Mr. SALTONSTALL. You will note that the actuarial evaluations in cases such as social security and civil service have not been figured for a number of years, and in other cases less important have not been figured at all. The fact that we have had several increases in retirement benefits since those evaluations were made only increases the problem.

Besides those mentioned in the above table, there are a number of other insurance-type programs such as FHA programs, ship mortgage programs and FDIC. Payment forecasts for these are much more difficult than for the pension, for the actuarial calculations have more guesswork in them. But, better reports to the best of the Federal Government's ability, should also be made on these. Category totals are now listed under the contingency statement, but not the predicted payments.

I am awfully pleased that the Finance Committee has seen fit to report my bill favorably and the Senate has passed it unanimously. Last year following Senate passage, the House was unable to take it up in the Ways and Means Committee due to the long hours spent on the tax cut. I hope that this year they will have an opportunity to act on it, and to send it to the President during this Congress. There is a need for better management of our budget in this area, and it is my hope that this bill will contribute to improved responsibility in our Federal Government's affairs.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Excerpt From the Report

SUMMARY OF THE BILL

This bill would require the Secretary of the Treasury to submit annually to the Congress a brief report setting forth the amounts of the contingent and unfunded liabilities of the Federal Government, including those of agencies and instrumentalities of the Government.

GENERAL STATEMENT

In the past it has been the practice of the Federal Government to determine its financial requirements on an annual basis. This bill 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 Federal obligations and commitments which are subject to contingencies. 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, by 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, it is inadequately presented.

In many cases information with respect to contingent liabilities of specific governmental programs now is available only 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 does not facilitate 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 the Congress to have a better understanding of the current fiscal needs of the Federal Government.

For this reason, the committee has approved, and recommends enactment of a bill 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 Government determined as of December 31 of each year, commencing with 1966.

The contingent liabilities referred to by the bill include (1) liability of the Government under its various trust funds, such as the old age and survivors insurance trust fund and the highway trust fund; (2) liabilities of Government-sponsored corporations (for example, the Commodity Credit Corporation); (3) indirect liabilities of the Federal Government not included as part of the public debt, such as Federal Housing Administration debentures; and (4) liabilities of Federal insurance and annuity programs.

Under the bill, data with respect to these insurance and annuity programs (which include the civil service retirement system, veterans' pension, and war risk insurance programs) is to include information regarding their actuarial status on both a balance-sheet basis and a projected source-and-application-of-funds basis.

Where appropriate, the report is also to indicate the collateral pledged, or the assets available, as security for the specified liabilities, and an analysis of their significance in terms of past experience and probable risks. Thus, for example, in the case of federally insured home mortgages the assets available on foreclosure may, in favorable circumstances, offset the potential Federal liability. But the reporting of assets is not

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to stop with a recording of assets related to the liabilities. Under a committee amendment the Secretary of the Treasury is to set forth all other assets which would be available to liquidate liabilities of the Federal Government.

In order to provide flexibility and to present data included in the report from being misconstrued or misleading, the bill pro-