

well as bonds and certificates of indebtedness in foreign currencies. Notes are evidences of indebtedness issued by the Treasury Department with a maturity of from 1 to 5 years from date of issue.

Authorizing the Secretary of the Treasury to issue notes in foreign currency is designed to broaden the market for Federal securities. This is important under current market conditions when it is difficult to float long-term securities. This will enable the Secretary of the Treasury to issue notes in foreign currencies where no market exists for bonds and certificates of indebtedness in foreign currencies. To the extent a market is found in foreign currency issues of U.S. notes which would not be available for other U.S. securities, the balance of payments will be improved.

*2. Reports on Government contingent liabilities and assets (sec. 402 of the bill)*

In the past, it has been the practice of the Federal Government to determine its financial requirements primarily on an annual basis. This amendment does not depart from this practice. However, an annual system of budgeting does not present a complete picture of the financial condition of the United States because it fails to depict numerous categories of contingent Federal obligations and commitments. Similarly, it fails to reveal fully those situations where Congress has enacted spending authorizations, but has not specifically appropriated the moneys needed to fulfill the statutory commitment.

Moreover, under present methods, U.S. liability under many of its insurance and guarantee programs is difficult to measure and analyze. This is because sufficient information regarding these programs either is not available at all, or if it is available, is inadequately presented.

In many cases, information with respect to contingent liabilities of specific governmental programs now is available in reports of specific agencies or corporations. However, these data frequently lose much of their usefulness because they are not combined with similar data with respect to other programs. Thus, although part of this information may now be available it is not published in one place or on a uniform basis, and therefore does not aid in the overall understanding of the current financial condition of the United States.

Your committee believes that it is desirable to make available in a single, concise report, pertinent information with respect to the current status of the contingent liabilities of the Federal Government, including its long-range obligations and commitments. Indeed, the committee recognizes a responsibility to make available in such a report—as clear and complete as possible—the overall financial condition of our Government. Such a report, consolidating information now available only in part (in many diverse reports) with information which is not now available at all, will enable Congress and the public to have a better understanding of the current fiscal needs of the Federal Government.

For this reason, your committee has approved and recommends enactment of this amendment requiring the Secretary of the Treasury to submit to the Congress, by March 31 of each year a report showing the amount (both on an aggregate and on an individual basis) of the contingent liabilities and the unfunded liabilities of the Federal Gov-