

Senator MILLER. Do you have the figure on how much gold is needed for our currency reserve?

Secretary FOWLER. Yes.

Senator MILLER. How much is that?

Secretary FOWLER. In addition to that—

Senator MILLER. How much would that be? Would that be \$11 billion or can you give us a figure on it?

Secretary FOWLER. The free gold figure I have, and it is the figure I gave you, it is the \$3,213 million. So taking into account the so-called gold cover, domestic gold cover requirement, we have in excess of that amount as of December 31, 1966, \$3,213 million.

Senator MILLER. Do you have the two figures that give us the net figure you just gave us?

Secretary FOWLER. I will be glad to supply them for the record.

(The figures referred to follow:)

	<i>Millions</i>
Federal Reserve notes outstanding, Feb. 1, 1967-----	\$38, 090
25 percent cover requirement for above notes-----	9, 522
25 percent cover requirement for U.S. notes-----	156
Total cover requirement-----	9, 678
U.S. gold stock, Feb. 1, 1967-----	13, 200
Excess of stock over cover requirements-----	3, 522

Senator MILLER. Now, as you know, this has been going down steadily, and I recognize that perhaps the drop last year was somewhat encouraging compared to previous years.

Secretary FOWLER. Only encouraging because it was largely due to one source.

Senator MILLER. Yes, but whether it is one source or 10, it is still going down, and the question I wanted to ask you is whether there are any plans being discussed, to come over to Congress to ask Congress to reduce or eliminate the gold cover.

Secretary FOWLER. Not at this time. We think we have for the time being a substantial margin, and that there is no near-term likelihood that that would be necessary. Of course, I could be proven wrong by events that would take place that are unpredictable now. But as we see the situation now, it is a reasonably stable one, and we wouldn't need to ask for the removal of the cover at this time.

Senator MILLER. Is it correct that there are about \$30 billion to \$32 billion of short-term claims that could be used against that \$3 billion of free gold?

Secretary FOWLER. Actually, technically that is true, but a large portion of that figure is dollars that are held in private hands, and they are not honored unless they are submitted by, as you know, central banks.

I think the amount that is outstanding in the hands of central banks today is about \$14 billion. That is the amount of dollars that, in a sense, you might say is directly overhanging.

Senator MILLER. What kind of a ratio are we going to have before you would come over here to ask us to do something about this—\$13 billion in the hands of central banks against \$3.3 billion plus about another \$17 to \$19 billion in the hands of private owners, which might end up in the central banks? I have heard a number of people express deep concern over this.