

Mr. CRAMER. If it was not expected, then by the Presidential order it would result in additional cuts, borrowing.

Mr. BRIDWELL. Mr. Cramer, I think the key to this is what the Secretary has already said, and that is the language which ties together the expenditure reduction, proposed expenditure reduction of \$6 billion.

I am informed—I do not know of my own personal knowledge but I am informed—that there was a specific discussion on whether trust funds should or should not be exempt.

It is my understanding that the only trust fund exempted from the language which would statutorily require a \$6 billion expenditure—the only trust fund exempted was the social security trust fund.

Secretary BOYD. And I also believe the statute requires that surplus funds in the highway trust fund account be invested.

Mr. BRIDWELL. It does.

Mr. CRAMER. That is right.

Then you get the definition of what is meant by surplus. Surplus in my opinion, when this bill was drafted in 1956, did not contemplate a surplus artificially created by a cutback presidentially ordered.

There is a difference of opinion. Of course, I understand the Attorney General has given opinions, legal and so on. But having helped draft that legislation, my understanding was that surplus intended was that created by funds being available not needed for expenditure under the authorizations and appropriations made or substantially increased funds coming in as a result of larger revenue receipts than anticipated or authorized and appropriated for, and not artificially created surpluses by presidential order.

The language specifically is that—

It shall be the duty of the Secretary of the Treasury to invest such portion of the trust fund as it not in his judgment required to meet current withdrawals. Such investments may be made only at interest-bearing obligation.

But as you suggested, the key words are “required to meet current withdrawals.” And Congress is supposed to determine what the current withdrawal level is in my opinion.

Secretary BOYD. Mr. Cramer, I see the Secretary of Treasury occasionally and I would be glad to transmit your opinion of the law to him.

Mr. CRAMER. There is a bill pending, H.R. 14641, and others, which will have the effect of removing executive power unquestionably for the creation of artificial surpluses in the trust fund. Would you care to comment on the reaction to that proposal?

Secretary BOYD. I do not believe we are supporting that at the moment.

Mr. CRAMER. I will not hold my breath until you do. [Laughter.] Of course, that would be one way maybe of getting at the problem.

Mr. CLAUSEN. Will the gentleman yield?

Mr. CRAMER. Just a second.

The cutback proposal, as I understand, of \$6 billion and then some obligation authority reduction, and so forth, \$6 billion spending reduction, is a figure within which the President shall decide exactly where the cut shall be. So he does not have to select the trust fund. If it is selected, he selects it; not the Congress.