

Calendar No. 1243

89TH CONGRESS }
2d Session }

SENATE }

REPORT
No. 1275

PUBLIC DEBT LIMIT

JUNE 15, 1966.—Ordered to be printed

Mr. LONG of Louisiana, from the Committee on Finance, submitted the following

R E P O R T

[To accompany H. R. 15202]

The Committee on Finance, to which was referred the bill (H. R. 15202) to provide, for the period beginning on July 1, 1966, and ending on June 30, 1967, a temporary increase in the public debt limit set forth in section 21 of the Second Liberty Bond Act, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

I. SUMMARY

H. R. 15202 provides a temporary debt limitation of \$330 billion beginning on July 1, 1966, and ending on June 30, 1967. The administration recommended a debt limitation of \$332 billion for this period. However, the Secretary of the Treasury in testimony before your committee, while indicating that the administration would prefer a ceiling of \$331 billion, in the interests of speedy passage of this legislation, requested the Senate to approve the \$330 billion ceiling passed by the House.

The temporary debt limitation for the fiscal year ending June 30, 1966, is \$328 billion. On July 1, 1966, unless this bill is passed, the debt limitation will revert to the permanent limitation of \$285 billion. It is expected that there will be outstanding at that time a debt subject to limitation of approximately \$319 billion.

The actual debt limitations for selected years since 1947, together with the proposed limitation under this bill, are shown in table 1, below.

TABLE 1.—*Statutory debt limitations, specified fiscal years 1947 through 1966, and proposed limitation for the fiscal year 1967*

[In billions]

Fiscal year	Statutory debt limitation		
	Permanent	Temporary additional	Total
1947-54.....	\$275	-----	\$275
1950.....	275	\$6	281
1957.....	275	3	278
1960.....	285	10	295
1961.....	285	8	293
1962 through March 12.....	285	13	298
1962 from March 13 through June 30.....	285	15	300
1963 through March 31.....	285	23	308
1963: April 1 through May 28.....	285	20	305
1963: May 29 through June 30.....	285	22	307
1964 through November 30.....	285	24	309
1964: December 1 through June 28.....	285	30	315
1964: June 29 and 30.....	285	39	324
1965.....	285	39	324
1966.....	285	43	328
PROPOSED			
1967.....	285	45	330

II. GENERAL STATEMENT

Action taken in the last 2 years

In June 1965, Congress increased the temporary additional statutory debt limitation from \$39 billion (for the fiscal year 1965) to \$43 billion for the fiscal year 1966. This action raised the combined permanent and temporary additional debt limitation to \$328 billion for the fiscal year ending on June 30, 1966. Previously, in June 1964, Congress increased the temporary additional debt limitation from \$30 to \$39 billion for the last 2 days of the fiscal year 1964 and for the entire fiscal year 1965. This action set the combined permanent and temporary additional debt limitation at \$324 billion for the period from June 29, 1964, through June 30, 1965.

Under existing law, the temporary additional debt limitation is scheduled to expire at the close of June 30, 1966. If the expiration is permitted, the debt limitation will revert to the permanent ceiling of \$285 billion, well below the \$319 billion of debt subject to limitation expected to be outstanding at that time.

Estimates of the Federal budget totals for fiscal years 1966 and 1967

The January budget.—The budget document presented by the President in January of this year projected administrative budget receipts of \$100.0 billion in fiscal year 1966 and administrative budget expenditures of \$106.4 billion. The budget, therefore, indicated a deficit of \$6.4 billion for fiscal year 1966. With respect to fiscal year 1967, the budget projected administrative budget receipts of \$111.0 billion, expenditures of \$112.8 billion, and a deficit of \$1.8 billion.

Current estimates of receipts.—In his appearance before your committee on June 13, the Secretary of the Treasury with respect to the fiscal year 1966 stated: "While a refined estimate of the improvement in revenue is not available, we used \$102.5 billion of revenues as our planning base at the hearings before the House Ways and Means Committee last month. We indicated at the same time that this was

a conservative estimate, and that the revenues might turn out as much as half a billion dollars higher—in other words at \$103 billion.”

Part of the expected increase is attributable to the recently announced revision in the rules governing the deposit of withheld individual income taxes. The new rules, published in the Federal Register on May 17, affect employers whose total of income taxes and social security taxes withheld from employees' wages plus their portion of social security taxes amounts to \$4,000 or more a month. Beginning in June, these employers will deposit bimonthly the named taxes in a Federal Reserve bank or designated depository bank within 3 days after the 15th day and the last day of each month. Previously, these large employers did not have to deposit such taxes in Federal depositories until the 15th day following the last day of each month. It is now expected that the new schedule of payments will result in the collection of an estimated \$900 million in withheld individual income taxes in fiscal year 1966 which would otherwise not be collected until fiscal year 1967.

The Secretary of the Treasury did not present a revision of the January budget projection of receipts for fiscal year 1967. He did indicate that, weighing all the uncertainties, the administration prefers to continue to use the \$1.8 billion deficit estimate for fiscal year 1967 made last January.

As in the past, the staff of the Joint Committee on Internal Revenue Taxation provided the committee with estimates of administrative budget receipts for the current and succeeding fiscal years. The staff estimated that administrative budget receipts will total \$103.9 billion in fiscal year 1966 and \$116.2 billion in the following fiscal year. The staff's estimate of administrative budget receipts in fiscal year 1966 is \$3.9 billion higher than the estimate in the January budget message and is from \$1.4 to \$0.9 billion higher than the revised estimate presented by the Secretary of the Treasury.¹ With regard to fiscal year 1967, the staff's budget receipts estimate is \$5.2 billion higher than the January budget estimate.²

One source of the difference between the staff estimates and those of the Treasury Department for fiscal year 1966 is the revised estimate of miscellaneous receipts made by the Treasury Department. The Treasury now estimates that miscellaneous receipts in fiscal year 1966 will be \$200 million less than the amount estimated in the January budget. This revision is not reflected in the staff estimate.³ Apart from this Treasury revision, the staff's estimate for fiscal year 1966 is higher than the administration's by \$1.2 to \$0.7 billion.

Current estimates of expenditures.—In his appearance before the committee, the Director of the Bureau of the Budget stated that present indications are that total administrative budget expenditures in the fiscal year 1966 will be close to the estimate contained in the January budget. He indicated that actual expenditures would probably not differ from the \$106.4 billion January estimate by more than \$500 million in either direction.

In regard to fiscal year 1967, the Budget Director pointed out that actions taken by Congress have increased likely expenditures for

¹ The range of Treasury estimates is based on the statement of the Secretary of the Treasury noted above.

² The staff's estimate of administrative budget receipts in fiscal year 1967 is based on the assumption that Federal expenditures will be slightly higher during the fiscal year than projected in the January budget.

³ The staff does not make independent estimates of miscellaneous receipts.

fiscal year 1967 above the levels budgeted in January. In this regard he cited the following:

(1) the Veterans' Readjustment Benefits Act of 1966, which will require the expenditure in fiscal year 1967 of \$100 million more than the President proposed;

(2) the military and civilian pay-raise bills approved by the House, which would increase outlays by almost \$500 million more than the President proposed;

(3) the House-approved version of the appropriation bill for the Departments of Labor and Health, Education, and Welfare, which would add significant amounts to the President's budget for impacted area school aid, college student loans, and the National Institutes of Health; and

(4) the version of the Agriculture appropriation bill approved by the House, which would add substantially to the President's request for rural electrification, agricultural research and conservation, and the school lunch and special milk programs.

The Budget Director stated that budget projections are particularly difficult with respect to the fiscal year 1967. The greatest element of uncertainty concerns defense expenditures. While the January budget estimate is still the administration's best estimate, it could be changed appreciably up or down before the fiscal year is over. There is also uncertainty over the proposed sale of participations in pools of Government-owned loans and mortgages. The administrative budget expenditure total will tend to be higher than that estimated in January if sales fall short of the January projection. If such sales exceed the January projection, the total expenditure figure will tend to be less than the January estimate.

The uncertainties surrounding likely expenditures in the fiscal year 1967 led the Director to conclude that any specific revision of the January expenditure estimate for fiscal year 1967 would be "highly conjectural and premature" at this time.

Current estimates of the budget deficit.—The administration now looks for an administrative budget deficit of \$3.9 billion in fiscal year 1966.⁴ This is \$2.5 billion less than the \$6.4 billion deficit estimated in the January budget. In view of the uncertainty regarding both receipts and expenditures in the fiscal year 1967, the Secretary of the Treasury and the Director of the Bureau of the Budget concluded that there is no reason at this time to revise the January estimate of the deficit, \$1.8 billion, for fiscal year 1967. This would be the lowest deficit since fiscal year 1960.

When the receipts estimates of the staff of the Joint Committee on Internal Revenue Taxation are compared with January budget estimates of expenditures, a deficit of \$2.5 billion is suggested for fiscal year 1966. If the latter is adjusted to take account of the reduced estimate of miscellaneous receipts provided by the administration, a deficit of \$2.7 billion is indicated. With regard to fiscal year 1967, the staff points out that its estimate of receipts is based on the assumption of a slightly higher level of administrative budget expenditures than the total estimated in the January budget. For this reason it would be inappropriate to couple the staff's estimate of receipts with the administration's estimate of expenditures for

⁴ The deficit of \$3.9 billion is based on the estimate of administrative budget receipts of \$102.5 billion in fiscal year 1966.

the purpose of deriving any specific projection of the budget deficit or surplus in fiscal year 1967.

The January budget estimates of receipts and expenditures for fiscal years 1966 and 1967 are presented in table 2 along with the revised estimates of fiscal year 1966 receipts presented to the committee by administration witnesses on June 13 and the estimates of receipts in both fiscal years prepared by the staff of the Joint Committee on Internal Revenue Taxation.

TABLE 2.—*Estimated administrative budget receipts and expenditures, fiscal year 1966 and 1967*

[In billions]

	January budget estimates		Current administration estimates		Joint Tax Committee staff estimates ¹	
	1966	1967	1966	1967	1966	1967
Receipts.....	\$100.0	\$111.0	² \$102.5	² \$111.0	\$103.9	\$116.2
Expenditures.....	106.4	112.8	106.4	³ 112.8	⁴ 106.4	⁴ 112.8
Deficit.....	-6.4	-1.8	² -3.9	³ -1.8	-2.5	(⁵)

¹As published in "Estimates of Federal Receipts for the Fiscal Years 1966 and 1967", May 23, 1966.

²Based on the estimate of receipts on which the administration believes it is prudent to plan.

³Deficit has been reestimated at \$1.8 billion without specific reestimation of receipts or expenditures.

⁴Figures shown are estimates contained in the President's January budget. The staff does not estimate expenditures.

⁵No figure is shown because the staff's estimate of receipts is based on the assumption of a slightly higher level of Federal expenditures than \$112,800,000,000. While it is difficult at this time to gauge the level of expenditures in the fiscal year 1967, actions taken on authorization and appropriation bills so far in this session of Congress suggest that slightly higher levels of expenditures will be approved than were requested in the budget.

Administration estimates of the statutory debt ceiling required for fiscal year 1967

In presenting the request for a revised debt ceiling, the Treasury prepared a table, shown here as table 3, indicating the debt limitation it believes will be required on the 15th day and on the last day of each month in the coming fiscal year. As in the past, the table is calculated by adding certain fixed amounts to the estimated total of public debt subject to limitation. The fixed amounts are \$4 billion for the operating cash balance and \$3 billion as an allowance for flexibility in financing and other contingencies. The same assumptions regarding the operating cash balance and the allowance for contingencies were employed in prior years when Congress was asked to approve an increase in the debt limitation.

Apart from the constant operating balance and allowance for contingencies, the Treasury figures in table 3 reflect both the seasonal pattern of Federal receipts and expenditures and the impact of an overall deficit in the budget accounts. The table shows that the debt limit required will rise from \$316.3 billion on June 30, 1966, to \$326.4 billion on September 15. The collection of quarterly income tax receipts shortly after this date will result in a decline in the required debt limitation to \$321.1 billion on September 30. The required limitation will then rise to \$330.8 billion on December 15. Once again

quarterly income tax receipts will permit a temporary decline in the required limitation to \$326.0 billion on December 31. The required debt limitation will then rise to its highest level for the fiscal year, \$331.7 billion, on March 15, 1967. The receipt of March tax payments will permit a decline in the limitation to \$326.5 billion on March 31. Then, following a brief rise in the limitation, the further receipt of spring tax payments will reduce the required debt limitation to \$317.9 billion on June 30.

TABLE 3.—*Estimated public debt subject to limitation (based on constant minimum operating cash balance of \$4,000,000,000), fiscal year 1967*

[In billions]

	Operating cash balance (excluding free gold)	Public debt subject to limitation	Allowance to provide flexibility in financing and for contingencies	Total public debt limitation required
1966—June 30.....	\$4.0	\$313.3	\$3.0	\$316.3
July 15.....	4.0	316.6	3.0	319.6
July 31.....	4.0	316.8	3.0	319.8
Aug. 15.....	4.0	318.4	3.0	321.4
Aug. 31.....	4.0	320.3	3.0	323.3
Sept. 15.....	4.0	323.4	3.0	326.4
Sept. 30.....	4.0	318.1	3.0	321.1
Oct. 15.....	4.0	321.9	3.0	324.9
Oct. 31.....	4.0	322.2	3.0	325.2
Nov. 15.....	4.0	324.4	3.0	327.4
Nov. 30.....	4.0	324.6	3.0	327.6
Dec. 15.....	4.0	327.8	3.0	330.8
Dec. 31.....	4.0	323.0	3.0	326.0
1967—Jan. 15.....	4.0	325.8	3.0	328.8
Jan. 31.....	4.0	324.1	3.0	327.1
Feb. 15.....	4.0	325.2	3.0	328.2
Feb. 28.....	4.0	324.7	3.0	327.7
Mar. 15.....	4.0	328.7	3.0	331.7
Mar. 31.....	4.0	323.5	3.0	326.5
Apr. 15.....	4.0	327.5	3.0	330.5
Apr. 30.....	4.0	318.6	3.0	321.6
May 15.....	4.0	319.8	3.0	322.8
May 31.....	4.0	320.4	3.0	323.4
June 15.....	4.0	324.7	3.0	327.7
June 30.....	4.0	314.9	3.0	317.9

Source: U.S. Treasury Department.

The estimates presented in the table are the basis of the administration's request that the statutory debt ceiling for the fiscal year 1967 be raised to \$332 billion. Such a level would accommodate the peak limitation required on March 15, 1967, based upon the assumption of a \$4 billion operating balance and a \$3 billion allowance for contingencies.

Table 3 is based on past experience which suggests that while Federal expenditures are often spread in a relatively uniform manner throughout the fiscal year, receipts are collected unevenly. Tax receipts are usually heavier at the end of the fiscal year than they are at the beginning.

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TABLE 4.—Comparison of debt projections of May 25, 1965, with actual results
[In billions]

Fiscal year 1966	Projections of May 25, 1965		Actual			Difference, (col. 5 compared with col. 2)
	Operating cash balance (excluding free gold) (1)	Debt subject to limitation (2)	Operating cash balance (excluding free gold) (3)	Debt subject to limitation (4)	Debt subject to limitation after adjusting cash balance to \$4,000,000,000 ¹ (5)	
1965—June 30.....	\$4.0	\$310.2	\$11.4	\$317.6	\$310.2	-----
July 15.....	4.0	313.1	8.6	317.2	312.6	-\$0.5
July 31.....	4.0	314.3	7.3	316.8	313.5	-.8
Aug. 15.....	4.0	314.7	6.1	316.3	314.2	-.5
Aug. 31.....	4.0	315.7	6.5	318.5	316.0	+.3
Sept. 15.....	4.0	318.8	3.0	317.6	318.6	-.2
Sept. 30.....	4.0	313.1	7.4	317.0	313.6	+.5
Oct. 15.....	4.0	316.2	6.4	320.3	317.9	+1.7
Oct. 31.....	4.0	318.7	4.6	319.1	318.5	-.2
Nov. 15.....	4.0	319.7	2.3	318.8	320.5	+.8
Nov. 30.....	4.0	319.6	5.6	321.9	320.3	+.7
Dec. 15.....	4.0	321.3	1.9	321.6	323.7	+2.4
Dec. 31.....	4.0	319.6	5.3	321.1	319.8	+.2
1966—Jan. 15.....	4.0	322.8	2.3	321.9	323.6	+.8
Jan. 31.....	4.0	321.5	4.2	322.1	321.9	+.4
Feb. 15.....	4.0	321.6	3.2	321.9	322.7	+1.1
Feb. 28.....	4.0	321.9	5.2	323.5	322.3	+.4
Mar. 15.....	4.0	325.9	1.2	323.4	326.2	+.3
Mar. 31.....	4.0	319.5	5.0	321.2	320.2	+.7
Apr. 15.....	4.0	323.0	.8	320.7	323.9	+.9
Apr. 30.....	4.0	319.0	5.0	319.8	318.8	-.2
May 15.....	4.0	318.3	5.0	318.5	317.5	-.8
May 31.....	4.0	320.1	6.9	322.5	319.6	-.5
June 15.....	4.0	322.8	-----	-----	-----	-----
June 30.....	4.0	315.2	-----	-----	-----	-----

¹ Adjustment to \$4,000,000,000 cash balance places data on basis comparable to estimates given on May 25, 1965, as shown in col. 2.

Source: U.S. Treasury Department.

The fourth column in table 4 permits a comparison of the projections of the required debt limitation made by the Treasury Department last year with the actual results to date in the fiscal year 1966. This column indicates that the debt subject to limitation reached a peak of \$323.5 billion on February 28, 1966. This peak was \$4.5 billion less than the limitation on the debt which existed during fiscal year 1966 (\$328 billion) and occurred at a time when the operating cash balance was \$5.2 billion. Thus, even in the period in which the peak debt was incurred, \$9.7 billion was available for the operating cash balance and the allowance for contingencies. On March 15, when the debt subject to limitation was nearly as great, \$323.4 billion, and the operating cash balance was reduced to \$1.2 billion, \$5.8 billion was available for the operating cash balance and the allowance for contingencies.

Action taken by committee

Your committee's bill provides a temporary debt limitation of \$330 billion for the fiscal year 1967.

Your committee concluded on the basis of the known facts and the best projected estimates that the Treasury Department can efficiently manage the public debt within the ceiling of \$330 billion for the fiscal year 1967. Your committee concluded that this ceiling is "tight" but that it allows the flexibility which is required in the management of the debt.

The Treasury Department's estimates of the public debt limitation which it believes will be required on selected dates, shown in table 3, indicate that a debt limitation of \$330 billion will be more than adequate on all but three dates during the coming fiscal year. Even on these dates, however, a \$3 billion allowance for contingencies will be available and, while a full \$4 billion will not be available for the operating cash balance, experience suggests that such a balance is not needed on these dates and that typically the actual cash balance on these dates is less than \$4 billion.

Your committee believes the \$330 billion limitation will not interfere with the orderly financing of Government operations on the three dates noted. Treasury Department estimates in table 3 contain an allowance of \$4 billion for operating cash balance and an allowance of \$3 billion for contingencies in addition to the expected debt outstanding. The Treasury will be able to operate within the proposed debt limitation by reducing its operating cash balance below \$4 billion on December 15, 1966, and on March 15 and April 15, 1967. Based on table 3, the December 15, operating balance will have to be reduced to \$3.2 billion, the March 15 balance to \$2.3 billion, and the April 15 balance to \$3.5 billion. In this connection, table 5 demonstrates that on comparable dates in the current fiscal year, Treasury operating cash balances were well below the levels that will be required in the coming fiscal year. On December 15, 1965, the operating cash balance was \$1.9 billion, on March 15, 1966, it was \$1.2 billion, and on April 15 it was \$0.8 billion.

The data contained in table 5 suggest that the operating cash balance is typically low on these given dates as compared to the average for the year. This is because these dates precede periods in which significant amounts of revenue are received. Quarterly payments of estimated corporate income tax fall due on December 15. On March 15 end-of-year tax returns for calendar year corporations are due. April 15 is the deadline for end-of-year individual income tax returns and is also the date on which installments of both corporate and individual estimated income tax are due. A reduction in cash balances in advance of these dates is therefore expected and appropriate.

TABLE 5.—*Treasury operating cash balances on selected dates and the average balance for the year, fiscal years 1960-66*

(In billions)

Fiscal year	Dec. 15	Mar. 15	Apr. 15	Annual average balance
1960	\$2.7	\$2.7	\$4.1	4.6
1961	2.7	2.8	1.7	4.6
1962	2.8	2.7	2.2	4.9
1963	3.5	3.5	3.6	6.0
1964	3.3	3.6	2.7	5.7
1965	3.3	4.2	4.5	6.3
1966	1.9	1.2	.8	15.0

Estimated.

In view of the need for a lesser cash balance on the three dates, December 15, March 15, and April 15, and in view of the request of the Secretary of the Treasury in his appearance before your committee, that the House-passed ceiling of \$330 billion be approved, your committee is reporting this bill without amendment. Should the some-

what higher receipt estimates of the staff of the Joint Committee on Internal Revenue Taxation be realized, there will, of course, be further leeway in the ceiling of \$330 billion. Should this ceiling prove to be too low, because of various contingencies which may arise, it will, of course, be possible to reconsider the debt ceiling at a later time.

It is worth noting that the Federal debt as a percent of gross national product has been steadily decreasing since reaching the high of approximately 134 percent in 1946. In 1965, the public debt at the end of the year amounted to \$317.9 billion which was 49 percent of the product of \$649 billion for that year. These data are shown in table 6. The administration based its January budget estimates on an assumed gross national product level of \$722 billion. The debt ceiling of \$330 billion is 45.7 percent of this gross national product figure, indicating that the decline in debt relative to the gross national product is still continuing. While the Federal debt as a percentage of gross national product is declining, total debt—both governmental and private—has remained a relatively uniform percent of the gross national product over an extended period of years. This is indicated by table 7 below, which shows the total debt from 1946 through 1965 as a percentage of the gross national product.

TABLE 6.—Federal finances and the gross national product, 1940–66

(In billions of dollars)

Fiscal year	Gross national product	Public debt at end of year ¹		Fiscal year	Gross national product	Public debt at end of year ¹	
		Amount	Percent of GNP			Amount	Percent of GNP
1940.....	95.0	48.5	51.1	1953.....	358.9	266.1	74.1
1941.....	109.4	55.3	50.6	1954.....	362.1	271.3	74.9
1942.....	139.2	77.0	55.3	1955.....	378.6	274.4	72.5
1943.....	177.5	140.8	79.3	1956.....	409.4	272.8	66.6
1944.....	201.9	202.6	100.4	1957.....	431.3	270.6	62.7
1945.....	216.8	259.1	119.5	1958.....	440.3	276.4	62.8
1946.....	201.6	269.9	133.9	1959.....	469.1	284.8	60.7
1947.....	219.8	258.4	117.5	1960.....	495.2	286.5	57.8
1948.....	243.5	252.4	103.6	1961.....	506.5	289.2	57.1
1949.....	260.0	252.8	97.2	1962.....	542.1	298.6	55.1
1950.....	263.3	257.4	97.7	1963.....	572.4	306.5	53.5
1951.....	310.5	255.3	82.2	1964.....	609.6	312.5	51.3
1952.....	337.2	259.2	76.8	1965.....	648.7	317.9	49.0

¹ Includes Government enterprise debt guaranteed by the U.S. Treasury.

Source: Budget of the United States for the fiscal year 1967, p. 432.

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TABLE 7.—Ratio of public and private debt to gross national product, 1946-65

End of calendar year--	Gross national product ¹ (in billions of dollars)	Ratios of debt to gross national product (percent)				
		Federal	State and local	Corporate	Individual and non-corporate	Total
1946.....	221.4	117.2	7.4	49.9	27.4	201.9
1947.....	245.0	104.9	7.3	52.9	28.9	194.0
1948.....	261.2	96.8	7.6	53.7	31.9	190.0
1949.....	260.5	98.7	8.7	54.1	30.0	197.6
1950.....	311.2	82.5	8.2	54.2	35.0	180.0
1951.....	338.2	76.7	8.4	57.0	35.5	177.5
1952.....	361.0	74.1	8.6	56.4	37.6	176.7
1953.....	360.8	76.3	9.8	59.2	41.7	187.0
1954.....	379.8	73.4	10.7	57.5	43.6	185.2
1955.....	409.7	68.6	11.1	62.1	46.4	189.2
1956.....	433.2	63.9	11.6	64.4	47.9	187.7
1957.....	438.1	62.8	12.5	68.1	50.5	193.9
1958.....	469.2	60.3	12.7	67.2	51.0	191.3
1959.....	496.8	58.6	13.0	69.6	53.1	194.3
1960.....	503.4	57.7	13.9	73.4	56.9	201.8
1961.....	542.8	54.6	13.8	73.0	57.2	198.6
1962.....	574.5	52.9	14.3	74.2	59.5	200.9
1963.....	608.8	50.9	14.7	75.8	63.0	204.4
1964.....	649.4	49.1	14.6	76.0	65.2	204.9
1965 ²	705.6	45.5	14.5	77.5	65.8	203.3

¹ Implied level end of year, calculated as the average of the 4th and 1st calendar quarters at seasonally adjusted annual rates.

² Preliminary.

Source: U.S. Treasury Department.

III. APPENDIX

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	¹	20, 000, 000, 000
Mar. 3, 1919:		
40 Stat. 1311, 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	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: 48 Stat. 343, amending sec. 18, increased authority for notes outstanding to	²	10, 000, 000, 000
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 secs. 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. 21, adding new paragraph:		
“(b) In addition to the amount authorized by the preceding paragraph of this section, any obligations 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’ ”	¹	4, 000, 000, 000

See footnotes at end of table, p. 13.

Debt limitation under sec. 21 of the Second Liberty Bond Act, as amended—Historical 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.....	2 \$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.....	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 any 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 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.....	2 275, 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.....	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
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, 1946, 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 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, makes 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 30, 1962, 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 30, 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 May 28, 1963....	2 305, 000, 000, 000
3. Beginning May 29, 1963, and ending June 30, 1963....	2 307, 000, 000, 000

See footnotes at end of table, p. 13.

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

July 1, 1963: 77 Stat. 50, amending sec. 21, for period beginning on July 1, 1963, and ending on Aug. 31, 1963.....	² \$309, 000, 000, 000
Sept. 1, 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. Of 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

¹ Limitation on **issue**:¹ Limitation on **outstanding**.¹ Limitation on **issues less retirement**.