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SENATE

{ REPORT
No. 2225

DEBT LIMIT INCREASE

AUGUST 5, 1954.—Ordered to be printed

Mr. MILLIKIN, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 6672]

The Committee on Finance, to whom was referred the bill (H. R. 6672) to increase the public debt limit, having considered the same, report thereon with amendments and recommend that the bill as amended do pass.

COMMITTEE AMENDMENTS

Strike everything after enacting clause and insert the following wording:

That during the period beginning on the date of enactment of this Act and ending on June 30, 1955, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended, shall be temporarily increased by \$6,000,000,000.

Amend the title to read:

An Act to provide for a temporary increase in the public debt limit.

GENERAL STATEMENT

Present law in section 21 of the Second Liberty Bond Act, as amended (31 U. S. C. 757b), provides for a limit of \$275 billion on the amount of the public debt securities which may be outstanding at any one time. H. R. 6672, as amended by the Committee on Finance, provides that during the period beginning on the date of enactment of this act and ending on June 30, 1955, the public debt limit shall be temporarily increased by \$6 billion.

As reported, the bill takes cognizance of a maladjustment in revenue collections, which causes dips in income and temporary shortages of funds during certain periods of the year.

In time this situation will be largely corrected under provisions in the new tax code enacted by this Congress which, beginning in September 1955, will spread collections of corporation income taxes

more evenly over the full 12 months of each fiscal year. Previously, more and more of this corporate tax revenue has been collected in the latter months of the fiscal year.

In anticipation of a more even distribution of revenue collections and reduction of expenditures in future years, the Finance Committee recommends that the Secretary of the Treasury be authorized to borrow up to \$6 billion in excess of the statutory limit for the temporary period ending June 30, 1955.

The bill as passed by the House of Representatives would be amended to this effect under recommendations by the Committee on Finance.

