The Treasury, in order to stop the conversion of dollars into gold, has done some of its financing by borrowing the money, that is, our Government, the U.S. Government, has borrowed, this money abroad, payable in the respective currency of the country over there and, of course, that currency is more or less pegged to the $35 gold.

Are you permitted to buy that type of a security through your branches? It is not available to American citizens, I understand.

Mr. BARTH. Are we permitted to buy bonds in a foreign currency?

Senator WILLIAMS. The Government, the U.S. Government obligations which are issued abroad payable in the currency of their respective countries.

Mr. BARTH. Senator, I believe you are referring to the Roosa bonds. We do not. We are not buying those.

Senator WILLIAMS. You are not permitted to buy them?

Mr. BARTH. No.

Senator DOUGLAS (presiding). Senator Talmadge.

Senator TALMADGE. Mr. Barth, you state on page 2 of your prepared statement dealing with taxation of bank deposits of foreigners that the proposed change in tax treatment would directly affect $2 to $2½ billion of deposits.

Mr. BARTH. Yes, sir.

Senator TALMADGE. Now, are those the deposits only in State and national banks or does that also include total deposits in State and national banks, mutual savings banks, and the savings and loan associations?

Mr. BARTH. Senator, as of—I have the official statistics of the Federal Reserve Bulletin of May 1966, and this $2 to $2½ billion is made up as follows:

Unfortunately it is not the deposits only with the Chase Manhattan Bank. These are the deposits in the United States. Time deposits of nonofficial, nonbank foreigners, $1,633 million; time deposits of foreign commercial banks, $740 million; CD's, Certificates of Deposit, of nonofficial, nonbank foreigners, $100 million; and demand and time deposits subject to possible estate tax proposals estimated at $150 million; which makes a total of $2,473 million. This does not include deposits with savings banks or savings and loan associations, as there may be some.

Senator TALMADGE. Would you have any idea how much the total would be in those two instances?

Mr. BARTH. I am sorry I do not have that figure.

Senator TALMADGE. Would it be a considerable amount or would it be inconsequential?

Mr. BARTH. I should think that among the border States it may be considerable.

Senator TALMADGE. Well, then, that would add to the $2½ billion that you mentioned in your statement.

Mr. BARTH. Yes, sir.

Senator TALMADGE. And would add to the total possible flight of dollars in the American market.

Mr. BARTH. It could well, yes, sir.

Senator TALMADGE. Do you have any idea how much of this money might be transferred in the event it was to be taxed immediately under the terms of this bill?