casion to provide it. He indicated earlier he did think some flexibility would be useful. He then said this wasn't the time to do it. I concur in both of those statements.

Representative BROCK. Would you advocate at sometime in the coming months the removal of the four-and-a-quarter-percent ceiling on the interest rate?

Mr. SCHULTZE. I think it is certainly something that the Congress might well want to consider. From my own personal standpoint, some flexibility would probably be useful. I just don't think that right now is the time to do it. That is my point.

Representative BROCK. Right now never seems to be the time to do anything. I am trying to find out if you would appreciate it if the Congress did consider it.

Mr. SCHULTZE. I don't think I would appreciate it if the Congress tried to do it right now, because I think that would lead to all sorts of problems. It could delay the urgently needed debt limit increase. I wouldn't appreciate that; no, sir.

Representative BROCK. Let's get on with the debt discussion just a moment. One of the things that disturbed me most in our discussion with Secretary Fowler, who said if we didn't pass the debt ceiling increase, which may or may not be necessary depending on the point of view, but if we didn't, we may not be able to make certain Government payments, such as social security.

Now, Mr. Schultze, is social security limited by the debt ceiling? Are social security payments limited by the debt ceiling?

Mr. SCHULTZE. No, sir; but I think what the Secretary was referring to, is that in the immediate period, when this will be a problem—though I am not fully familiar with the actual month-by-month handling of this—that the way the funds come in, and in turn are allocated to the social security trust funds, and in turn the way those social security special debt issues are handled, it might very well be that because the cash flow couldn't handle it, there would be trouble in making those payments. That doesn't mean you wouldn't.

When you have a choice of a whole lot of areas, you might not be able to make payments in some, and he wasn't saying that this would be the one cut back. But he was saying there would be problems, not only with respect to the administrative budget, but, presumably, there could be with respect to the transactions on a cash flow basis for the funds in the Treasury as a whole.

Representative BROCK. Wasn't he, in effect, playing some rather practical politics when he mentioned social security in this respect?

Mr. SCHULTZE. I am not a very good judge of what is practical politics and what isn't. I have never been elected to any office.

Representative BROCK. But you would admit that the social security trust fund is separate and distinct.

Mr. SCHULTZE. Oh, yes, sir. All I am saying is that in the very short run, a matter of weeks, which is what is involved, that you get a total cash flow in. Don't get me wrong, I am not saying—and I don't think the Secretary was saying—that any of the items he mentioned would necessarily be the ones that would have to be cut. But he was listing the areas where there could be problems.

Representative BROCK. The reason you might have a problem with social security is the fact that the social security trust fund has brought