

In answer, by the way, to Mr. Patman's argument about why don't we just abolish the bonds—in going over to the President's 1967 economic Report,⁸ on table B-57, to show the amount of public debt held by the Federal Reserve banks, which is owned by the United States and is an asset, \$44.3 billion. But if we had a capital account and included this in it as we should, we would also have been noticing that from 1950 to 1960 the amount of Federal Reserve holdings was only—the increase was \$7.5 billion, but from 1960 to 1966 the increase was \$13.7 billion.

There is just all sorts of important information that can only be obtained through developing capital budgets.

Now, there is one other area I had noted. Yes; a very important area.

On page 67, a total of \$1.28 billion from sale of Government property—sale of real property, \$71 million, sale of equipment and other personal property, \$912 million.

Except through cross reference to these statistics, we have no way of knowing this.

But the PC's, interestingly enough, are hidden in all of this, because they are listed as reduction in expenditures. And I was pleased to see your recommendation on that, because these, too, are assets.

Now, in the Ways and Means Committee, over a period of years, I have been having the Treasury give us a list of assets that might be salable, and they tend to be of this nature.

But we have mineral stockpiles which we have deleted and sold off, and yet the public has no way of following this.

This administration, I might add, has been using up capital assets to the tune of about \$6 or \$7 billion a year, and it does not show up in any way that we can point out that this has been a decrease of our wealth.

I am giving you argument now—but trying to advance some reasons why I feel so strongly that we need to have a Federal balance sheet. There are these difficulties that you describe, but they are no more difficult than I would suggest exists in a corporate cost accounting.

Mr. KENNEDY. I agree with you in principle, Mr. Curtis. I think that we do recommend that you continue to have in "Special Analysis D" what amounts to those parts of a balance sheet that answer many of the points you raise.

The question of the receipts and expenditures for a given year, it seems to me, would be shown about the same way we have them. It is just a question of whether you have it below the line or above the line.

Representative CURTIS. But what we need to know is what resources do we have, for example, that are capable of being sold. I think I remember the figure we developed in Ways and Means—around \$40 billion of assets that might be sold. If you deleted those needing legislation to be sold from a practical standpoint, you got down to probably around \$20 billion. But by constantly referring to that as a benchmark, when the Executive did sell, we had some idea of whether we were filling up this capital reservoir or decreasing it.

I think to make these sales meaningful we almost have to have some sort of a balance sheet of assets.

I do not know whether you call it a capital budget or what.

⁸ "Economic Report of the President," January 1967; U.S. Government Printing Office, Washington, D.C.