Mr. BORTH. We did not evaluate the underlying philosophy of revolving funds. as you may well know. In answer to your question with reference to stock funds in the Air Force, we were unable to discern the very point you are mentioning, mainly, the question as to whether the experiences of the Army and the Navy in the use of stock funds has been fully pursued by the Air Force. In other words, there is a need for common criteria within the Department of Defense.

Representative CURTIS. Thank you very much.

Let me say another thing, and this will bear out one of my points: The Ways and Means Committee is going to start holding hearings on the debt ceiling again, and we are going to go into participation sales certificates.

In your report that I just referred to, you list many of the agencies under programs which generate many of these kinds of capital assets that are not subject to the debt ceiling, although, strangely enough, there are a couple of aberrations. The Ways and Means Committee, however, has not been able to develop this material up to date. So even if we were to develop this kind of material here, it would not be duplicated.

Mr. STAATS. To the best of my knowledge, Congressman Curtis, this is the first time a compilation of this kind has been put together.

Representative CURTIS. Yes.

Mr. STAATS. And I would think it would have interest to the Ways and Means and the Appropriations Committees and other committees as well.

Representative CURTIS. Yes, because I won't have time to get into any of these things in detail. I now want to refer to another report that you have referred to. I refer to the March 1966 report B-140389 on Cost of Sales or Surplus Property and Disposition of Proceeds.[4] I have been particularly concerned about the fact that this money is not always turned back into the Treasury. Some of it operates as a revolving fund. I refer to the one the military calls the "punkin" fund. I just picked up this colloquialism, and I would say it is quite appropriate. Here is one of the points:

Until fiscal year 1960, the Department of Defense was authorized to use a certain sum derived from receipts of the sales of surplus property. For example, in 1958 it was $41 million; in 1959, $49 million.

Then the authorization language was changed on the recommendation of the DoD staff which said that they could do a better job if they were not limited in the use of receipts. They needed flexibility in financing, and on page 56 of the staff report you discuss that.

Now, in 1960 they spent $78.4 million; in 1961, $84.6 million; in 1962, $78.1 million.

In the meantime, the percent of sales costs to gross proceeds went up in 1958, 23 percent; in 1959, 27.5 percent; in 1966, 77.2 percent.

Now, since there have been reports of improper use of the "pumpkin" fund, we asked GAO to make a study and report on that, and that is this report I have just referred to.

I am going to be asking Secretary Ignatius and Admiral Lyle about this thing, but I would like to ask for any comments you would like to make on it.

[4] Hearings, 1966, p. 273.