Would you care to respond to that?

Mr. SCHULTZE. Yes, sir. I think actually to get what you want, you really ought to look at the cash budget, as a matter of fact, because this is the one that influences how much borrowing the Federal Government does from the public.

Representative CURTIS. Ah, let's stop there, because I thought you would say it, and I wanted you to say it, because the cash budget includes the trust funds.

Mr. SCHULTZE. Correct.

Representative CURTIS. But let me say this. That is not the relevant budget. In light of what the Secretary testified, when he said that if we didn't give him the debt increase that maybe we would have to cut back on the payments to the people on social security. Then we said, well, why isn't the social security trust fund, which is supposed to be a contingent fund, available to pay those people. He suggested we would have trouble selling the securities.

Those securities that are put into the social security fund are supposed to be there so that they are readily salable to meet the responsibility of contingent liabilities, not a captive market.

Mr. SCHULTZE. But that——

Representative CURTIS. Now wait. You will get your chance. Not a captive market, just to put the Federal deficit in whatever form they please, but particularly not in the form of marketable securities. So I say it is the administrative budget that is relevant in this context. I see my time has run out.

May we have him respond?

Mr. SCHULTZE. I would love to have a couple of minutes to respond.

Chairman PROXMIRE. You may go ahead and respond.

Mr. SCHULTZE. In the first place, I thought you started out by saying the national income accounts budget is not the appropriate budget. I responded by saying it is, for purposes of fiscal policy. You in turn responded by saying that we also have to take into account the impact of Treasury debt management on the economy.

Representative CURTIS. That is right.

Mr. SCHULTZE. I in turn responded by saying that if you want to look at the impact of debt management on the economy, what you are after is the amount of debt that the Treasury has to float with the public. I am saying the amount of debt that the Treasury has to float with the public is approximately, aside from changes in the cash balances, the administrative budget deficit minus that part of the deficit sopped up by the trust funds?

Representative CURTIS. That is right.

Mr. SCHULTZE. I say nothing whatever about the nature——

Representative CURTIS. What was my response?

Mr. SCHULTZE. May I——

Representative CURTIS. Go ahead.

Mr. SCHULTZE. Let me point out in terms of the magnitudes involved, that what the Treasury has to float with the public is the $9.7 billion deficit minus about $3 to $4 billion that will go in the trust funds, leaving $5 to $6 billion to be floated with the public. Now just one final point.

Representative CURTIS. Yes, but Mr. Director, please respond to the point where I said that under those conditions the trust funds would