

Secretary DILLON. We think that the E bond sector is very important. It is not subject to sudden surges and changes in volume, the way other areas of the market are, because it is primarily based on long-term buying programs.

Representative CURTIS. But you do not have a strong policy on that?

Secretary DILLON. We have a very strong policy, a very strong effort to continually expand our E bond sales through thick and thin. And it is going on all the time.

Representative CURTIS. Do you have a target? Is there a percentage?

Secretary DILLON. Yes, we have targets each year of what we hope to sell.

Representative CURTIS. No; I mean as a matter of general policy, would you like to see, if you had your "druthers," E bonds as x percent of the national debt? Is there such a policy?

Secretary DILLON. Oh, I would like to see, if I had my own way, 50 percent more E bonds outstanding. But that is not a practical policy at the moment. So you try and get as far as you can.

Representative CURTIS. Exactly. Because of the problems in selling bonds. And now let me get on with this next one.

The Treasury just recently had an experience with $4\frac{1}{4}$. What was the offering? Around \$900 million? And we ended up with \$360 or \$370 million?

Secretary DILLON. No; the offering was up to \$750 million. We did not know how many would be taken. And I think the public took \$315 million.

Representative CURTIS. The point is that again here was the market; and again, there are people who talk of a \$10 billion additional deficit, with a "quickie" tax cut, and just pass over the problem of marketing. When I ask them: How are you going to market these things and handle this problem of debt management, in the light of the experience in the E area, and this experience in the long-term area of $4\frac{1}{4}$, which is your highest rate permissible by law—

Secretary DILLON. These bonds were offered at a premium of 101, which was a 4.19 yield basis.

Representative CURTIS. You still have little margin—I agree with you—on that. In fact, you could do the other, too, I understand, offer them at 98.

Secretary DILLON. Sometimes, yes.

Representative CURTIS. I see my time is expiring. I will have to come back later on debt management.

But what is the policy of Treasury in regard to the balance in the debt in respect to maturity? A few years ago our policy was to try to lengthen it. And we were quite disturbed that the debt was shortening in maturity. What is the policy today in the Treasury?

Secretary DILLON. We have had greater success than the Treasury has had, I would say, in some years in lengthening the debt. We have been able to halt the continual shortening up of the average debt, which had been going on almost steadily during the post-war period, during the period I have had responsibility for debt management.