

under my interrogation recognized that we could have saved money on interest rates by removing the $4\frac{1}{4}$ -percent ceiling on long-term bonds because for the past 2 years we have had to finance the rollover of this debt entirely in the short-term area, which has increased the cost to the Government. This is certainly not one of these items that is uncontrollable.

I would say we are paying about a billion dollars more than we need to in interest rates due to this kind of foolishness. The Democratic leaders of this Congress won't adhere to the Treasury's request to give them flexibility in this area. One request they made which I thought had real merit.

Mr. ULLMAN. Would the gentleman yield?

Mr. CURTIS. Sure I will yield.

Mr. ULLMAN. The problem, Mr. Curtis, and the reason that your statement isn't right, is the fact that the short-term rates have been so much lower than the long-term rates during the past 2 years and they are still lower than the long-term rates. When you are talking about shifting to long terms now you are talking about shifting into the higher interest rate bracket rather than the low bracket.

Mr. CURTIS. We are paying considerably more than $4\frac{1}{4}$ percent for interest, but the main point is that it gives flexibility so that you can keep your short-term rates lower. Short-term rates indeed should be much lower than long-term rates. But when the Federal Government had to go into the money market, as it did last year, for \$175 billion just to finance the rollover of the Federal debt, when we find that about 50 percent of the Federal debt is now in maturities of 1 year or less, and the average maturity is now below 4 years, 3 years and some months, we begin to see this picture. This also aggravates the money market for the private sector.

However, this administration has refused to take any leadership in this area. Now let's get to this business of where you would cut that was passed back to you and has been passed back to me by the administration witnesses.

Mr. Mills has made a fine proposal for a commission, but I would observe this. The President if he would and agreed with this theory could call this kind of commission together right now from the leaders of the Congress. The answer is he doesn't agree with this theory.

I urged early this year a rescission bill. It isn't quite true that the appropriation bills of this particular session have no bearing on the expenditure level. They have a bearing, but it is perfectly true the carryover balances of powers to spend granted by previous Congresses go to make up what the expenditure level for this fiscal year can be and the President has it in his power right now to cut back at least \$10 or \$15 billion on these expenditure levels. But notably, and I am going to repeat it, symbolically the President has abandoned the role of turning off the lights in the White House and he used that role as symbolism.

I am not attacking the President when I point out that this symbolism has disappeared. Instead in time of war in Vietnam and war in the cities, if it can be called that, the President symbolizes a nation that can go on as if there were peace everywhere; live as usual; take your weekends.