10.3	1,236.5	+8.1	+2.7	106.7	+1.9	+7.4
4th quarter	1,352.7	+33.0	+10.4	1,240.9	+4.4	+1.4	109.0	+2.3	+8.8
1974									
1st quarter	1,370.9	+18.2	+5.5	1,228.7	-12.2	-3.9	111.6	+2.6	+9.8
2d quarter	1,391.0	+20.1	+6.0	1,217.2	-11.5	-3.7	114.3	+2.7	+10.0
3d quarter	1,424.4	+33.4	+9.9	1,210.2	-7.0	-2.3	117.7	+3.4	+12.5
4th quarter	1,441.3	+16.9	+4.8	1,186.8	-23.4	-7.5	121.4	+3.7	+13.4
1975									
1st quarter	1,433.6	-7.7	-2.1	1,158.6	-28.2	-9.2	123.7	+2.3	+7.8
2d quarter	1,460.6	+27.0	+7.7	1,168.1	+9.5	+3.3	125.0	+1.3	+4.3
3d quarter	1,528.5	+67.9	+19.9	1,201.5	+33.4	+12.0	127.2	+2.2	+7.1
4th quarter	1,572.9	+44.4	+12.1	1,216.2	+14.7	+5.0	129.3	+2.1	+6.8
1976									
1st quarter	1,619.2	+46.3	+12.3	1,241.2	+25.0	+8.5	130.5	+1.2	+3.7

Source: U.S. Department of Commerce, "Business Conditions Digest," April 1976, p. 69, and Department of Commerce release of May 20, 1976 for the first quarter of 1976.

TABLE 3.—ACTUAL AND POTENTIAL REAL GROSS NATIONAL PRODUCT AND RATIO OF OUTPUT TO CAPACITY IN MANUFACTURING, QUARTERLY, 1973-76: 1
[In billions of dollars; seasonally adjusted annual rates]

Year and quarter	Gross national product constant (1972) dollars			Ratio of output to capacity in manufacturing
	Actual GNP	Potential GNP	GNP gap (potential less actual)	
1973				
1st quarter.....	1,227.7	1,246.8	+19.1	NA
2nd quarter.....	1,228.4	1,259.1	+30.7	NA
3d quarter.....	1,236.5	1,271.5	+35.0	NA
4th quarter.....	1,240.9	1,284.0	+43.1	NA
1974				
1st quarter.....	1,228.7	1,296.6	+67.9	80.5
2d quarter.....	1,217.2	1,309.4	+92.2	80.1
3d quarter.....	1,210.2	1,322.3	+112.1	79.4
4th quarter.....	1,186.8	1,355.3	+148.5	75.7
1975				
1st quarter.....	1,158.6	1,348.5	+189.9	68.2
2nd quarter.....	1,168.1	1,361.8	+193.7	67.0
3rd quarter.....	1,201.5	1,375.2	+173.7	69.0
4th quarter.....	1,216.2	1,388.8	+172.6	70.7
1976				
1st quarter.....	1,241.2	1,402.5	161.3	71.9

Note: NA equals not available.

Source: Department of Commerce, "Business Conditions Digest," April 1976, pp. 95-6, and May 20, 1976 press release from Department of Commerce.

In addition, the unemployment rate in May was 7.3 percent of the civilian labor force after averaging 8.3 percent throughout the second half of 1975. Although, both the consumer and wholesale price indexes continue to reflect diminishing pressure on prices as their rates of increase have become smaller, prices now appear to be rising at somewhat faster rates.

The unused productive capacity remains substantial. The gap between potential and actual real gross national product was estimated at \$161 billion in 1972 prices for the first quarter of 1976. Although large, this is appreciably smaller than the \$194 billion gap estimated for the second quarter of last year (see table 3). The table also shows improvement in the ratio of output to capacity in manufacturing. The most recent high point was 71.9 percent in the first quarter. However, this is still below 1974 levels.

The strengths and weaknesses of these economic factors played an important role in the evaluation by the House of the expenditure and tax policies presented to it by the Budget Committee in the first concurrent resolution on the budget for fiscal year 1977. It also decided at that time to continue the tax reductions presently in effect through fiscal year 1977.

C. TREASURY DEPARTMENT ESTIMATES

The administration estimates that the deficits in the unified budget for the transition quarter and fiscal year 1977 will be \$15.9 billion and \$45.7 billion, respectively. These estimates, shown in table 4, are based on estimated outlays and receipts of \$99.5 billion and \$83.6 billion in the transition quarter. In fiscal year 1977, the outlays are estimated at \$397.2 billion and receipts at \$351.5 billion. Trust funds estimates show a deficit of \$1.3 billion in the transition quarter and a

surplus of \$12 billion in fiscal year 1977. These estimates assume that the administration's budget proposals which were sent to Congress in January will be enacted.

TABLE 4.—ESTIMATED UNIFIED BUDGET TOTALS FOR FISCAL YEAR 1976 AND 1977 AND THE TRANSITION QUARTER
[In billions of dollars]

	Administration		Budget resolution	
	Fiscal year 1976	Transition quarter ¹	Fiscal year 1977	Transition quarter ¹
Outlays ²	372.2	99.5	397.2	102.2
Receipts ²	297.9	83.6	351.5	86.0
Deficit.....	74.3	15.9	45.7	16.2

¹ July 1 through Sept. 30, 1976.

² Net of interfund transactions.

With the administration's budget proposals, the Treasury Department estimates that its peak debt requirement in the transition quarter will be \$637 billion at the end of August. For fiscal year 1977, the Treasury Department has estimated an end of the fiscal year need of \$708 billion and a peak need on June 15, 1977, of \$713 billion. The June 15 peak is typical during each year. That peak reflects not only the uncoordinated flow of outlays and receipts in each fiscal year but also the coincidence in that month of corporation and individual income tax estimated payments for 1977 and fiscal corporation income tax payments for calendar year 1975.

The administration's estimates of public debt limit needs at the end of each month in the transition quarter and fiscal year 1977 are shown in table 5. Similar estimates based on the budget targets in the first concurrent resolution for fiscal year 1977 also are shown in table 5.

TABLE 5.—ADMINISTRATION AND CONGRESSIONAL END OF MONTH PUBLIC DEBT PROJECTIONS FOR TRANSITION QUARTER AND FISCAL YEAR 1977
[In billions of dollars]

	Treasury ¹	Congress ¹
Transition quarter:		
1976:		
June.....	616	616
July.....	627	627
August.....	637	634
September.....	636	635
Fiscal year 1977:		
October.....	646	646
November.....	656	654
December.....	660	658
1977:		
January.....	663	664
February.....	678	671
March.....	693	682
Apr. 15.....	701	688
April.....	690	678
May.....	706	688
June 15.....	713	688
June.....	696	683
July.....	701	694
August.....	706	700
September.....	708	699

¹ See following table:

	Transition quarter		Fiscal year 1977	
	Treasury	Congress	Treasury	Congress
Unified budget receipts.....	84	86	352	360
Unified budget outlays.....	99	102	397	413
Trust fund surplus.....	-1		12	4
Off-budget agency outlays.....	5	5	11	11

Note: Both estimates assume a \$6,000,000,000 cash balance and do not provide an allowance for contingencies.

D. BASIS FOR COMMITTEE ACTION

In determining the appropriate debt limit for the transition quarter and fiscal year 1977, the committee looked to the monthly debt limit needs projected by the House Budget Committee. These estimates are based upon the receipts and outlays targets set by Congress in its first budget concurrent resolution. The targets for the budget totals reflect congressional assumptions of probable enactment of new and modified Federal programs and the levels and rates of outlays consistent with the assumptions. Congressional budget estimates were made after each committee in each House examined the programs and the administration's recommendations for them. The budget resolutions, therefore, constitute carefully considered evaluation of a broad range of budget recommendations and are the only appropriate guide to the committee for legislative action.

Since the first budget resolution only sets targets for the next fiscal year, the committee faced the choice between providing an extension only through the transition quarter or through the 15-month period between the end of this month and the end of fiscal year 1977. The major reason for selecting the shorter, three-month extension would be the tentative nature of the estimated budget totals in the first budget resolution. A three-month extension would require subsequent action before September 30, 1976, by which time appropriations and tax bills that would affect the budget for fiscal year 1977 would have passed. The second resolution would be passed immediately afterwards, and its ceilings for the fiscal year undoubtedly would provide a firmer base for estimating public debt requirements.

The committee also was aware of the probably difficult timing requirements in September. Congress may adjourn soon after approving the second budget resolution and the reconciliation bill that must be approved immediately afterwards, by September 25, 1976. In this context it might be difficult to evaluate debt limit needs for the rest of the year.

By providing a debt limit through fiscal year 1977, the committee would be conforming the debt limit needs to the congressional budget process and the fiscal year. Comparison of the administration and House Budget Committee projections of monthly debt requirements showed virtually no differences through the transition quarter and through January 1977. Through the remainder of fiscal year 1977—February through September, the two estimates diverge because of different estimates about enactment of legislative proposals.

After considering the alternatives, the committee decided that it could extend the debt limit through the end of fiscal year 1977 and also meet the expressed concern of several committee members that it might not be possible to exercise oversight of Federal spending. The committee decided to employ a device it had employed in the past.

Instead of a single debt limitation to meet estimated requirements through the entire period, the committee approved a sequence of three debt limit increases, each of which applies to a specific period of time. Accordingly, the committee approved (1) a debt limit sufficient for the transition quarter, namely, \$636 billion, (2) another increase to \$682 billion to meet the needs in the first half of the fiscal year through March 31, 1977, and (3) a third increase to \$700 billion through September 30, 1977, for estimated needs in the second half of the fiscal year.

Reconciliation of the debt needs with the budget totals in each of the three periods is shown in table 6. In addition to considering the deficit in the Federal funds budget which reflects the monthly flows of outlays and receipts, it is also necessary to take into account the outlays of the off-budget and other agencies that are financed through borrowing which is subject to the debt limit.

TABLE 6.—Reconciliation¹ of budget estimates with proposed debt limitation

	Billions
Estimated debt on June 30, 1976.....	\$615.697
Transition quarter:	
Unified budget deficit.....	14.89
Financing off-budget agencies.....	4.6
Debt as of Sept. 30, 1976.....	635.187
Fiscal year 1977 through Mar. 31, 1977:	
Unified budget deficit.....	42.146
Financing off-budget agencies.....	4.5
Debt as of Mar. 31, 1977.....	681.833
Fiscal year 1977, April 1 through Sept. 30, 1977:	
Unified budget deficit.....	10.780
Financing off-budget agencies.....	6.6
Debt as of Sept. 30, 1977.....	699.213

¹ Based on unified budget estimates in Concurrent Resolution on the Budget which are similar to Federal funds estimates because of the small trust fund surplus.

III. EXCEPTION TO INTEREST CEILING ON BONDS

A. PRESENT LAW

Under the Second Liberty Bond Act, the Secretary of the Treasury has the general authority to issue bonds at a rate of interest not to exceed 4½ percent per year. In the past several years, however, exceptions to the interest ceiling have been enacted which permit the Secretary to issue up to \$12 billion of bonds at interest rates in excess of the ceiling. As a result of the high interest rates prevailing in the long-term market, it has been possible in recent years to issue long-term bonds only under the \$12 billion exception from the 4½ percent interest rate ceiling.

B. ADMINISTRATION PROPOSAL

In the public hearings before the committee this year, the administration requested amendments to the Second Liberty Bond Act to provide greater flexibility in debt management and to make the long-term market more accessible to Federal issues. Two recommen-

dations were presented: (1) repeal of the 6-percent interest rate ceiling on savings bonds; and (2) an increase in the exception to the 4½ percent ceiling on bond issues from the present \$12 billion level to a level of \$22 billion.

Under the statutory authority previously granted, the Treasury does not have the authority to issue long-term bonds at interest rates above the 4½ percent ceiling, in sufficient quantity to meet projected demand. In addition to its desire to retain and develop a position in the long-term market, the Treasury Department favors the ability to finance long-term issues because they help to slow the pace at which the average maturity of total Federal debt is being reduced. As the proportion of the debt which is short-term debt increases, the amount of money Treasury must raise, or roll over, each time it goes to the market is constantly increasing.

C. BASIS FOR COMMITTEE ACTION

The committee believes that there are dangers in encouraging too rapid shift to longer maturities in the public debt structure at the present time. Long-term interest rates only recently have been responsive to the recent decrease in economic activity. While greater Federal participation in the longer maturity market would tend to lengthen the average maturity of the public debt in the hands of the public, it could also retard the decline in higher long-term interest rates. Continued economic improvement in the past year, however, has reduced the apprehension that too high long-term interest rates could damage the recovery.

The committee deferred consideration of the interest rate ceiling on savings bonds to a later date.

IV APPENDIX

TABLE I.—*Debt limitation under sec. 21 of the Second Liberty Bond Act as amended—History of Legislation*

Sept. 24, 1917:		
40 Stat. 288, sec. 1, authorized bonds in the amount of	1	\$7,538,945,400
40 Stat. 290, sec. 5, authorized certificates of indebtedness outstanding revolving authority	2	4,000,000,000
Apr. 4, 1918:		
40 Stat. 502 amending sec. 1, increased bond authority to	1	12,000,000,000
40 Stat. 504 amending sec. 5, increased authority for certificates outstanding to	2	8,000,000,000
July 9, 1918: 40 Stat. 844, amending sec. 1, increased bond authority to	2	20,000,000,000
Mar. 3, 1919:		
40 Stat. 13, amending sec. 5, increased authority for certificates outstanding to	2	10,000,000,000
40 Stat. 1309, new sec. 18 added, authorizing notes in the amount of	1	7,000,000,000
Nov. 23, 1921: 42 Stat. 321 amending sec. 18, increased note authority outstanding (established revolving authority) to	2	7,500,000,000
June 17, 1929: 46 Stat. 19 amending sec. 5, authorized bills in lieu of certificates of indebtedness; no change in limitation for the outstanding	2	10,000,000,000
Mar. 3, 1931: 46 Stat. 1506 amending sec. 1, increased bond authority to	1	28,000,000,000
Jan. 30, 1934: 49 Stat. 343 amending sec. 18, increased authority for notes outstanding to	2	10,000,000,000

See footnotes at end of table.

TABLE I.—*Debt limitation under sec. 21 of the Second Liberty Bond Act as amended—History of legislation—Continued*

Feb. 4, 1935:		
49 Stat. 20, amending sec. 1, limited bonds outstanding (establishing revolving authority to)	2	25,000,000,000
49 Stat. 21, new sec. 21 added, consolidating authority for certificates and bills (sec. 5) and authority for notes (sec. 18); same aggregate amount outstanding	2	20,000,000,000
49 Stat. 21, new sec. 22 added, authorizing U.S. savings bonds within authority of sec. 1.		
May 26, 1938: 52 Stat. 447, amending sec. 1 and 21, consolidating in sec. 21 authority for bonds, certificates of indebtedness, Treasury bills, and notes (outstanding bonds limited to \$30,000,000,000). Same aggregate total outstanding	2	45,000,000,000
July 20, 1939: 53 Stat. 1071, amending sec. 21, removed limitation on bonds without changing total authorized outstanding of bonds, certificates of indebtedness, bills, and notes	2	45,000,000,000
June 25, 1940: 54 Stat. 526, amending sec. 31, adding new paragraph:		
“(b) In addition to the amount authorized by the preceding paragraph of this section, any obligation authorized by secs. 5 and 18 of this Act, as amended, not to exceed in the aggregate \$4,000,000,000 outstanding at any one time, less any retirements made from the special fund made available under sec. 301 of the Revenue Act of 1940, may be issued under said sections to provide the Treasury with funds to meet any expenditures made, after June 30, 1940, for the national defense, or to reimburse the general fund of the Treasury therefor. Any such obligations so issued shall be designated ‘National Defense Series’ ”	2	49,000,000,000
Feb. 19, 1941: 55 Stat. 7, amending sec. 21, limiting face amount of obligations issued under authority of act outstanding at any one time to	2	65,000,000,000
Eliminated separated authority for \$4,000,000,000 of national defense series obligations.		
Mar. 28, 1942: 56 Stat. 189, amending sec. 21, increased limitation to	2	125,000,000,000
Apr. 11, 1943: 57 Stat. 63, amending sec. 21, increased limitation to	2	210,000,000,000
June 9, 1944: 58 Stat. 272, amending sec. 21, increased limitation to	2	260,000,000,000
Apr. 3, 1945: 59 Stat. 47, amending sec. 21 to read: “The face amount of obligations issued under authority of this act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate \$300,000,000,000 outstanding at one time”	2	300,000,000,000
June 26, 1946: 60 Stat. 316, amending sec. 21, adding: “The current redemption value of any obligation issued on a discount basis which is redeemable to maturity at the option of the holder thereof, shall be considered, for the purposes of this section to be the face amount of such obligation,” and decreasing limitation of	2	278,000,000,000
Aug. 28, 1954: 68 Stat. 895, amending sec. 21, effective Aug. 28, 1954, and ending June 30, 1955, temporarily increasing limitation by \$6,000,000,000 to	2	281,000,000,000
June 30, 1955: 69 Stat. 241, amending Aug. 28, 1954, act by extending until June 30, 1956, increase in limitation to	2	281-000-000-000

Footnotes at end of table.

TABLE I.—Debt limitation under sec. 21 of the Second Liberty Bond Act as amended—History of legislation—Continued

July 9, 1956: 70 Stat. 519, amending act of Aug. 28, 1954, temporarily increasing limitation by \$3,000,000,000 for period, beginning July 1, 1956, and ending June 30, 1957, to-----	2 278-000-000-000
Effective July 1, 1957, temporary increase terminates and limitation reverts, under act of June 26, 1956, to-----	2 275-000-000-000
Feb. 26, 1958: 72 Stat. 27, amending sec. 21, effective Feb. 26, 1958, and ending June 30, 1959, temporarily increasing limitation by \$5,000,000,000-----	2 280-000-000-000
Sept. 2, 1958: 72 Stat. 1758, amending sec. 21, increasing limitation by \$5,000,000,000-----	2 280-000-000-000
Sept. 2, 1958: 72 Stat. 1758, amending sec. 21, increasing limitation to \$283,000,000,000, which with temporary increase of Feb. 26, 1958, makes limitation-----	2 288-000-000-000
June 30, 1959: 73 Stat. 156, amending sec. 21, effective June 30, 1959, increasing limitation to \$285,000,000,000, which with temporary increase of Feb. 26, 1958, make limitation on June 30, 1959-----	2 290-000-000-000
Amending sec. 21, temporarily increasing limitation by \$10,000,000,000 for period beginning July 1, 1959, and ending June 30, 1960, which makes limitation beginning July 1, 1959-----	2 295-000-000-000
June 30, 1960: 74 Stat. 290, amending sec. 21 for period beginning on July 1, 1960, and ending June 30, 1961, temporarily increasing limitation by \$8,000,000,000-----	2 293-000-000-000
June 30, 1961: 75 Stat. 148, amending sec. 21, for period beginning on July 1, 1961, and ending June 3, 1972, temporarily increasing limitation by \$13,000,000,000 to-----	2 298-000-000-000
Mar. 13, 1962: 76 Stat. 23, amending sec. 21, for period beginning on Mar. 13, 1962, and ending June 3, 1962, temporarily further increasing limitation by \$2,000,000,000-----	2 300-000-000-000
July 1, 1962: 76 Stat. 124 as amended by 77 Stat. 50, amending sec. 21, for period-----	
1. Beginning July 1, 1962, and ending Mar. 31, 1963-----	2 308-000-000-000
2. Beginning Apr. 1, 1963, and ending June 24, 1963-----	2 305-000-000-000
3. Beginning June 25, 1963, and ending June 30, 1963-----	2 300-000-000-000
May 29, 1963: 77 Stat. 50, amending sec. 21, for period-----	
1. Beginning May 29, 1963, and ending June 30, 1963-----	2 307, 000, 000, 000
2. Beginning July 1, 1963, and ending Aug. 31, 1963-----	2 309, 000, 000, 000
Aug. 27, 1963: 77 Stat. 131, amending sec. 21, for the period beginning on Sept. 1, 1963, and ending on Nov. 30, 1963-----	2 309, 000, 000, 000
Nov. 26, 1963: 77 Stat. 342, amending sec. 21 for the period-----	
1. Beginning on Dec. 1, 1963, and ending June 29, 1964-----	2 315, 000, 000, 000
2. On June 30, 1964-----	2 309, 000, 000, 000
June 29, 1964: 78 Stat. 225, amending sec. 21, for the period beginning June 29, 1964, and ending June 30, 1965, temporarily increasing the debt limit to-----	2 324, 000, 000, 000
June 24, 1965: 79 Stat. 172, amending sec. 21 for the period beginning July 1, 1965, and ending on June 30, 1966, temporarily increasing the debt limit to-----	2 328, 000, 000, 000
June 24, 1966: 80 Stat. 21, amending sec. 21, for the period beginning July 1, 1966, and ending on June 30, 1967, temporarily increasing the debt limit to-----	2 330, 000, 000, 000
Mar. 2, 1967: 81 Stat. 4, amending sec. 21, for the period beginning Mar. 2, 1967, and ending on June 30, 1967, temporarily increasing the debt limit to-----	2 336, 000, 000, 000
June 30, 1967: 81 Stat. 99-----	
1. Amending sec. 21, effective June 30, 1967, increasing limitation to-----	2 358, 000, 000, 000
2. Temporarily increasing the debt limit by \$7,000,000,000 for the period from July 1 to June 29 of each year, to make the limit for such period-----	2 365, 000, 000, 000

Footnotes at end of table.

TABLE I.—Debt limitation under sec. 21 of the Second Liberty Bond Act as amended—History of legislation—Continued

Apr. 7, 1969: 83 Stat. 7-----	
1. Amending sec. 21, effective Apr. 7, 1969, increasing debt limitation to-----	2 365, 000, 000, 000
2. Temporarily increasing the debt limit by \$12,000,000,000 for the period from Apr. 7, 1969 through June 30, 1970, to make the limit for such period--	2 377, 000, 000, 000
June 30, 1970: 84 Stat. 368-----	
1. Amending sec. 21, effective July 1, 1970, increasing debt limitation to-----	2 380, 000, 000, 000
2. Temporarily increasing the debt limit by \$15,000,000,000 for the period from July 1, 1970, through June 30, 1971, to make the limit for such period--	2 395, 000, 000, 000
Mar. 17, 1971: 85 Stat. 5-----	
1. Amending sec. 21, effective Mar. 17, 1971, increasing debt limitation to-----	2 400, 000, 000, 000
2. Temporarily increasing the debt limit by \$30,000,000,000 for the period from Mar. 17, 1971, through June 30, 1972, to make the limit for such period--	2 400, 000, 000, 000
Mar. 15, 1972: 86 Stat. 63, temporarily increasing the debt limit by an additional \$20,000,000,000 for the period from Mar. 15, 1972, through June 30, 1972, to make the limit for such period-----	2 450, 000, 000, 000
July 1, 1972: 86 Stat. 406, temporarily extending the temporary debt limit of \$50,000,000,000 for the period from July 1 through Oct. 31, 1972, to make the limit for such period-----	2 450, 000, 000, 000
Oct. 27, 1972: 86 Stat. 1324, temporarily increasing the public debt limit by \$65,000,000,000 for the period from Nov. 1, 1972, through June 30, 1973, to make the limit for such period-----	2 465, 000, 000, 000
July 1, 1973: 87 Stat. 134, temporarily extending the temporary debt limit of \$65,000,000,000 for the period from June 30, 1973, through Nov. 30, 1973, to make the limit for such period-----	2 465, 000, 000, 000
Dec. 3, 1973: 87 Stat. 691, temporarily increasing the temporary debt limit by \$75,700,000,000 for the period from Dec. 3, 1973, through June 30, 1974, to make the limit for such period-----	2 475, 700, 000, 000
June 30, 1974: 88 Stat. 285, temporarily increasing the temporary debt limit by \$95,000,000,000 for the period from June 3, 1974, through Mar. 31, 1975, to make the limit for such period-----	2 495, 000, 000, 000
Feb. 19, 1975: 89 Stat. 5, temporarily increasing the temporary debt limit by \$131,000,000,000 for the period from Feb. 19, 1975, through June 30, 1975, to make the limit for such period-----	2 531, 000, 000, 000
June 30, 1975: 89 Stat. 246, temporarily increasing the temporary debt limit by \$177,000,000,000 for the period from June 30, 1975, through November 15, 1975, to make the limit for such period-----	2 577, 000, 000, 000
November 14, 1975: 89 Stat. 693, temporarily increasing the temporary debt limit by \$195,000,000,000 for the period from November 14, 1975, through March 15, 1976, to make the limit for such period-----	2 595, 000, 000, 000
Mar. 15, 1976: 90 Stat. 217, temporarily increasing the temporary debt limit by \$227,000,000,000 for the period from March 15, 1976, through June 30, 1976 to make the limit for such period-----	2 627, 000, 000, 000

¹ Limitation on issue.² Limitation on outstanding.

TABLE II.—Public debt subject to limitation at end of fiscal years 1945-75 and on June 1, 1976

Fiscal year:	Millions	Fiscal year:—Continued	Millions
1945.....	\$268, 670	1961.....	\$286, 308
1946.....	268, 932	1962.....	296, 374
1947.....	255, 767	1963.....	302, 922
1948.....	250, 380	1964.....	308, 582
1949.....	250, 964	1965.....	314, 125
1950.....	255, 382	1966.....	316, 292
1951.....	253, 283	1967.....	323, 143
1952.....	257, 232	1968.....	¹ 348, 534
1953.....	264, 219	1969.....	¹ 356, 106
1954.....	269, 379	1970.....	¹ 372, 599
1955.....	272, 347	1971.....	¹ 398, 649
1956.....	270, 619	1972.....	¹ 427, 751
1957.....	269, 120	1973.....	¹ 458, 263
1958.....	275, 395	1974.....	¹ 475, 180
1959.....	282, 419	1975.....	¹ 534, 206
1960.....	283, 826	1976 ²	¹ 606, 646

¹ Includes FNMA participation certificates issued in fiscal year 1958 in debt of fiscal years 1968-75.

² Debt at close of business, June 1, 1976.

Source: Annual report of the Secretary of the Treasury on the State of the Finances, Statistical Appendix, table 21, p. 66 through 1975, and Daily Treasury Statement for June 1, 1976.

V. COSTS OF CARRYING OUT THE BILL AND VOTE OF THE COMMITTEE IN REPORTING THE BILL

In compliance with clause 7 of rule XIII of the Rules of the House of Representatives, the following statement is made relative to the effect on the revenues of this bill.

Your committee does not believe that the changes made by this bill in the debt limit will result in any costs either in the current fiscal year or in any of the 5 fiscal years following that year. The Treasury Department agrees with this statement.

In compliance with clause 2(1)(2)(B) of Rule XI of the Rules of the House of Representatives, the following statement is made relative to the record vote by the committee on the motion to report the bill. The bill was ordered reported by a voice vote.

VI. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

SECOND LIBERTY BOND ACT

AN ACT To authorize an additional issue of bonds to meet expenditures for the national security and defense, and, for the purpose of assisting in the prosecution of the war, to extend additional credit to foreign Governments, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury, with the approval of the President, is hereby authorized to borrow, from time to time, on the credit of the United States for

the purposes of this Act, to provide for the purchase, redemption, or refunding, at or before maturity, of any outstanding bonds, notes, certificates of indebtedness, or Treasury bills of the United States, and to meet expenditures authorized for the national security and defense and other public purposes authorized by law, such sum or sums as in his judgment may be necessary, and to issue therefor bonds of the United States.

The bonds herein authorized shall be in such form or forms and denomination or denominations and subject to such terms and conditions of issue, conversion, redemption, maturities, payment, and rate or rates of interest, not exceeding four and one-quarter per centum per annum, and time or times of payment of interest, as the Secretary of the Treasury from time to time at or before the issue thereof may prescribe. Bonds authorized by this section may be issued from time to time to the public and to Government accounts at a rate or rates of interest exceeding 4¼ per centum per annum; except that bonds may not be issued under this section to the public, or sold by a Government account to the public, with a rate of interest exceeding 4¼ per centum per annum in an amount which would cause the face amount of bonds issued under this section then held by the public with rates of interest exceeding 4¼ per centum per annum to exceed **[\$12,000,000,000]** *\$17,000,000,000.*

The bonds herein authorized shall from time to time first be offered at not less than par as a popular loan, under such regulations, prescribed by the Secretary of the Treasury from time to time, as will in his opinion give the people of the United States as nearly as may be an equal opportunity to participate therein, but he may make allotment in full upon applications for smaller amounts of bonds in advance of any date which he may set for the closing of subscriptions and may reject or reduce allotments upon later applications and applications for larger amounts, and may reject to reduce allotments upon applications from incorporated banks and trust companies for their own account and make allotment in full or large allotments to others, and may establish a graduated scale of allotments, and may from time to time adopt any or all of said methods, should any such action be deemed by him to be in the public interest: *Provided,* That such reduction or increase of allotments of such bonds shall be made under general rules to be prescribed by said Secretary and shall apply to all subscribers similarly situated. And any portion of the bonds so offered and not taken may be otherwise disposed of by the Secretary of the Treasury in such manner and at such price or prices, not less than par, as he may determine. The Secretary may make special arrangements for subscriptions at not less than par from persons in the military or naval forces of the United States, but any bonds issued to such persons shall be in all respects the same as other bonds of the same issue.

Notwithstanding the provisions of the foregoing paragraph, the Secretary of the Treasury may from time to time, when he deems it to be in the public interest, offer such bonds otherwise than as a popular loan and he may make allotments in full, or reject or reduce allotments upon any applications whether or not the offering was made as a popular loan.

SEC. 21. The face amount of obligations issued under authority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate \$400,000,000,000¹ outstanding at any one time. The current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder thereof shall be considered, for the purposes of this section, to be the face amount of such obligation.

* * * * *

VII. OTHER MATTERS REQUIRED TO BE DISCUSSED UNDER HOUSE RULES

In compliance with clauses 2(1)(3) and 2(1)(4) of rule XI of the Rules of the House of Representatives, the following statements are made.

With regard to subdivision (A) of Clause 3, the Committee advises that its oversight findings led it to the conclusion that an increase in the public debt limitation was required before June 30, 1976, and that this occasioned the consideration of the Committee amendment.

In compliance with subdivision (B) of Clause 3 of Committee states that the change made in the debt limitation provides no new budget authority or new or increased tax expenditures.

With respect to subdivisions (C) and (D) of Clause 3, the Committee advises that no estimate or comparison has been prepared by the Director of the Congressional Budget Office relative to any of the provisions of H.R. 14114, nor have any oversight findings or recommendations been made by the Committee on Government Operations with respect to the subject matter contained in H.R. 14114.

In compliance with clause 2(1)(4) of Rule XI, the Committee states that the debt limitation change of itself is not expected to have an inflationary impact on prices and in costs in the operation of the national economy.

¹The bill as reported provides for a temporary increase of \$236,000,000,000 in this debt ceiling for the period beginning on July 1, 1976, and ending on Sept. 30, 1976; \$282,000,000,000 for the period beginning on Oct. 1, 1976, and ending on Mar. 31, 1977; and \$300,000,000,000 for the period beginning on Apr. 1, 1977, and ending on Sept. 30, 1977.

VIII. MINORITY VIEWS OF THE HONORABLE DONALD D. CLANCY, BILL ARCHER, PHILIP M. CRANE, JAMES G. MARTIN, L. A. (SKIP) BAFALIS AND WILLIAM M. KETCHUM

Once again, for the sixth time during the 94th Congress, the Committee on Ways and Means has acted to increase the "temporary" ceiling on the public debt. Once again, we have failed to exhibit any fiscal responsibility. Once again, we have told our colleagues that the sky is the limit for Federal spending, since the Ways and Means Committee will obligingly lift the ceiling to fit the debt.

Since our colleagues seem never to tire of adding to the Federal deficit, we must point out once more the dire consequences of this action. In 1970, just six years ago, the public debt subject to limitation was \$373 billion. The debt in 1970 took one hundred ninety-four years to accumulate. By June 30, 1976 it is estimated that the public debt will be \$616 billion—or a gain of \$243 billion in just six years.

The bill adopted by this Committee adds another \$73 billion to the debt ceiling for the fifteen month period between June, 1976, and September 1977. This brings the grand total to \$169 billion in new debt authorized by the Ways and Means Committee *in approximately one year*—or about 25 percent of the total. The folly of this course must be apparent to even the most devoted admirers of deficit spending.

By crowding private borrowers out of the money market to finance this colossal deficit, we will touch off another round of inflation and recession, and foreclose much-needed business expansion. The Committee could have taken a firm stand to ward off this danger. Had the majority refused to accommodate the big spenders of Congress, and kept a lid on the debt, Congress would have been forced to come to grips with its own profligacy. As it is, we are not only allowing huge deficits for this year, but encouraging the same throughout 1977 as well.

If any clear message has been received from our citizens this year, it is that the growth of the Federal government must be curtailed and spending be brought in line with income. We have consistently advocated that course, and have opposed the massive deficits of the past several years. We have no obligation to incur more debt for our descendants based on our voting for bills that exceed the budget. We do have an obligation to restore fiscal integrity to Washington, and, therefore, most strenuously oppose this legislation.

DONALD D. CLANCY.
JIM MARTIN.
BILL ARCHER.
WILLIAM M. KETCHUM.
PHILIP M. CRANE.
L. A. BAFALIS.