Nevertheless, the Board believes that such authority furnishes a desirable degree of protection to the Treasury against inevitable uncertainties in estimates of receipts and expenditures and in borrowing operations. Its continuing availability permits more economical cash and debt management and assures the availability of an immediate source of funds in the event of a national emergency. Also, timely use of the authority—for example, during periods immediately preceding tax payment dates—can avoid the creation of unnecessary financial strains that might occur if the Treasury were required to draw heavily on its accounts at such times.

Accordingly, the Board favors enactment of S. 2923.

Sincerely,

J. L. ROBERTSON.

90TH CONGRESS
2D SESSION

S. 3133

IN THE SENATE OF THE UNITED STATES

MARCH 11, 1968

MR. SPARKMAN introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

A BILL

To extend for two years the authority for more flexible regulation of maximum rates of interest or dividends, higher reserve requirements, and open market operations in agency issues.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act of September 21, 1966 (80 Stat. 823), as amended by the Act of September 21, 1967 (81 Stat. 226), is hereby amended by striking "two-year" and inserting in lieu thereof "four-year".

II

COUNCIL OF ECONOMIC ADVISERS,
Washington, D.C., March 28, 1968.

Hon. JOHN SPARKMAN,
Chairman, Committee on Banking and Currency,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Council of Economic Advisers recommends enactment of S. 3133, a bill "To extend for two years the authority for more flexible regulation of maximum rates of interest or dividends, higher reserve requirements, and open market operations in agency issues."