for farm price supports than he thought it would in the second half of this fiscal year. I think we would be very lucky indeed to end the year with expenditures at the $183.7 billion level. The pressure seems to be a little bit in the other direction.

Mr. MAYO. This is all subject, of course, Mr. Widnall, to our review that we are undergoing right now. But as I said in my opening statement, I am hopeful, but I am also realistic. This narrow area of flexibility closes in on you very fast on the closing months of the fiscal year.

Representative WIDNALL. The Department of the Treasury publication indicates that the budget ran a deficit of more than $10 billion for the first half of fiscal 1969, and the Treasury borrowed about $10 billion from the public to finance it. However, the budget surplus of $2.4 billion is projected for all of fiscal 1969. Doesn't this mean that the Treasury will have to return about $12 billion to the money markets in the final 6 months of fiscal 1969?

Mr. MAYO. This wouldn't be a return to the money markets. As to whether the size of that swing will be as large as you suggest depends on several factors. One of them, of course, is the ultimate size of the surplus. But also, the swing must reflect other changes in the Treasury picture, such as changes in the cash balance, and securities, changes in nonmarketable securities, and so forth.

To come back to my opening sentence, there is a return flow here which should be encouraging to all of us as one factor at least working in the direction of a little lower interest rate. Whether it will be offset other places, I don't feel I am in a position to judge, but at least that is one factor working in the direction of lower rates.

Representative WIDNALL. My time is up. I would like to ask this one short question right now. Do you anticipate that the drastic Government turnaround from being a large net borrower to a large net supplier of funds will have at least a destabilizing effect on the money market in the economy?

Mr. MAYO. No, I do not. I think this can be controlled quite satisfactorily.

Representative WIDNALL. Thank you, Mr. Mayo.

Senator PROXMIRE (presiding). Mr. Reuss?

Representative REUSS. Thank you, Mr. Chairman. Welcome, Mr. Mayo.

As I understand your testimony, if Congress does not by early April extend the 10-percent surtax, there is a likelihood that about half a billion dollars of receipts will be taken from the fiscal 1969 budget and instead be deferred until the fiscal 1970 budget, the first Nixon budget.

Mr. MAYO. That is correct.

Representative REUSS. And thus will have the salubrious effect of making the first Nixon budget look better.

Mr. MAYO. Well——

Representative REUSS. I just wanted to assure you of my all-out support on that.

Mr. Mayo, is the gold budget your job, or the job of the Secretary of the Treasury—our foreign exchange balance-of-payments prediction?

Mr. MAYO. Well, I would say that this is something of concern to the Quadriad—the Troika plus Chairman Martin. We do basic figures in the Budget Bureau on the gold budget, that is true. We are not the