lems that we have here today in connection with the regular financing of the Federal Government we do point to the budget expenditures in excess of $22 billion that are incurred in this year.

We also have to point to the upward of $1¼ billion of foreign exchange costs as compared to the foreign exchange costs in the early part of 1965.

Mr. CURTIS. No; I appreciate the reasons for it.

Secretary FOWLER. Let me add one other thing to complete this.

Mr. CURTIS. Yes.

Secretary FOWLER. I think we should also note that during this year there has been a very sharp drop in the outflow of gold compared to previous times, even despite the Middle East crisis. Indeed—I will supply these things precisely for the record—but were it not for our sales for domestic use of gold, jewelry, and other purposes, $62 million worth, we would have virtually complete stabilization in the first half of this year as far as our gold outflow is concerned.

(The following table was received by the committee:)

U.S. NET GOLD TRANSACTIONS FOR FOREIGN MONETARY AND DOMESTIC INDUSTRIAL AND ARTISTIC USES (1960-67)

[In millions of dollars]

	1960	1961	1962	1963	1964	1965	1966	January to June 30, 1967
With foreigners	−1,669	−820	−833	−392	−36	−1,547	−431	−3
For domestic uses	−35	−55	−57	−69	−89	−118	−141	−62
Totals	−1,703	−875	−890	−641	−125	−1,664	−571	−65

Note: Figures may not add due to rounding.

Mr. CURTIS. I certainly hope you are not getting confidence counting on from that figure, because dollar holdings or claims against gold still remain and keep us in a very precarious position.

Secretary FOWLER. I think those increases in dollar holdings, for just one example, are being put to very good use in the Euro dollar market. Central banks and others, private institutions are finding a very good use for those dollar holdings at the current time.

Mr. CURTIS. Mr. Secretary, according to some reports, the increased dollar holdings put you in the position of a beggar when you represent us abroad, because of these holdings against the United States, the fact that our gold holdings are so low, and serious talk of the devaluing of the dollar.

Secretary FOWLER. Not from any responsible source.

Mr. CURTIS. Oh, well, I would say from many responsible sources. I do not happen to agree with them any more than I think you agree with them, but the reports are certainly from responsible sources. In fact, many responsible sources say that we have devalued in devious ways. I share their point of view. Let's not pass off the critics as irresponsible.

Secretary FOWLER. Just on that particular point, let us note once again that the value of the dollar has been maintained over the past 10 years, over the past 5 years, even years when we have been engaged in this extra strain in Vietnam, better than any other country in the