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SENATE

{ REPORT  
No. 92-679

## PUBLIC DEBT LIMITATION

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FEBRUARY 29, 1972.—Ordered to be printed

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

### REPORT

[To accompany H.R. 12910]

The Committee on Finance, to which was referred the bill (H.R. 12910) to provide for a temporary increase in the public debt limit, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

#### I. SUMMARY

This bill is concerned with the statutory debt limitation. The permanent debt limitation, under present law, is \$400 billion. Present law also provides for a temporary additional increase of \$30 billion, providing an overall limit of \$430 billion, effective through June 30, 1972.

The bill provides for a further temporary increase in the debt limitation of \$20 billion, also effective through June 30, 1972. No change is made by the bill in the permanent debt limitation. As a result, the total debt limitation through June 30, 1972 (including the permanent debt limitation of \$400 billion, the existing temporary limitation of \$30 billion, and the new temporary limitation of \$20 billion provided by this bill) is to be \$450 billion. Since both temporary limitations expire on June 30, the total debt limitation as of July 1, 1972, reverts to \$400 billion. The limitation needed for the fiscal year 1973 will be considered by the committee later this spring. The administration requested an overall limitation of \$480 billion, or a further temporary increase of \$50 billion, which it expected would be sufficient until about the middle of February 1973.

The debt limitations for the years since 1941, together with the limitation provided by this bill, are shown in table 1, below.

TABLE 1.—STATUTORY DEBT LIMITATIONS, FISCAL YEARS 1941 TO DATE, AND PROPOSED LIMITATION FOR THE FISCAL YEARS 1972 AND 1973

(In billions)

Fiscal year	Statutory debt limitation		Total
	Permanent	Temporary additional	
1941 through Feb. 18.....	\$49		\$49
1941: Feb. 19 through June 30.....	65		65
1942 through Mar. 27.....	65		65
1942: Mar. 28 through June 30.....	125		125
1943 through Apr. 10.....	125		125
1943: Apr. 11 through June 30.....	210		210
1944 through June 8.....	210		210
1944: June 9 through June 30.....	260		260
1945 through Apr. 2.....	260		260
1945: Apr. 3 through June 30.....	300		300
1946 through June 25.....	300		300
1946: June 26 through June 30.....	275		275
1947-54.....	275		275
1955 through Aug. 27.....	275		275
1955: Aug. 28 through June 30.....	275	\$6	281
1956.....	275	6	281
1957.....	275	3	278
1958 through Feb. 25.....	275		275
1958: Feb. 26 through June 30.....	275	5	280
1959 through Sept. 1.....	275	5	280
1959: Sept. 2 through June 29.....	283	5	288
1959: June 30.....	285	5	290
1960.....	285	10	295
1961.....	285	8	293
1962 through Mar. 12.....	285	13	298
1962: Mar. 13 through June 30.....	285	15	300
1963 through Mar. 31.....	285	23	308
1963: Apr. 1 through May 28.....	285	20	305
1963: May 29 through June 30.....	285	22	307
1964 through Nov. 30.....	285	24	309
1964: Dec. 1 through June 28.....	285	30	315
1964: June 29 and 30.....	285	39	324
1965.....	285	39	324
1966.....	285	43	328
1967 through Mar. 1.....	285	45	330
1967: Mar. 2 through June 30.....	285	51	336
1968 <sup>1</sup> .....	358		358
1969 through Apr. 6 <sup>1</sup> .....	358	7	365
1969 after Apr. 6 <sup>1</sup> .....	358		358
1970 through June 30 <sup>1</sup> .....	365	12	377
1971 through June 30 <sup>1</sup> .....	380	15	395
1972 through June 30 <sup>1</sup> .....	400	30	430
Later years.....	400		400
Proposed:			
From enactment through June 30, 1972 <sup>1</sup> .....	400	(?)	450
After June 30, 1972 <sup>2</sup> .....	400		400

<sup>1</sup> Includes FNMA participation certificates issued in fiscal year 1968.

<sup>2</sup> Existing 30 plus 20 additional.

## II. STATUTORY DEBT LIMITATION

### A. Revenue and expenditure estimates submitted to committee

For the fiscal year ending June 30, 1972, revenue and expenditure estimates submitted by the administration indicate a Federal funds deficit of \$44.7 billion and for the fiscal year 1973, a Federal funds deficit of \$36.2 billion. These estimates are summarized in table 2.

TABLE 2.—FEDERAL FUNDS RECEIPTS AND EXPENDITURES, FISCAL YEAR 1971 ACTUAL, AND FISCAL YEARS 1972 AND 1973 ESTIMATES<sup>1</sup>

[In billions of dollars]

	1971 actual	1972 budget estimates <sup>2</sup>	1973 budget estimates <sup>2</sup>
Excluding proposed revenue legislation:			
Receipts.....	133.8	137.8	151.3
Expenditures.....	163.7	182.5	186.8
Deficit (—).....	-29.9	-44.7	-35.5
Including proposed revenue legislation:			
Receipts.....	133.8	137.8	150.6
Expenditures.....	163.7	182.5	186.8
Deficit (—).....	-29.9	-44.7	-36.2

<sup>1</sup> Details may not add due to rounding.<sup>2</sup> As indicated in the budget document for fiscal year 1973.

The estimates shown above for both the fiscal year 1972 and the fiscal year 1973 are based on the Federal funds concept, since this closely corresponds with the way in which the debt limitation is calculated. The principal difference between a Federal funds budget deficit and a unified budget deficit is the fact that the former does not include the effect of the surpluses built up by the social security and other trust funds. Since the budget is frequently shown on a unified budget basis, however, the committee for comparative purposes also includes the discussion below with respect to the unified budget.

For the fiscal year 1972, the administration estimates that the unified budget deficit will be \$38.8 billion and that in the fiscal year 1973, the deficit will amount to \$25.5 billion. For both fiscal years, these estimates include revenue legislation proposed by the administration. Without these proposals, the administration's estimates of the deficits would be \$39 billion in 1972 and \$26.2 billion in 1973. These estimates are summarized in table 3.

TABLE 3.—UNIFIED BUDGET RECEIPTS AND EXPENDITURES, FISCAL YEAR 1971 ACTUAL, AND FISCAL YEARS 1972 AND 1973 ESTIMATES<sup>1</sup>

[In billions of dollars]

	1971 actual	1972 budget estimates <sup>2</sup>	1973 budget estimates <sup>2</sup>
Excluding proposed revenue legislation:			
Receipts.....	188.4	197.6	220.0
Expenditures.....	211.4	236.6	246.3
Deficit (—).....	-23.0	-39.0	-26.2
Including proposed revenue legislation:			
Receipts.....	188.4	197.8	220.8
Expenditures.....	211.4	236.6	246.3
Deficit (—).....	-23.0	-38.8	-25.5

<sup>1</sup> Details may not add due to rounding.<sup>2</sup> As indicated in the budget document for fiscal year 1973.

The administration's estimates of unified budget receipts in the fiscal year 1973 represents an increase of \$23 billion above the current estimates for the fiscal year 1972. The estimated increase reflects a \$750 million rise attributable to proposed revenue legislation and a \$22.4 billion rise anticipated by the administration as the result of its forecast of a higher level of economic activity for the calendar years 1972 and 1973.

The surpluses and deficits in the budget accounts for fiscal years 1972 and 1973 are shown in table 4. The trust funds show surpluses in both fiscal years and when the surpluses are offset against the deficits in the Federal funds accounts, they produce the net budgetary deficit shown in the unified budget totals. The three accounts and their interrelationships are shown in the table, with estimates of receipts and outlays. The estimates of receipts include the estimated effects of the administration's proposals for revenue legislation. The trust funds show an estimated surplus of \$5.9 billion in fiscal year 1972 which offsets the \$44.7 billion deficit in the Federal funds accounts to produce a net deficit of \$38.8 billion in the unified budget. For fiscal year 1973, the trust fund surplus is estimated at \$10.7 billion, and when this is offset against the Federal funds estimated deficit of \$36.2 billion, it produces the unified budget deficit of \$25.5 billion.

TABLE 4.—FEDERAL RECEIPTS, OUTLAYS, AND SURPLUS OR DEFICIT INCLUDING PROPOSED REVENUE LEGISLATION, FISCAL YEARS 1972 AND 1973

(In millions of dollars)

	Fiscal year budget <sup>1</sup>	
	1972	1973
<b>Federal funds:</b>		
Receipts.....	137,788	150,617
Outlays <sup>1</sup> .....	182,519	186,784
Deficit (-).....	-44,731	-36,167
<b>Trust funds:</b>		
Receipts.....	73,163	83,214
Outlays <sup>1</sup> .....	67,215	72,519
Surplus (+).....	+5,948	+10,695
<b>Intragovernmental transactions.....</b>	<b>-13,124</b>	<b>-13,046</b>
<b>Unified budget:</b>		
Receipts.....	197,827	220,785
Outlays <sup>1</sup> .....	236,610	246,257
Deficit (-).....	-38,783	-25,472

<sup>1</sup> The Budget document for fiscal year 1973.

The administration's estimates of unified budget receipts for the fiscal years 1972 and 1973 are presented in table 5, with a breakdown in terms of the types of taxes.

TABLE 5.—UNIFIED BUDGET RECEIPTS, FEDERAL FUNDS, AND TRUST FUNDS, ESTIMATED RECEIPTS FOR FISCAL YEARS 1972 AND 1973<sup>1</sup>, INCLUDING PROPOSED LEGISLATION

[In millions of dollars]

	Fiscal year 1972	Fiscal year 1973
<b>Unified budget receipts:</b>		
Individual income taxes.....	85,600	<sup>2</sup> 93,900
Corporation income taxes.....	30,100	35,700
Social insurance taxes and contributions.....	<sup>3</sup> 54,092	<sup>4</sup> 63,683
Excise taxes.....	15,200	<sup>5</sup> 16,300
Estate and gift taxes.....	5,200	4,300
Customs duties.....	3,210	2,850
Miscellaneous receipts.....	3,525	<sup>6</sup> 4,052
<b>Total.....</b>	<b>197,827</b>	<b>220,785</b>
<b>Federal funds receipts:</b>		
<b>From the Public<sup>7</sup>:</b>		
Individual income taxes.....	86,500	<sup>2</sup> 93,900
Corporation income taxes.....	30,100	35,700
Excise taxes.....	9,175	9,735
Estate and gift taxes.....	5,200	4,300
Customs duties.....	3,210	2,850
Miscellaneous receipts.....	3,504	<sup>6</sup> 4,032
<b>Total.....</b>	<b>137,689</b>	<b>150,517</b>
<b>From trust funds.....</b>	<b>99</b>	<b>101</b>
<b>Total.....</b>	<b>137,788</b>	<b>150,617</b>
<b>Trust funds receipts:</b>		
<b>From the Public<sup>7</sup>:</b>		
Social insurance taxes and contributions.....	<sup>3</sup> 54,092	<sup>4</sup> 63,683
Excise taxes.....	6,025	<sup>5</sup> 6,565
Miscellaneous receipts.....	21	20
<b>Total.....</b>	<b>60,138</b>	<b>70,268</b>
<b>From Federal funds.....</b>	<b>13,025</b>	<b>12,945</b>
<b>Total.....</b>	<b>73,163</b>	<b>83,214</b>

<sup>1</sup> As shown in the Budget document for fiscal year 1973<sup>2</sup> Reflects \$900,000,000 decrease under proposed legislation for private pension plans.<sup>3</sup> Reflects \$193,000,000 increase under proposed legislation to change the taxable wage base for social insurance purposes<sup>4</sup> Reflects \$1,130,000,000 increase under proposed legislation to change the tax rate and taxable wage base for social insurance purposes.<sup>5</sup> Reflects \$295,000,000 increase under proposed legislation to increase the diesel fuel tax and for a graduated truck user tax.<sup>6</sup> Reflects \$225,000,000 increase under proposed legislation to retire old series currency.<sup>7</sup> Federal funds receipts from the public and trust fund receipts from the public constitute unified budget receipts.

The administration's revenue estimates are based upon a forecast of gross national product for the calendar year 1972 of \$1,145 billion, of personal income of \$924 billion and of corporate profits before taxes of \$99 billion.

### B. Treasury proposal

The Treasury Department proposed a \$50 billion increase in the temporary debt ceiling, increasing it from the present combined permanent and temporary ceiling of \$430 to \$480 billion, effective as of the date of enactment until June 30, 1973.

The usual procedure that the Treasury Department recommends to be followed in estimating the necessary increase in the public debt limit is to add a \$3 billion allowance for contingencies to the peak debt level expected during the period in question. In addition, the Treasury Department customarily recommends that the necessary increase in the debt limit be based upon an assumed \$6 billion operating cash balance. Table 6, which is constructed in the manner indicated above, shows that the debt, subject to limitation, can be expected to reach a

peak of \$489.8 billion on May 31, 1973. On this occasion, however, the Treasury Department recommended a maximum debt limitation of \$480 billion. As indicated on table 6 and as stated by the Secretary of the Treasury before the committee, a debt limitation of \$480 billion under the administration's projection would cover the period only until about the middle of February 1973.

TABLE 6.—ESTIMATED PUBLIC DEBT SUBJECT TO LIMITATION IN FISCAL YEARS 1972 AND 1973

[In billions of dollars]

	Debt with \$6.0 cash balance	With \$3.0 margin for contingencies		Debt with \$6.0 cash balance	With \$3.0 margin for contingencies
Feb. 15, 1972.....	425.6		Nov. 15, 1972.....	466.3	469.3
Feb. 29, 1972.....	427.2		Nov. 30, 1972.....	468.7	471.7
Mar. 15, 1972.....	435.9		Dec. 15, 1972.....	469.7	472.7
Mar. 31, 1972.....	432.8		Dec. 29, 1972.....	469.8	472.8
Apr. 17, 1972.....	440.3		Jan. 15, 1973.....	470.8	473.8
Apr. 28, 1972.....	432.3		Jan. 31, 1973.....	470.6	473.6
May 15, 1972.....	440.8		Feb. 15, 1973.....	475.3	478.3
May 31, 1972.....	442.1		Feb. 28, 1973.....	478.1	481.1
June 15, 1972.....	450.0		Mar. 16, 1973.....	483.1	486.1
June 30, 1972.....	443.4	446.4	Mar. 30, 1973.....	482.5	485.5
July 17, 1972.....	450.0	453.0	Apr. 16, 1973.....	484.5	487.5
July 31, 1972.....	453.0	456.0	Apr. 30, 1973.....	478.2	481.2
Aug. 15, 1972.....	457.5	460.5	May 15, 1973.....	483.8	486.8
Aug. 31, 1972.....	461.1	464.1	May 31, 1973.....	486.8	489.8
Sept. 15, 1972.....	462.3	465.3	June 15, 1973.....	486.0	489.0
Sept. 29, 1972.....	457.9	460.9	June 29, 1973.....	479.3	482.3
Oct. 16, 1972.....	461.0	464.0			
Oct. 31, 1972.....	462.1	465.1			

Source: Treasury Department.

### C. Basis for committee action

The committee concluded, in view of the uncertainties as to budget receipts, outlays, and the increase required in the public debt limitation, that it would be inappropriate at this time to provide other than a temporary increase in the debt limitation for the remainder of the current fiscal year. The debt limitation needed after that time can be established later this fiscal year when more information as to the future debt requirements becomes available. The committee also believes that because of the very substantial increase in deficits in the last two or three years, it becomes necessary to keep close surveillance on the size of the increase in the debt limitation permitted.

The committee concluded that prudent action requires that only a temporary increase in the debt limitation be provided at this time. The difficulty in arriving at a satisfactory estimate of the level of economic activity during the past year, together with the uncertainties as to the impact of phase II on economic activity, makes it difficult at this time to arrive at satisfactory budgetary revenue estimates for the fiscal year 1973. The underlying rate of improvement in economic activity remains too much a matter of conjecture.

In the case of budgetary outlays also, the outlook for the rate of spending during the months ahead remains unclear. In the second half of the fiscal year 1972, for example, the rate of spending forecast in the budget is appreciably higher than in the first half of the fiscal year. The average monthly outlays, for example, forecast in the budget for the second half of the year is over \$2 billion a month higher than in the first half of the year. Thus, outlays in the second half of 1972 are forecast as being nearly \$14 billion above the outlay level in the

first half of the year. This contrasts with an outlay level in the second half of the fiscal year 1971 which was only \$3 billion above the level in the first half of that year. In addition, because Congress has not yet reached any decisions as to the level of appropriations for the fiscal year 1973, it is difficult at this time to estimate how the outlay requirements for fiscal year 1973 as presented in the budget might be modified by congressional action.

As indicated previously, the committee also is deeply concerned as to the size of the deficit both in the current fiscal year and in the fiscal year 1973. Because of this concern, it believes that it is important that the allowable debt be kept under close control in order to inhibit the growth of deficit financing in this period to the extent consistent with our national objectives.

In view of the considerations set forth above, the committee believes that only a further temporary increase in the debt limitation of \$20 billion for the period up to June 30, 1972—the end of the fiscal year 1972—is appropriate at this time. A close and careful examination of the Government's finances in this period immediately ahead suggests that this increase will enable the Treasury Department to manage the Federal Government's finances during this 5-month period on a sound but restrained basis.

TABLE 7.—ESTIMATED FEDERAL FUNDS RECEIPTS, OUTLAYS, AND SURPLUS OR DEFICIT IN FISCAL YEARS 1972 AND 1973

(In billions of dollars)

	Receipts	Outlays	Surplus (+) or deficit (-)	Cumulative deficit
<b>Fiscal year 1972:</b>				
Actual:				
July.....	9.2	14.3	-5.1	-5.1
August.....	9.1	14.9	-5.8	-10.9
September.....	15.4	13.2	+2.2	-8.7
October.....	9.0	13.9	-5.0	-13.7
November.....	10.2	14.0	-3.7	-17.4
December.....	14.1	15.4	-1.3	-18.7
Estimated:				
January.....	12.7	13.9	-1.2	-19.9
February.....	7.6	15.1	-7.5	-27.4
March.....	8.7	15.9	-7.2	-34.6
April.....	16.5	16.1	+ .4	-32.2
May.....	6.6	15.6	-9.0	-43.2
June.....	18.6	20.2	-1.6	-44.7
Total.....	137.8	182.5	-44.7	
<b>Fiscal year 1973:</b>				
Estimated:				
July.....	9.4	16.5	-7.1	-7.1
August.....	9.3	16.9	-7.6	-14.7
September.....	17.0	15.3	+1.7	-13.0
October.....	9.8	15.9	-6.1	-19.1
November.....	10.0	15.8	-5.8	-24.9
December.....	14.9	15.3	-.4	-25.3
January.....	14.1	16.5	-2.4	-27.7
February.....	8.8	15.0	-6.2	-33.9
March.....	9.4	15.5	-6.1	-40.0
April.....	18.9	15.9	+3.0	-37.0
May.....	7.4	14.7	-7.3	-44.3
June 1-15.....			-4.7	-49.0
June entire month.....	21.7	13.6	+8.1	-36.2
Total.....	150.6	186.8	-36.2	

Source: Treasury Department.

The Treasury Department, as shown in Table 7, has estimated Federal funds budget receipts, outlays and deficits or surpluses on a monthly basis for the last half of the fiscal year 1972. The table combines this with the actual receipts, outlay, and deficit or surplus on a monthly basis for the first 6 months of the year. This indicates a cumulative Federal funds deficit for the fiscal year of \$44.7 billion or a cumulative deficit since the end of December of \$26 billion. This cumulative deficit, when added to the debt outstanding on December 31 of \$425.5 billion, suggests the need for a debt limitation of slightly over \$451 billion. However, the cash balance at the end of December 1971 was slightly over \$11 billion, a higher cash balance than it is expected will be necessary in the remainder of the fiscal year 1972. The Treasury Department has estimated, as shown in Table 6, that the peak debt subject to the limitation, assuming a constant \$6 million cash balance, is expected to be at a level of \$450 billion on June 15, 1972.

On the basis of the type of analysis indicated above, the committee has set the overall limitation for the period immediately ahead at \$450 billion. This represents an increase of \$20 billion, rather than the \$50 billion requested by the administration. (However, the administration request was intended to meet the debt requirements for a much longer period of time.) The committee believes that the lower \$20 billion increase is adequate through the end of the fiscal year 1972. The figure, in fact, corresponds with the needs shown by the Treasury Department during this limited period of time. The committee believes that this limit will serve as a restraint for spending during this period and yet will be adequate to provide for economical management of the debt during the remainder of this fiscal year. The committee believes that it is desirable in a later consideration this year to establish the debt limitation needed for the period after June 30, 1972.

#### *D. Relationship of Federal debt to gross national product and private debt*

While the \$450 billion debt limit provided in this bill is, of course, very large, it is important to keep it in perspective by comparing it with the gross national product and the total private debt. These comparisons show that the burden of the debt in relation to the economic capabilities of the United States has decreased year by year.

The latest figures on this relationship, namely for 1971, show that the Federal debt represented 40 percent of the gross national product as of that time. This percentage, while higher than the 18 to 39 percent range in the period 1929 through 1932, is lower than in any of the years since that time. As shown in Table 8, the present percentage relationship to gross national product is less than one-third of the percentage relationship that prevailed in 1945. Moreover, the Federal debt as a percentage of gross national product has been decreasing consistently since 1945.



TABLE 8.—GROSS GOVERNMENT AND PRIVATE DEBT RELATED TO GROSS NATIONAL PRODUCT

End of calendar year	Gross national product <sup>4</sup> (billions of dollars)	Ratios of debt to gross national product (percent) <sup>2</sup>				Total
		Federal <sup>1</sup>	State and local	Corporate <sup>3</sup>	Individual and noncorporate	
1929.....	\$96.7	18.1	18.4	110.7	75.4	222.5
1930.....	83.1	20.8	22.7	129.2	86.4	259.2
1931.....	66.9	28.6	29.1	149.9	97.0	304.6
1932.....	56.8	38.7	34.7	169.2	100.5	343.1
1933.....	60.3	42.0	32.3	153.2	84.6	312.1
1934.....	68.6	48.1	28.0	132.1	72.6	280.8
1935.....	77.4	46.8	25.3	116.0	64.2	252.3
1936.....	86.5	46.6	22.7	105.1	58.5	232.8
1937.....	87.6	49.2	22.4	103.0	58.3	232.9
1938.....	87.6	52.1	22.6	99.1	57.1	230.8
1939.....	94.8	51.5	21.2	91.6	53.6	217.8
1940.....	107.6	48.5	18.8	82.7	49.3	199.3
1941.....	138.8	47.3	14.4	70.2	40.1	172.0
1942.....	179.0	63.5	10.7	59.4	27.9	161.5
1943.....	202.4	84.5	8.9	54.5	24.1	172.0
1944.....	217.4	107.5	7.9	50.1	23.3	188.8
1945.....	196.0	142.6	8.2	50.8	27.9	229.5
1946.....	221.4	117.8	7.3	49.4	27.1	201.4
1947.....	245.0	105.1	7.1	52.6	28.3	193.2
1948.....	261.2	97.2	7.5	53.4	30.9	188.9
1949.....	260.5	99.0	8.5	53.9	34.7	196.1
1950.....	311.2	82.8	8.1	53.9	33.5	178.4
1951.....	338.2	76.9	8.3	56.7	33.8	175.8
1952.....	361.0	74.3	8.6	56.2	35.8	175.0
1953.....	360.8	76.5	9.7	59.0	39.7	184.9
1954.....	379.8	73.6	10.6	57.3	41.4	182.9
1955.....	409.7	68.9	11.3	62.0	44.0	185.9
1956.....	433.2	64.2	11.6	64.0	45.1	184.9
1957.....	438.1	63.5	12.5	67.5	47.4	190.8
1958.....	469.2	60.8	12.9	66.5	47.5	187.6
1959.....	496.8	59.7	13.4	68.7	49.3	190.8
1960.....	503.4	58.9	14.3	72.5	52.3	197.7
1961.....	542.8	55.8	14.3	72.1	52.5	194.7
1962.....	574.7	54.2	14.5	73.3	54.3	196.6
1963.....	611.8	51.9	14.6	74.7	56.5	197.9
1964.....	654.0	50.0	14.6	76.0	58.1	199.1
1965.....	719.2	46.0	14.3	76.7	57.9	195.1
1966.....	772.6	44.4	14.2	79.9	60.4	198.9
1967.....	825.4	44.2	14.2	81.5	58.2	198.2
1968.....	898.3	41.5	14.2	86.2	57.9	199.9
1969.....	952.0	40.0	14.3	93.4	58.4	206.2
1970.....	1,004.6	40.0	14.7	96.4	58.0	209.1
1971 estimate.....	1,089.0	40.0	NA	NA	NA	NA

<sup>1</sup> Total Federal securities, including public debt and budget agency securities.

<sup>2</sup> Debt divided by the population of the conterminous United States and including Armed Forces overseas. Alaska is included beginning 1959 and Hawaii beginning in 1960.

<sup>3</sup> Includes debt of federally sponsored agencies excluded from the budget.

<sup>4</sup> Implied level end of year, calculated as the average of the 4th and 1st calendar quarters at seasonally adjusted annual rates for the years 1939 through present. Prior to 1939, averages of 2 calendar year figures are used as the best approximation of Dec. 31 levels.

Notes: NA=Not available. Details may not add to totals because of rounding. Debt levels estimated by the Bureau of Economic Analysis, Commerce Department.

The financing of the different elements of the economy has always required a significant volume of debt—either public debt or private debt, or a combination of the two. Generally, this debt has approximated twice the gross national product of any given year. As indicated in Table 8, since 1929 total Government and private debt, as a percentage of gross national product, has varied from 343 percent in 1932 to 161 percent in 1942. The combined public and private debt outstanding in 1970, at 209 percent of gross national product, is approximately at the long-term average for this 40-year period.

It is also significant to note that the net Government debt has been declining as a percentage of total Government and private debt, as shown in table 9. In 1970 the Federal net debt represented 16 percent of the total public and private debt outstanding as of that time. The

Federal share of this aggregate debt has been consistently declining since the end of World War II in 1945.

TABLE 9.—ESTIMATED NET GOVERNMENT AND PRIVATE DEBT, BY MAJOR CATEGORIES

(Dollar amounts in billions)

Dec. 31	Private		Total	State and local	Federal	Total	Percent Federal of total
	Individual	Corporate <sup>1</sup>					
1916.....	\$36.3	\$40.2	\$76.5	\$4.5	\$1.2	\$82.2	1
1917.....	38.7	43.7	82.4	4.8	7.3	94.5	8
1918.....	44.5	47.0	91.5	5.1	20.9	117.5	18
1919.....	43.9	53.3	97.2	5.5	25.6	128.3	20
1920.....	48.1	57.7	105.8	6.2	23.7	135.7	17
1921.....	49.2	57.0	106.2	7.0	23.1	136.3	17
1922.....	50.9	58.6	109.5	7.9	22.8	140.2	16
1923.....	53.7	62.6	116.3	8.6	21.8	146.7	15
1924.....	55.8	67.2	123.0	9.4	21.0	153.4	14
1925.....	59.6	72.7	132.3	10.3	20.3	162.9	12
1926.....	62.7	76.2	138.9	11.1	19.2	169.2	11
1927.....	66.4	81.2	147.6	12.1	18.2	177.9	10
1928.....	70.0	86.1	156.1	12.7	17.5	186.3	9
1929.....	72.9	88.9	161.8	13.6	16.5	191.9	9
1930.....	71.8	89.3	161.1	14.7	16.5	192.3	9
1931.....	64.9	83.5	148.4	16.0	18.5	182.9	10
1932.....	57.1	80.0	137.1	16.6	21.3	175.0	12
1933.....	51.0	76.9	127.9	16.3	24.3	168.5	14
1934.....	49.8	75.5	125.3	15.9	30.4	171.6	18
1935.....	49.7	74.8	124.5	16.1	34.4	175.0	20
1936.....	50.6	76.1	126.7	16.2	37.7	180.6	21
1937.....	51.1	75.8	126.9	16.1	39.2	182.2	22
1938.....	50.0	73.3	123.3	16.1	40.5	179.9	23
1939.....	50.8	73.5	124.3	16.4	42.6	183.3	23
1940.....	53.0	75.6	128.6	16.4	44.8	189.8	24
1941.....	55.6	83.4	139.0	16.1	56.3	211.4	27
1942.....	49.9	91.6	141.5	15.4	101.7	258.6	39
1943.....	48.8	95.5	144.3	14.5	154.4	313.2	49
1944.....	50.7	94.1	144.8	13.9	211.9	370.6	57
1945.....	54.7	85.3	140.0	13.4	252.5	405.9	62
1946.....	59.9	93.5	153.4	13.7	229.5	396.6	58
1947.....	69.4	109.6	179.0	15.0	221.7	415.7	53
1948.....	80.6	118.4	199.0	17.0	215.3	431.3	50
1949.....	90.4	118.7	209.1	19.1	217.6	445.8	49
1950.....	104.3	142.8	247.1	21.7	217.4	486.2	45
1951.....	114.3	163.8	278.1	24.2	216.9	519.2	42
1952.....	129.4	172.3	301.7	27.0	221.5	550.2	40
1953.....	143.2	180.9	324.1	30.7	226.8	581.6	39
1954.....	157.2	184.1	341.3	35.5	229.1	605.9	38
1955.....	180.1	215.0	395.1	41.1	229.6	665.8	35
1956.....	195.5	234.1	429.6	44.5	224.3	698.4	32
1957.....	207.6	249.1	456.7	48.6	223.0	728.3	31
1958.....	222.9	262.0	484.9	53.7	231.0	769.6	30
1959.....	245.0	287.0	532.0	59.6	241.4	833.0	29
1960.....	263.3	306.3	569.6	64.9	239.8	874.2	27
1961.....	284.8	328.3	613.1	70.5	246.7	930.3	27
1962.....	311.9	353.5	665.4	77.0	253.6	996.0	25
1963.....	345.8	383.6	729.5	83.9	257.5	1,070.9	24
1964.....	380.1	417.1	797.2	90.4	264.0	1,151.6	23
1965.....	416.1	463.2	879.3	98.3	266.4	1,244.1	21
1966.....	446.9	517.8	964.7	104.8	271.8	1,341.4	20
1967.....	480.6	562.7	1,043.3	112.9	286.5	1,442.7	20
1968.....	520.3	649.5	1,169.8	122.8	291.9	1,584.5	18
1969.....	556.0	746.0	1,302.0	131.4	289.3	1,722.7	17
1970.....	582.8	812.9	1,395.2	143.3	301.1	1,840.2	16
1971.....	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	325.9	( <sup>2</sup> )	( <sup>2</sup> )

<sup>1</sup> Includes debt of privately owned, federally sponsored agencies excluded from the budget which amounted to \$700,000,000 on Dec. 31, 1947; \$30,500,000,000 on Dec. 31, 1969; and \$38,800,000,000 on Dec. 31, 1970.

<sup>2</sup> Not available.

Source: Commerce and Treasury Departments.

Table 10 shows the amount of Government, private, and total Government and private debt outstanding at the end of each of the years 1929 through 1971. This table also shows the per capita debt in each of these categories. As indicated in this table, the per capita Federal debt of \$2092 at the end of 1971 is only slightly above the

per capita debt of \$1987 which existed in 1945. While Federal Government debt on a per capita basis is close to the 1945 level, State and local per capita debt in 1970 is slightly over six times its level in 1945. Similarly, individual and corporate debt in 1970 is slightly over seven times the comparable debt in 1945.

TABLE 10.—ESTIMATED GROSS GOVERNMENT AND PRIVATE DEBT, 1929 TO PRESENT

End of calendar year	Government debt						Private debt				Total government and private debt	
	Amounts outstanding (billions)			Per capita <sup>2</sup>			Amounts outstanding (billions)		Per capita <sup>2</sup>		Amount outstanding (billions)	Per capita
	Federal <sup>1</sup>	State and local	Total	Federal	State and local	Total	Corporate business <sup>3</sup>	Individual and non- corporate business	Corporate business	Individual and non- corporate business		
1929	\$17.5	\$17.8	\$35.3	\$143	\$145	\$288	\$107.0	\$72.9	\$874	\$595	\$215.2	\$1,757
1930	17.3	18.9	36.2	140	153	293	107.4	71.8	868	581	215.4	1,742
1931	19.1	19.5	38.6	153	157	310	100.3	64.9	805	521	203.8	1,636
1932	22.0	19.7	41.7	176	157	333	96.1	57.1	767	456	194.9	1,555
1933	25.3	19.5	44.8	201	155	355	92.4	51.0	733	404	188.2	1,498
1934	33.0	19.2	52.2	260	151	411	90.6	49.8	714	392	192.9	1,520
1935	36.2	19.6	55.8	283	153	437	89.8	49.7	703	389	195.3	1,529
1936	40.3	19.6	59.9	313	152	466	90.9	50.6	707	394	201.4	1,566
1937	43.1	19.6	62.7	333	151	484	90.2	51.1	697	395	204.0	1,576
1938	45.6	19.8	65.4	349	152	501	86.8	50.0	665	383	202.2	1,549
1939	48.8	20.1	68.9	371	153	524	86.8	50.8	660	386	206.5	1,569
1940	52.2	20.2	72.4	393	152	545	89.0	53.0	670	399	214.4	1,615
1941	65.6	20.0	85.6	489	149	638	97.5	55.6	727	414	238.7	1,779
1942	113.7	19.2	132.9	837	141	978	106.3	49.9	782	367	289.1	2,128
1943	171.0	18.1	189.1	1,142	131	1,374	110.3	48.8	801	355	348.2	2,529
1944	233.6	17.1	250.7	1,423	123	1,801	109.0	50.7	783	364	410.4	2,947
1945	279.6	16.0	295.6	1,987	114	2,101	99.5	54.7	707	389	449.8	3,297
1946	260.7	16.1	276.8	1,825	113	1,938	109.3	59.9	765	419	446.0	3,123
1947	257.6	17.5	275.1	1,771	120	1,891	128.9	69.4	886	477	473.4	3,254
1948	253.8	19.6	273.4	1,715	132	1,847	139.4	80.6	942	545	493.4	3,334
1949	257.9	22.2	280.1	1,713	147	1,860	140.3	90.4	932	600	510.8	3,393
1950	257.8	25.3	283.1	1,685	165	1,850	167.7	104.3	1,096	682	555.1	3,627
1951	260.2	28.0	288.2	1,671	180	1,851	191.9	114.3	1,232	734	594.4	3,817
1952	268.3	31.0	299.3	1,694	196	1,890	202.9	129.4	1,281	817	631.6	3,988
1953	276.0	35.0	311.0	1,714	217	1,931	212.9	143.2	1,322	889	667.1	4,142
1954	279.5	40.2	319.7	1,705	245	1,950	217.6	157.2	1,327	959	694.5	4,236
1955	282.2	46.3	328.5	1,691	276	1,967	253.9	180.1	1,522	1,079	762.5	4,552
1956	278.3	50.1	328.4	1,638	294	1,925	277.3	195.5	1,632	1,151	801.2	4,696
1957	278.1	54.7	332.8	1,609	315	1,925	295.8	207.6	1,712	1,201	836.2	4,820
1958	285.3	60.4	345.7	1,624	342	1,966	312.0	222.9	1,776	1,269	880.6	4,992
1959	296.5	66.6	363.1	1,653	371	2,024	341.4	245.0	1,903	1,366	949.5	5,293
1960	296.6	72.0	368.6	1,627	395	2,022	365.1	263.3	2,002	1,444	997.0	5,469
1961	303.0	77.6	380.6	1,635	419	2,054	391.5	284.8	2,112	1,537	1,056.9	5,704
1962	311.3	83.4	394.7	1,654	443	2,097	421.5	311.9	2,240	1,658	1,128.1	5,994
1963	317.4	89.5	406.9	1,663	469	2,131	457.1	345.8	2,395	1,812	1,209.8	6,337
1964	327.0	95.5	422.5	1,690	494	2,183	497.3	380.1	2,570	1,965	1,299.9	6,718
1965	330.7	103.1	433.8	1,688	526	2,214	551.9	416.1	2,818	2,124	1,401.8	7,156
1966	343.3	109.4	452.7	1,736	553	2,290	617.3	466.9	3,122	2,362	1,536.9	7,773

1967-----	364.8	117.4	482.2	1,827	588	2,415	672.9	480.6	3,370	2,407	1,635.8	8,191
1968-----	373.1	127.4	500.5	1,850	632	2,481	774.6	520.3	3,840	2,580	1,795.3	8,899
1969-----	382.0	136.0	518.0	1,874	667	2,542	888.9	556.0	4,362	2,728	1,962.9	9,631
1970-----	401.6	148.1	549.7	1,950	719	2,668	968.0	582.8	4,697	2,829	2,100.7	10,195
1971-----	435.2	( <sup>1</sup> )	( <sup>1</sup> )	2,092	( <sup>2</sup> )	( <sup>3</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )	( <sup>4</sup> )

<sup>1</sup> Total Federal securities, including public debt and budget agency securities.

<sup>2</sup> Debt divided by the population of the conterminous United States and including Armed Forces overseas. Alaska is included beginning in 1959 and Hawaii beginning in 1960.

<sup>3</sup> Includes debt of federally sponsored agencies excluded from the budget.

<sup>4</sup> Not available.

Source: Office of the Secretary of the Treasury, Office of Debt Analysis.

Table 11 shows the gross national product on a per capita basis and expressed in terms of constant 1971 dollars. This table also shows the Federal debt on a per capita basis in terms of constant 1971 dollars. The table indicates that the privately-held real per capita debt in 1971 is below the comparable debt in the years 1943 through 1969. It might be noted that the privately-held real per capita debt in 1971 is approximately one-quarter of the per capita gross national product in 1971. In 1945 the real per capita debt in terms of 1971 dollars actually exceeded the per capita gross national product in terms of 1971 dollars.

TABLE 11.—GROWTH IN REAL PER CAPITA GROSS NATIONAL PRODUCT AND REAL PER CAPITA PRIVATELY HELD FEDERAL DEBT 1909-71<sup>1</sup>

	GNP (billions of 1971 dollars)	Per capita GNP		Real per capita	Federal debt
		1971 dollars	Annual rate of change (percent)	Privately held (dollars)	Annual rate of change (percent)
1909.....	165.3	1,912	NA	NA	NA
1910.....	170.0	1,840	-3.8	NA	NA
1911.....	174.4	1,857	.9	NA	NA
1912.....	184.3	1,934	4.1	NA	NA
1913.....	186.0	1,912	-1.1	49	NA
1914.....	177.8	1,794	-6.2	49	0
1915.....	176.2	1,753	-2.3	48	-2.0
1916.....	190.1	1,864	6.4	39	-18.8
1917.....	191.4	1,853	-.6	207	437.7
1918.....	214.9	2,082	12.4	494	138.6
1919.....	207.2	1,983	-4.8	518	4.9
1920.....	198.2	1,862	-6.1	463	-10.6
1921.....	180.9	1,666	-10.5	499	7.8
1922.....	209.5	1,904	14.3	493	-1.2
1923.....	234.8	2,099	10.2	456	-7.5
1924.....	234.3	2,053	-2.2	424	-7.0
1925.....	254.0	2,193	6.8	392	-7.5
1926.....	269.0	2,290	4.5	370	-5.6
1927.....	268.7	2,256	-1.5	349	-7.7
1928.....	270.2	2,242	-.6	343	-1.7
1929.....	288.2	2,365	5.5	313	-8.7
1930.....	259.8	2,109	-10.8	327	4.5
1931.....	239.7	1,931	-8.5	400	22.3
1932.....	204.1	1,634	-15.4	487	21.8
1933.....	200.3	1,594	-2.4	544	11.7
1934.....	218.4	1,727	8.3	676	24.3
1935.....	239.9	1,884	9.1	744	10.1
1936.....	273.2	2,132	13.1	809	8.7
1937.....	287.6	2,231	4.6	806	-.4
1938.....	273.1	2,101	-5.8	850	5.5
1939.....	296.4	2,262	7.7	897	5.5
1940.....	321.6	2,435	7.6	936	4.3
1941.....	373.3	2,799	14.9	1,069	14.2
1942.....	421.6	3,126	11.7	1,710	60.0
1943.....	477.2	3,489	11.6	2,448	43.2
1944.....	511.5	3,676	5.9	3,203	30.8
1945.....	502.8	3,593	-2.8	3,661	14.3
1946.....	422.5	3,130	-2.9	2,740	-25.2
1947.....	438.7	3,044	-2.8	2,402	-12.3
1948.....	458.2	3,126	2.7	2,213	-7.9
1949.....	458.8	3,075	-1.6	2,283	3.2
1950.....	503.0	3,315	7.8	2,113	-7.4
1951.....	542.7	3,518	6.1	1,925	-8.9
1952.....	559.3	3,563	1.3	1,912	-.7
1953.....	584.4	3,662	2.8	1,907	-.3
1954.....	576.1	3,547	-3.1	1,914	.4
1955.....	620.0	3,751	5.7	1,879	-1.8
1956.....	631.5	3,754	.1	1,747	-7.0
1957.....	640.6	3,740	-.4	1,662	-4.9
1958.....	633.2	3,637	-2.8	1,665	.2
1959.....	673.7	3,805	4.6	1,674	.5
1960.....	690.4	3,821	.4	1,607	-4.0
1961.....	703.8	3,831	.3	1,610	.2
1962.....	750.0	4,017	4.9	1,602	-.5
1963.....	780.0	4,118	2.5	1,562	-2.5
1964.....	822.6	4,428	3.8	1,543	-1.2
1965.....	874.6	4,495	4.6	1,486	-3.7
1966.....	931.6	4,731	5.3	1,437	-3.3
1967.....	955.8	4,800	1.5	1,440	.2

See footnotes at end of table, p 15.

TABLE 11.—GROWTH IN REAL PER CAPITA GROSS NATIONAL PRODUCT AND REAL PER CAPITA PRIVATELY HELD FEDERAL DEBT 1909-71<sup>1</sup>—Continued

	GNP (billions of 1971 dollars)	Per capita GNP		Real per capita Federal debt	
		1971 dollars	Annual rate of change (percent)	Privately held (dollars)	Annual rate of change (percent)
1968.....	1,000.3	4,973	3.6	1,355	-5.9
1969.....	1,025.9	5,048	1.5	1,243	-8.3
1970.....	1,019.2	4,977	-1.4	1,198	-3.6
1971.....	1,046.8	5,057	1.6	1,235	3.0

<sup>1</sup> Bureau of Economic Analysis GNP data begin with 1909. The GNP deflator for 1971 was used to derive real GNP per capita. The Bureau of Labor Statistics monthly all item consumer price index begins with 1913. Real privately held Federal debt per capita data are for Dec. 31 each year. The all item consumer price index for December 1971 was used to convert the data to constant dollars.

### *E. Results of delaying the enactment of an adequate debt ceiling*

The committee believes it has the responsibility to point out to the House some of the real complications which would develop in the event of any delay in enacting a public debt limit sufficient for the Government's needs. While there would be no question concerning the legality of the outstanding debt in such a situation, the Treasury Department would be unable to issue any new securities. This prohibition would apply to issues designed to replace maturing issues as well as to securities representing new debt.

As a result, savings bonds could not be issued and payroll savings plans would be disrupted. In addition, the Treasury cash balance would be depleted rapidly. Substantial amounts of Treasury bills become due on a weekly basis. If new bills cannot be issued to replace these issues, the Treasury cash balance would soon be exhausted.

Once the cash balance is exhausted, the Government would be compelled to delay full payment (or resort to partial payments) of contract obligations, Government salaries, various loan and benefit programs, and grants to States and local governments when they become due. The economic hardships resulting from such action would, of course, be most severe in those areas where there are large concentrations of Federal employees or employees engaged in production under large Government contracts.

### III. 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...	<sup>1</sup> \$7, 538, 945, 400	
40 Stat. 290, sec. 5, authorized certificates of indebtedness outstanding revolving authority.....	<sup>2</sup> 4, 000, 000, 000	
Apr. 4, 1918:		
40 Stat. 502, amending sec. 1, increased bond authority to.....	<sup>1</sup> 12, 000, 000, 000	
40 Stat. 504, amending sec. 5, increased authority for certificates outstanding to.....	<sup>2</sup> 8, 000, 000, 000	
July 9, 1918: 40 Stat. 844, amending sec. 1, increased bond authority to.....	<sup>1</sup> 20, 000, 000, 000	
Mar. 3, 1919:		
40 Stat. 13, amending sec. 5, increased authority for certificates outstanding to.....	<sup>2</sup> 10, 000, 000, 000	
40 Stat. 1309, new sec. 18 added, authorizing notes in the amount of.....	<sup>1</sup> 7, 000, 000, 000	
Nov. 23, 1921: 42 Stat. 321, amending sec. 18, increased note authority outstanding (established revolving authority) to.....	<sup>2</sup> 7, 500, 000, 000	
June 17, 1929: 46 Stat. 19, amending sec. 5, authorized bills in lieu of certificates of indebtedness; no change in limita- tion for the outstanding.....	<sup>2</sup> 10, 000, 000, 000	
Mar. 3, 1931: 46 Stat. 1506, amending sec. 1, increased bond authority to.....	<sup>1</sup> 28, 000, 000, 000	
Jan. 30, 1934: 48 Stat. 343, amending sec. 18, increased au- thority for notes outstanding to.....	<sup>2</sup> 10, 000, 000, 000	
Feb. 4, 1935:		
49 Stat. 20, amending sec. 1, limited bonds outstanding (establishing revolving authority) to.....	<sup>2</sup> 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....	<sup>2</sup> 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 secs. 1 and 21, con- solidating in sec. 21 authority for bonds, certificates of indebtedness, Treasury bills, and notes (outstanding bonds limited to \$30,000,000,000). Same aggregate total out- standing.....	<sup>2</sup> 45, 000, 000, 000	
July 20, 1939: 53 Stat. 1071, amending sec. 21, removed limi- tation on bonds without changing total authorized outstand- ing of bonds, certificates of indebtedness, bills, and notes...	<sup>2</sup> 45, 000, 000, 000	
June 25, 1940: 54 Stat. 526, amending sec. 21, adding new paragraph:		
(b) In addition to the amount authorized by the pre- ceding paragraph of this section, any obligations author- ized 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'.....	<sup>2</sup> 49, 000, 000, 000	

See footnotes at end of table, p. 11.



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

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.....	\$65,000,000,000
Eliminated separate authority for \$4,000,000,000 of national defense series obligations.	
Mar. 28, 1942: 56 Stat. 189, amending sec. 21, increased limitation to.....	\$125,000,000,000
Apr. 11, 1943: 57 Stat. 63 amending sec. 21, increased limitation to.....	\$210,000,000,000
June 9, 1944: 58 Stat. 272, amending sec. 21, increased limitation to.....	\$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 any one time".....	\$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 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," and decreasing limitation to.....	\$275,000,000,000
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.....	\$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.....	\$281,000,000,000
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.....	\$278,000,000,000
Effective July 1, 1957, temporary increase terminates and limitation reverts, under act of June 26, 1956, to.....	\$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.....	\$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.....	\$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, makes limitation on June 30, 1959.....	\$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.....	\$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.....	\$293,000,000,000
June 30, 1961: 75 Stat. 148, amending sec. 21, for period beginning on July 1, 1961, and ending June 30, 1962, temporarily increasing limitation by \$13,000,000,000 to.....	\$298,000,000,000
Mar. 13, 1962: 76 Stat. 23, amending sec. 21, for period beginning on Mar. 13, 1962, and ending June 30, 1962, temporarily further increasing limitation by \$2,000,000,000.....	\$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.....	\$308,000,000,000
2. Beginning Apr. 1, 1963, and ending June 24, 1963.....	\$305,000,000,000
3. Beginning June 25, 1963, and ending June 30, 1963....	\$300,000,000,000

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

May 29, 1963: 77 Stat. 50, amending sec. 21, for period—	
1. Beginning May 29, 1963, and ending June 30, 1963....	<sup>2</sup> \$307, 000, 000, 000
2. Beginning July 1, 1963, and ending Aug. 31, 1963....	<sup>2</sup> 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....	
	<sup>2</sup> 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....	<sup>2</sup> 315, 000, 000, 000
2. On June 30, 1964.....	<sup>2</sup> 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.....	
	<sup>2</sup> 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.....	
	<sup>2</sup> 328, 000, 000, 000
June 24, 1966: 80 Stat. 221, amending sec. 21, for the period temporarily increasing the debt limit to.....	
	<sup>2</sup> 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.....	
	<sup>2</sup> 336, 000, 000, 000
June 30, 1967: 81 Stat. 99—	
1. Amending sec. 21, effective June 30, 1967, increasing limitation to.....	<sup>2</sup> 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.....	<sup>2</sup> 365, 000, 000, 000
April 7, 1969: 83 Stat. 7—	
1. Amending sec. 21, effective Apr. 7, 1969, increasing debt limitation to.....	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.....	377, 000, 000, 000
June 30, 1970: 84 Stat. 368—	
1. Amending sec. 21, effective July 1, 1970, increasing debt limitation to.....	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.....	395, 000, 000, 000
March 17, 1971: 85 Stat. 5—	
1. Amending sec. 21, effective Mar. 17, 1971, increasing debt limitation to.....	400, 000, 000, 000
2. Temporarily increasing the debt limit by \$30,000,000,000 for the period from Mar. 17, 1971, through June 1972, to make the limit for such period.....	430, 000, 000, 000

<sup>1</sup> Limitation on issue.

<sup>2</sup> Limitation on outstanding.

TABLE II.—PUBLIC DEBT SUBJECT TO LIMITATION AT END OF FISCAL YEARS 1938-72

[In millions of dollars]

Fiscal year	Public debt subject to limitation at end of year	Fiscal year	Public debt subject to limitation at end of year
1938.....	36, 882	1956.....	272, 361
1939.....	40, 317	1957.....	270, 188
1940.....	43, 219	1958.....	276, 013
1941.....	49, 494	1959.....	284, 398
1942.....	74, 154	1960.....	286, 065
1943.....	140, 469	1961.....	288, 862
1944.....	208, 077	1962.....	298, 212
1945.....	268, 671	1963.....	306, 099
1946.....	268, 932	1964.....	312, 164
1947.....	257, 491	1965.....	317, 581
1948.....	251, 542	1966.....	320, 102
1949.....	252, 028	1967.....	326, 471
1950.....	256, 652	1968.....	350, 743
1951.....	254, 567	1969.....	356, 932
1952.....	258, 507	1970.....	373, 425
1953.....	265, 522	1971.....	399, 475
1954.....	270, 790	1972 <sup>1</sup> .....	446, 022
1955.....	273, 915	1973 <sup>1</sup> .....	481, 878

<sup>1</sup> Estimated.

Source: Table 1: Annual Report of the Secretary of the Treasury on the State of the Finances, 1967, p. 439, through 1967; table FD-8: Treasury Bulletin, January 1972, p. 25, for 1968 through 1971; table 10: The Budget for Fiscal Year 1973, p. 505, for estimates for 1972 and 1973.

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

In compliance with section 252(a) of the Legislative Reorganization Act of 1970, the following statement is made relative to the costs incurred in carrying out this bill. The committee does not believe that the change made by this bill in the debt limitation 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 section 133 of the Legislative Reorganization Act of 1946, the following statement is made relative to the record vote by the committee of the motion to report the bill. The bill was ordered reported by voice vote.

#### V. FIRST TWO SECTIONS OF PUBLIC LAW 92-5

For information purposes, the first two sections of Public Law 92-5 are as follows:

That the first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) is amended by striking out "\$380,000,000,000" and inserting in lieu thereof "\$400,000,000,000".

SEC. 2. (a) During the period beginning on the date of the enactment of this Act and ending on June 30, 1972, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act shall be temporarily increased by \$30,000,000,000.

(b) Effective on the date of the enactment of this Act, section 2 of Public Law 91-301 is hereby repealed.