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Report to the Congress; by Elmer B. Staats, Comptroller General.

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Congressional Relevance: House Committee on Banking, Finance and Urban Affairs; Senate Committee on Banking, Housing and Urban Affairs; Congress.
Authority: Gold Reserve Act of 1934, as amended (P.L. 91-599; 31 U.S.C. 822a(b)). Bretton Woods Agreements Act (P.L. 94-564).

An agreement was reached between GAO and the Department of the Treasury that provided for GAO access to information concerning the Exchange Stabilization Fund (ESF) so that GAO can properly conduct audits and reviews of international monetary matters. This agreement excludes GAO access to information involving ESF transactions with foreign governments or ESF market transactions. An audit was conducted of ESF administrative expenses for fiscal year 1975 which included a review of related work of the audit committee and the Office of Audit. Findings/Conclusions: For the fiscal year ended June 30, 1975, ESF had assets valued at $4 billion and gross income of $129 millio. ($115 million net). ESF's income, assets, liabilities, or equity could not be audited. A limited audit was authorized of $14 million in administrative expenses. Fiscal year 1975 administrative expenses of $14.4 million were supported by appropriate documentation and properly accounted for and controlled in ESF records. The Secretary of Treasury decided it would be desirable to discontinue paying salaries and other administrative expenses from ESF resources. The Treasury Department supports proposed legislation that funds be appropriated to meet the administrative expenses associated with its international affairs function beginning with fiscal year 1979. This appropriation process would enable Congress to evaluate competing budgetary programs and establish overall priorities for the allocation of resources. (SW)

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REPORT TO THE CONGRESS

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

Use Of Exchange Stabilization Fund Resources--Arrangement With Treasury Provides Access To Information

To facilitate GAO reviews of international monetary and trade matters, Treasury and GAO have reached an agreement that provides for access to information relating to certain uses of Exchange Stabilization Fund resources.

This report also discusses GAO's audit of fiscal year 1975 administrative expenses. GAO concurs with Treasury's decision to seek legislation to pay salaries and other adminstrative expenses from appropriations instead of from Fund resources.

SEPTEMBER 28, 1977

ID-77-42

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-154506

To the President of the Senate and the
Speaker of the House of Representatives

This report discusses an agreement we reached with the Department of the Treasury on access to information, our audit of the Exchange Stabilization Fund's fiscal year 1975 administrative expenses, and the Treasury's decision to seek legislation to fund these expenses through the appropriation process.

We made our audit pursuant to the Gold Reserve Act of 1934, as amended December 30, 1970 (31 U.S.C. 822a(b)).

We are sending copies of this report to the Director, Office of Management and Budget, and the Secretary of the Treasury.

Elmer B. Staats
Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

USE OF EXCHANGE STABILIZATION FUND RESOURCES--ARRANGEMENT WITH TREASURY PROVIDES ACCESS TO INFORMATION

D I G E S T

Present legislation determines what information is available to GAO on the use of Exchange Stabilizaton Fund resources. Along with its periodic audit of the Fund's administrative expenses, GAO discussed with the Treasury Department GAO's concern that present legislative constraints impair GAO access to information needed in its reviews of monetary and trade matters.

Treasury and GAO reached an agreement in August 1977, confirmed by an exchange of letters, that provides for GAO access to information related to its audits and reports on such international monetary matters as U.S. participation in the International Monetary Fund, debt policies toward developing countries, and the interrelationships of monetary and trade policies. (See app. I.)

In this regard, Treasury will provide information on the Exchange Stabilization Fund where the information does not involve sensitive arrangements with foreign governments or Fund transactions affecting foreign exchange markets. For example, information on Fund transactions in Special Drawing Rights with the International Monetary Fund would be available to GAO, where such information may be useful to a GAO review.

Treasury believes that congressional oversight of the sensitive area of Fund monetary transactions with foreign governments and operations affecting foreign exchange markets is best served by existing arrangements Treasury has worked out with appropriate congressional committees.

AUDIT OF FISCAL YEAR 1975 ADMINISTRATIVE EXPENSES

For the fiscal year ended June 30, 1975, the Fund had assets valued at $4 billion and gross income of $129 million ($115 million net). Under existing authority, GAO was able to audit $14.4 million in administrative expenses. GAO could not audit any of the Fund's income, assets, liabilities, or equity.

GAO concluded that the fiscal year 1975 administrative expenses of $14.4 million were supported by appropriate documentation and properly accounted for and controlled in Fund records. However, GAO's examination was limited by its lack of access to the accounts and other information involving the use of Fund resources.

GAO was informed by Treasury that the Secretary decided it would be desirable to discontinue paying salaries and other administrative expenses from Fund resources. Treasury has recommended and the administration has submitted proposed legislation to the Congress that funds be appropriated to meet the administrative expenses associated with Treasury's international affairs function, beginning with fiscal year 1979. GAO concurs with Treasury's decision because the appropriation process enables the Congress to evaluate competing budgetary programs and establish overall priorities for the allocation of resources.

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ABBREVIATIONS

ESF Exchange Stabilization Fund

CHAPTER 1

INTRODUCTION

We audited the administrative expenses of the Exchange Stabilization Fund (ESF) pursuant to Public Law 91-599, enacted December 30, 1970. On June 20, 1974, we issued our first report (B-154506) to the Secretary of the Treasury covering ESF's administrative expenses for fiscal year 1972.

We have no authority to review ESF operations and have only limited perspective on the use of ESF resources. Appendix II contains a resume of ESF activities based on the testimony of a former Treasury official on February 18, 1976, before the Task Force on Tax Expenditures and Off-Budget Agencies of the House Committee on the Budget.

AUTHORITY TO AUDIT ESF

We had no authority to audit any part of ESF until Public Law 91-599 amended section 10(b) of the Gold Reserve Act of 1934 (31 U.S.C. 822a(b)), to provide that:

> "* * * the administrative expenses of the fund shall be audited by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe for the purpose of ascertaining that administrative funds are properly accounted for and that fully adequate accounting procedures and systems for control of such funds have been established. Except for information determined by the Secretary to be of an internationally significant nature, there shall be furnished to the Comptroller General such information on the administrative expenses of the fund as is necessary to conduct the audit, and the Comptroller General or any of his representatives shall, for the purpose of securing this information, have access to all books, accounts, records, reports, files, and all other papers, things, or property belonging to or in use by the United States Government (other than records, reports, files, or other papers or things containing or revealing information determined by the Secretary of the Treasury to be of an internationally significant nature)."

Under this amendment, the Secretary of the Treasury determines the records we can examine.

ESF MANAGEMENT

The Assistant Secretary for International Affairs was responsible for managing ESF for most of fiscal year 1975. Management responsibility was changed in April 1975 when, by direction of the Secretary of the Treasury, the Under Secretary for Monetary Affairs assumed this responsibility.

Organizational units involved in ESF activities during fiscal year 1975 included the (1) Office of the Assistant Secretary for International Affairs (which advised the Secretary on world economic, financial, and monetary affairs), (2) Office of the Assistant Secretary for Trade, Energy, and Financial Resources Policy Coordination (which assessed international trade and finance, especially for oil-producing countries), and (3) Office of the Assistant Secretary for Administration (which provided administrative support and services).

INTERNAL ESF AUDIT

Internal audit responsibilities for ESF are shared by two groups in the Treasury Department--the audit staff of the Secretary and an audit committee appointed by the Secretary.

Office of Audit

The Office of Audit is responsible for internal audits of the Office of the Secretary's activities, including those financed through ESF. It was given responsibility for internal audits of ESF in 1973 after recommendations made in our 1973 report. 1/ Since then, the Office has made three annual ESF audits. However, current plans are to audit ESF every other year because of limited resources and because of the continued audit coverage by the audit committee appointed by the Secretary.

The Office of Audit reviews include both the administrative accounts and the currency stabilization operations of ESF. These reviews are to determine whether internal controls over ESF transactions are adequate and transactions are in accordance with applicable regulations.

We reviewed the Office's audit of ESF administrative expenses for fiscal year 1975 and found that it included

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1/"Survey of the International Activities of the Department of the Treasury," B-154506, May 22, 1973.

1. An evaluation of the overall systems of internal control over administrative transactions.

2. A review of transactions of various accounts on a test basis.

3. An evaluation of the actions taken on recommendations made by the Office's fiscal year 1974 report.

The Office of Audit's report for fiscal year 1975 noted that improvements were needed in (1) controls over advances to employees and others, (2) observance of travel regulations, (3) segregation of payroll functions and control over salary payments, and (4) accounting controls. In all instances ESF personnel agreed to institute corrective action.

In November 1976 the Office made a followup review on the findings and recommendations from its 1975 report and found that in many cases corrective action had been taken or considered. Where corrective action had not been taken or completed, the Office planned to pursue these areas in its next scheduled ESF review.

Audit committee

The audit committee is established annually solely to conduct a financial audit of ESF. The committee is selected by Treasury's Bureau of Government Financial Operations from audit staffs of various Treasury bureaus for appointment by the Secretary.

The three auditors selected for the fiscal year 1975 audit were all certified public accountants from the Customs Service; the Bureau of Alcohol, Tobacco and Firearms; and the Internal Revenue Service. They were assisted by other Treasury organizations.

The committee for the fiscal year 1975 audit stated that its examination was made in accordance with generally accepted auditing standards. The audit report prepared by the audit committee is submitted to the Secretary of the Treasury. It is made a part of the annual report on ESF, which is submitted by the Secretary to the President and the Congress as required by law (31 U.S.C. 822a).

The audit committee's work for fiscal year 1975 included a review and test of the work done by the Office of Audit and tests of the accounting records and other procedures considered necessary by the audit committee to render an opinion on the fairness of ESF's financial statements. For ESF administrative expenses, the committee noted that improvements were needed in (1) maintenance of subsidiary records, (2) periodic physical inventories of furniture and equipment, (3) controls over payment of invoices, and (4) ESF's presentation of its financial statements

An ESF official stated that corrective action on these matters had been instituted or was under further consideration by ESF personnel.

In our audit of ESF fiscal year 1975 administrative expenses, we reviewed only the internal groups' work on ESF expenses, as we do not have access to ESF operational transactions. Our review of this work showed the findings of the Office of Audit and the audit committee to be adequately supported, and we considered their work in defining the scope of our audit.

CHAPTER 2

ARRANGEMENT WITH TREASURY PROVIDES

ACCESS TO INFORMATION

Under present legislation, Treasury is obliged to provide us with all accounts, records, etc., relating to ESF's administrative expenses, except information determined by the Secretary to be internationally significant. We do not have statutory authority to obtain access to information on the use of ESF resources for its operation. Related to our periodic audit of ESF administrative expenses, we discussed with Treasury our concern that present legislative constraints impair our access to information needed in our reviews of monetary and trade matters.

We have an excellent record in handling and safeguarding classified material, and our reports are cleared for classification with the concerned agencies. Many matters reviewed by us are also sensitive--military assistance, weapon systems reviews, atomic energy programs, etc. Recognizing that many issues reviewed by us have international sensitivity, we are careful to avoid unnecessary disclosure of information that might harm U.S. interests.

Other than to deny us access to information on confidential and highly sensitive monetary transactions affecting foreign exchange markets and other governments, Treasury assured us of its willingness to provide information needed in our reviews of monetary and trade matters.

We have reached an agreement, confirmed by exchange of letters, that provides for our access to information related to our audits and reports on such international monetary matters as U.S. participation in the International Monetary Fund, debt policies toward developing countries, and the interrelationships of monetary and trade policies. (See app. I.) In this regard, Treasury will provide information on ESF where the information does not involve the confidential transactions mentioned above. Thus, for example, information on ESF transactions in Special Drawing Rights with the International Monetary Fund would be made available to us where such information may be useful to our review.

In congressional consideration of amendments to the Bretton Woods Agreements Act (Public Law 94-564 enacted Oct. 19, 1976), some concern was expressed over the lack of access to information necessary for adequate oversight of ESF and the international monetary systems. Based on the views of the Senate Committees on Foreign Relations and on Banking, Housing and Urban Affairs, amendments (not included in Public Law 94-564) were proposed that would:

1. Assure that the congressional committees having oversight jurisdiction for monetary policy and international financial institutions to which the United States belongs receive all appropriate information furnished to the executive branch by such institutions.

2. Require that no loan or credit to a foreign government or entity be extended through ESF for more than 6 months in any 12-month period unless the President provides a written statement to the Congress that unique or exigent circumstances make a longer term credit necessary.

The Secretary of the Treasury, in a letter dated September 20, 1976, to the Chairman, Senate Committee on Banking, Housing and Urban Affairs, commented that he fully shared the Committee's desire that there be an effective congressional oversight in the international monetary area and, in particular, of ESF operations. The Secretary drew a detailed plan to meet the informational needs of the Committee. (See app. III.) Treasury officials believe that such arrangements with House and Senate Committees provide the most thorough and appropriate oversight by the Congress on Treasury's use of ESF.

In particular, Treasury believes that congressional oversight of the sensitive monetary transactions with foreign governments and those affecting markets is best served by existing arrangements Treasury has worked out with appropriate congressional committees.

CHAPTER 3

AUDIT OF FISCAL YEAR 1975

ADMINISTRATIVE EXPENSES

SCOPE OF AUDIT

Our audit of ESF administrative expenses for fiscal year 1975 included a review of the related work of the audit committee and the Office of Audit. We also reviewed, on a test basis, the accounting procedures and related internal controls, analyzed selected administrative expenses, and tested transactions for basic documentary support. We did not have access to asset, liability, equity, and income accounts, the amounts of which are shown in appendix IV.

For the fiscal year ended June 30, 1975, ESF had assets valued at $4 billion and gross income of $129 million ($115 million net). Under our existing audit authority we were able to audit, in a limited manner, only $14 million in administrative expenses. We could not audit any of ESF's income, assets, liabilities, or equity. The limits of this audit are indicated in that these administrative expenses are less than 1 percent of ESF's assets and about 11 percent of its gross income.

We were given two Treasury certifications. One, signed by the Secretary of the Treasury, directed that we be given access to all financial records of ESF administrative expenses. The second, signed by the Financial Manager, Office of the Secretary, defined the term "administrative expenses" and certified that all administrative expenses were included in the accounts made available to us. (See app. V.)

ANALYSIS OF EXPENSES

Administrative expenses cover the expenditures as denoted in the certification in appendix V signed by Treasury's Financial Manager.

Control over administrative expenses is exercised by the Secretary of the Treasury. ESF does not receive appropriations and is not subject to budget approval by the Congress.

For fiscal years 1972-76, ESF administrative expenses and staffing at yearend were as follows:

Fiscal year	Administrative expenses	Staff
1972	$ 9,555,195	394
1973	9,642,142	390
1974	11,307,117	449
1975	14,442,665	578
1976	17,120,771	575

A breakdown by type of administrative expenditure for fiscal year 1975 follows.

Personal services	$10,200,894
Other services	1,544,297
Travel and transportation of persons	1,296,583
Rent, communications, and utilities	672,868
Reimbursement--Federal Reserve banks	192,089
Printing and reproduction	187,639
Transportation of things	140,449
Supplies and materials	129,814
Depreciation expense	38,129
Equipment	34,574
Insurance claims	5,329
Total	$14,442,665

We reviewed and analyzed the major administrative expenses for fiscal year 1975, as discussed in the following sections.

Personal services

The largest administrative expense, $10.2 million for personal services, consisted of about $9.3 million for salaries and related compensation and $0.9 million for personnel benefits. Personnel benefits consisted primarily of the employer's share of contributions to the civil service retirement fund, social security, and health and life insurance premiums.

Treasury staff paid from ESF support the Secretary of Treasury in such international matters as:

--Negotiation of international monetary agreements.

--Investment of ESF reserves, purchase and sale of foreign currencies, and assumption of exchange risks.

--Analysis and execution of economic policy toward lesser developed nations.

--Development of international banking and financial markets policy.

--Economic analysis of energy policy questions.

--Negotiation of trade treaties.

--Formulation of raw materials and oceans policies.

--Development of policy and technical assistance for United States-Saudi Arabian relations.

--Analysis of the monetary impact of defense procurement proposals and defense policy recommendations.

--Analysis and recommendations on tax policy initiatives.

--Plans and negotiations of tax treaties.

About $438,000 in salaries and related compensation was for reimbursing other Government agencies for staff temporarily assigned to the Treasury--this includes $295,000 to the State Department, $119,000 to the Central Intelligence Agency and $20,000 to the Commerce Department.

Other services

Other services, amounting to $1.5 million, included:

--Reimbursement to the Internal Revenue Service for tax studies affecting the U.S. balance of payments ($150,000).

--Reimbursement to the State Department for services rendered on joint activities funded by State Department appropriations ($495,000).

--Expenses for international financial institution meetings, including travel expenses for trips made by the Secretary of the Treasury and other principal officials ($240,000).

--Expenses other than equipment rental for professional services and ADP programing and use contracts ($294,000).

Travel and transportation of persons

Travel expenses amounted to $1.3 million, about $0.6 million of which covered the use of military aircraft provided on request by the Secretary of the Treasury for travel on official business.

ESF records show each trip as being certified that commercial transportation was not available, readily obtainable, or capable of meeting needs. We were informed that (1) flexibility in departure and arrival times, routes, and choice of airports, (2) availability of communication facilities, (3) physical security, and (4) confidentiality were considered in choosing military aircraft over commercial aircraft.

Treasury policy required the use of "less-than-first-class" aircraft accommodations on official business, except in limited instances. We reviewed some instances where first-class accommodations were authorized. The travel authorization in each case stated that these accommodations were authorized because the traveler would be involved in preparing work during the flight. Treasury reported that during fiscal year 1975, $113,348 was spent for first-class travel--tickets for first-class international travel cost over one-third more than economy fares.

Rent, communications, and utilities

About $673,000 was incurred for these expenses, as shown below:

Item description	Amount
Communications (telephone, telegraph, postage, and other)	$276,000
Equipment rental (data processing, photocopy, magnetic typewriters, security systems, and other)	241,000
Space rental	148,000
Utilities	8,000
Total	$673,000

Reimbursement--Federal Reserve banks

The Federal Reserve Bank of New York acts as the fiscal agent for the U.S. Treasury and carries out foreign exchange transactions and other services for ESF. A summary of services rendered by the Federal Reserve Bank to ESF is included in appendix VI.

ESF documentation showed that about 90 percent ($173,000) of the $192,000 for services rendered by Federal Reserve banks during 1975 represented reimbursements to the banks for salaries and personnel benefits of bank employees involved in ESF work. The reimbursement was based on the time spent by each bank employee to perform ESF transactions and services. ESF also reimbursed the banks $19,000 for other expenses, such as postage, printing, supplies, telephone and telegraph, and space and equipment rental.

OPINION

We conclude that the fiscal year 1975 administrative expenses of $14.4 million were supported by appropriate documentation and properly accounted for and controlled in ESF's records. However, our examination was limited by our lack of access to the accounts and other information involving the use of Fund resources.

PLANNED DISCONTINUANCE OF OFF-BUDGET FINANCING

We were informed by the Treasury Department that the Secretary decided it would be desirable to discontinue paying salaries and other administrative expenses from ESF resources. Treasury recommended and the administration has submitted proposed legislation to the Congress that funds be appropriated to meet the administrative expenses associated with the Treasury's international affairs function, beginning with fiscal year 1979. We concur with Treasury's decision because the appropriation process enables the Congress to evaluate competing budgetary programs and establish overall priorities for the allocation of resources.

THE UNDER SECRETARY OF THE TREASURY
FOR MONETARY AFFAIRS
WASHINGTON, D.C. 20220

AUG 18 1977

Dear Mr. Staats:

I was pleased to meet with you and your staff recently to discuss informally some of your questions and concerns regarding GAO access to information on the Exchange Stabilization Fund. I believe it would be useful to set out the arrangements which we have agreed to whereby GAO would be provided access to information or documents related to certain monetary and financial operations of the Exchange Stabilization Fund.

The resources of the Exchange Stabilization Fund are used for monetary and financial transactions. At the present time, the ESF also is used to meet administrative expenses associated with the ESF's purpose. Any funds not currently in use or committed are invested in USG securities. The Secretary of the Treasury is also responsible for administering, as a part of the Exchange Stabilization Fund, the Special Drawing Rights obtained by the U.S. through its participation in the IMF.

While the GAO does not possess legal authority to audit or otherwise review decisions of the Secretary of the Treasury with respect to ESF operations, the GAO serves a very important function in reviewing and auditing government activities in various other international areas. I can assure you that Treasury will cooperate fully in providing the GAO, upon request, with appropriate information necessary to its authorized audits and reports, for example, information on such international monetary matters as U.S. participation in the IMF, debt policies toward developing countries and the interrelationships of monetary and trade policies. In this regard, Treasury also will provide information pertaining to the ESF relating to such GAO reports and studies where the information does not involve ESF transactions with foreign governments and monetary authorities or information related to ESF's market transactions. Thus, for example, information related to ESF transactions in Special Drawing Rights with the IMF would be made available to the GAO where such information may be useful to an authorized GAO study.

The ESF deals in extremely confidential and highly sensitive monetary transactions with foreign governments. I am pleased that you agree that GAO sees no need to audit or review documents or information concerning such transactions and is not seeking such access. It would unnecessarily impair the Secretary of the Treasury's effective utilization of the ESF if the GAO were to audit or review documents or information pertaining to ESF transactions with foreign governments and monetary authorities or ESF transactions affecting markets. It is important not only that such transactions and the arrangements underlying them remain confidential, but also that nothing would be done which would in any way impair the confidence of foreign governments or be disturbing to markets. Thus, I believe that Congressional oversight in this sensitive area is best served by existing arrangements Treasury has worked out with the appropriate Congressional committees.

I look forward to the continuation of a close and productive working relationship between our two agencies.

Sincerely,

Anthony M. Solomon

Anthony M. Solomon

The Honorable
Elmer B. Staats
Comptroller General of
the United States
Washington, D.C. 20548

COMPTROLLER GENERAL
OF THE UNITED STATES
WASHINGTON, D.C. 20548

August 25, 1977

The Honorable Anthony M. Solomon
The Under Secretary of the Treasury
for Monetary Affairs

Dear Tony:

Thanks ever so much for your letter of August 18. It accurately expresses the understanding we reached. I appreciated personally very much your cooperation in helping us to resolve a long-standing problem. We look forward to working with you and your associates in the Treasury Department on these matters. Should any special problems arise, I hope that you will feel free to give me a call.

Sincerely,

(Signed) Elmer

Elmer B. Staats

cc: The Hon. William Proxmire
The Hon. Henry S. Reuss
Mr. Fasick

EXCERPTS FROM TESTIMONY OF MICHAEL BRADFIELD, FORMER ASSISTANT COUNSEL OF THE TREASURY DEPARTMENT, BEFORE THE TASK FORCE ON TAX EXPENDITURES AND OFF-BUDGET AGENCIES OF THE HOUSE COMMITTEE ON THE BUDGET, FEBRUARY 18, 1976

Resume of the Activities of the Fund

In the period just after the initiation of the Fund, it was actively used to manage the value of the dollar. This was done mainly through transactions in gold. Secretary Morgenthau was able to state in a formal press release on February 11, 1935:

"Thanks to the foresight of the 73d Congress, we now have a stabilization fund. When we saw that the external value of the dollar was rapidly going out of control, we put the stabilization fund to work on a moment's notice, with the result that for the past four weeks we have successfully managed the value of the dollar in terms of foreign currencies.

"By 1940 profits on gold transactions amounted to $13 million compared to a modest $600,000 in earning from foreign exchange transactions and $3 million from investments. In addition, in this period the fund began the practice of engaging in stabilization agreements with specific countries, particularly those in Latin America.

"During World War II, the fund continued the stabilization agreements and engaged in a number of operations to support wartime allies and to obtain foreign currency needed for meeting wartime expenditures. After the war, when the International Monetary Fund was established, it was decided to use almost all of the Fund's resources to pay the U.S. contribution to the International Monetary Fund. The Bretton Woods Agreements Act provided that $1.8 billion of the Fund's assets would be used to make a partial payment on the U.S. subscription to the IMF [International Monetary Fund], leaving $200 million as the remaining capital of the ESF. In this postwar period and before the establishment of general convertibility, the Fund had a more limited period of activity concerned mainly with exchange stabilization agreements and purchases and sales of gold. By 1960, profits from gold and foreign exchange transactions had risen to $121 million, while interest on investments amount to $20 million.

"With the establishment of general convertibility around 1959 and the various exchange and gold crises at the end of the Eisenhower administration and the beginning of the Kennedy Presidency, the Fund began active stabilization operations engaging in swaps 1/ and other transactions aimed at supporting the dollar. When it became clear that the United States might have to borrow from the International Monetary Fund, the Congress, in 1962, authorized the advance from the general fund of the Treasury to the ESF of any foreign currencies borrowed from the IMF. This authority has provided a considerable amount of temporary resources to the Fund.

"In early 1962, the Federal Reserve System open market committee, in consultation and in cooperation with the Treasury, decided to begin foreign exchange operations for its own account. As the Fed [sic] developed its network of swap agreements and the volume of transactions expanded, the Treasury exchange stabilization fund played a relatively smaller role. However, the Treasury continued to participate, along with the Federal Reserve, in foreign exchange operations, with the Treasury emphasizing transactions of a somewhat longer term nature. Treasury participation also helped to stress the joint nature of operational decisions. In this period, a great deal of creative ingenuity was used to maintain stable exchange rates in the face of large balance-of-payments surpluses in some countries in Europe, particularly Germany, and large deficits in others, particularly the United Kingdom.

"In connection with its role in foreign exchange operations, the Congress, in 1968, assigned the Fund a number

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1/The "swaps" referred to consist of simultaneous spot and forward currency transactions between monetary authorities at the same rate of exchange. For example, the Exchange Stabilization Fund, desiring to obtain a particular foreign currency for use in its operations, may obtain that currency under a swap arrangement with the foreign central bank of issue. Under such an arrangement, the Fund buys that foreign currency against dollars, with a commitment to reverse the transaction at or before a fixed date, usually three months hence, at the same rate of exchange.

of significant functions with respect to Special Drawing Rights--the international reserve asset created by the International Monetary Fund. Congress provided that the Exchange Stabilization Fund would be responsible for managing U.S. participation in the Special Drawing Account of the IMF. The Exchange Stabilization Fund holds the Special Drawing Rights allocated to the United States by the Fund, pays and receives SDR interest, meets U.S. commitments to purchase SDR's from other countries, uses SDR's when needed to obtain foreign currencies for foreign exchange operations, and meets administrative assessments by the IMF to operate the Special Drawing Account.

"Immediately after the decision in 1971 to cease transactions in gold and to allow the dollar to float, the Fund and the Fed [sic] halted both foreign exchange and gold transactions. Since that time, the United States has been under pressure from its allies to play a greater role in maintaining stable foreign exchange markets and, in recent years, the United States, using Federal Reserve resources, has engaged in intervention to counteract temporary market pressures. In connection with the agreements reached on international monetary reform, the Finance Ministers of the major industrial countries have decided to consult more closely, and to work together to avoid destabilizing exchange market conditions. Obviously, to fulfill these international commitments, the United States must be prepared and have the resources to engage in market intervention when this is necessary.

"While the exchange stabilization fund played an auxiliary part to that of the Federal Reserve with respect to many aspects of the stabilizing of the international monetary system during the 1960's, it still played a major and significant role. The fund took a significant part in dealing with the international monetary problems caused by the weakness of sterling and played a major role in support of the dollar through gold transactions, use of foreign currencies borrowed from the International Monetary Fund, and through acceptance of the exchange risk from IMF borrowings and Roosa bonds.

"Exchange risks are an element of foreign exchange operations, and the usefulness of a vehicle to accept these risks is an important point to bear in mind in evaluating the functioning of the fund. For example, Roosa bonds were foreign currency denominated obligations of the United States which a number of foreign governments accepted in the 1960's as an alternative to the purchase of gold. The issuance of these bonds by the general fund of the Treasury would not have been feasible without the acceptance of the exchange risk by the ESF.

"Thus, if at the time of repayment it cost more dollars to buy the foreign exchange necessary to repay the obligations, the ESF would provide the resources to bear this extra burden. In fact, as a result of the two devaluations of the dollar in 1971 and 1972, and other changes in exchange rates at that time, it will cost an additional $365 million to purchase the foreign exchange necessary to pay off these Roosa bond obligations. The fund has accepted this extra charge as well as a charge of $60 million with respect to its allocations of special drawing rights also resulting from the devaluation decisions. Although official foreign exchange transactions usually result in gains, experience with the two devaluations of the dollar indicate that there are real risks. Income from ESF investments which, by June 30, 1975, reached a cumulative total of $817 million provided the major source of funding to absorb these risks."

Bretton Woods Agreements Act

The Bretton Woods Agreements Act (Public Law 95-564 enacted October 19, 1976) deleted the description in section 10(a) of the Gold Reserve Act of 1934 that the Exchange Stabilization Fund was to stabilize the exchange value of the dollar. Instead it now provides that the use of the Fund would be authorized for purposes consistent with United States obligations in the International Monetary Fund.

C O P Y

The Secretary of the Treasury
Washington, D.C.
September 20, 1976

Hon. William Proxmire
Chairman, Committee on Banking,
Housing, and Urban Affairs
U.S. Senate, Washington, D.C.

Hon. Adlai E. Stevenson, III
U.S. Senate, Washington, D.C.

Dear Senator Proxmire and Senator Stevenson: I recognize and fully share the expressed desire of the Committee on Banking, Housing and Urban Affairs that there be effective Congressional oversight in the international area, and, in particular, of the operations of the Exchange Stabilization Fund. It is essential to the successful implementation of U.S. international monetary policy, as reflected in H.R. 13955, that close contacts and good relations continue between Congress and the Treasury, and that necessary information be provided to the Committee on a prompt and continuing basis.

To achieve our mutual objective, the Treasury Department is prepared to work closely with your Committee to develop a system of effective oversight along the following lines:

1. Consultations by the Secretary of the Treasury and the Under Secretary for Monetary Affairs with interested members of the Committee will take place on a quarterly basis to discuss systemic developments, with more frequent discussions as necessary on extraordinary developments or problem areas.

2. There will be continuing contact between Committee and Treasury staff in order to keep the Committee abreast of any extraordinary or unusual developments, problem areas, and the overall evolution of the system.

3. The Secretary of the Treasury will transmit to the Committee the following:

a. The quarterly reports prepared by the N.Y. Federal Reserve Bank on Treasury and Federal Reserve foreign exchange operations;

b. All international agreements entered into for the account of the ESF;

c. Confidential monthly reports on U.S. foreign exchange operations;

d. The Annual Report of the Secretary of the Treasury on the ESF which includes a report on the Treasury's financial audit of the ESF; and

e. Reports on particular problem areas as necessary.

4. The Secretary of the Treasury or the Under Secretary for Monetary Affairs will brief interested members of the Committee regarding extensions of credit from the ESF.

5. Oversight hearings would be held on a regular basis--for example, annually--for which the Secretary of the Treasury would prepare a report assessing the operation of the international monetary system during the previous 12-month period, including the following items:

a. The world balance of payments situation;

b. Official balance of payments financing provided bilaterally by the U.S. and through multilateral channels by any government to the full extent that information is available to the United States;

c. Exchange market intervention by the U.S.;

d. Movements in exchange rates;

e. Comparative rates of growth and inflation in the U.S. and foreign economies; and

f. Changes in exchange controls and trade restrictions imposed by IMF member countries.

I am hopeful we can begin to establish a program of oversight along these lines in the near future.

Sincerely yours,

William E. Simon

TREASURY DEPARTMENT FINANCIAL STATEMENTS

FISCAL YEARS 1974 and 1975

These statements were prepared by the Department of the Treasury and cannot, except for the administrative accounts, be audited by us. Public Law 91-599 states that we shall audit only the administrative expenses of ESF. Thus, we have little knowledge of the accounts that appear in these statements.

APPENDIX IV

AUDIT OPINION OF AUDIT COMMITTEE

Washington, D. C.

FEB 10 1976

Dear Mr. Secretary:

In accordance with your request of December 8, 1975, we have examined the balance sheet of the Exchange Stabilization Fund as of June 30, 1975, Exhibit A, and the related statements of income and expense, Exhibit B, and changes in financial position, Exhibit C, for the fiscal year ended June 30, 1975. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of the Exchange Stabilization Fund at June 30, 1975, and the results of its operations and the changes in its financial position for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Respectfully submitted,

The Audit Committee:

Daniel Etelson

Daniel Etelson, C.P.A., Chairman

David S. Rosenberg

David S. Rosenberg, C.P.A.

Wallace Duncan

Wallace Duncan, C.P.A.

The Honorable

The Secretary of the Treasury

THESE FINANCIAL STATEMENTS WERE NOT AUDITED BY GAO

DEPARTMENT OF THE TREASURY

EXCHANGE STABILIZATION FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 1975 AND 1974

ASSETS	JUNE 30, 1975	JUNE 30, 1974	Increase or (Decrease)
Current assets:			
Cash:			
Treasury of the United States - Checking Account	$ 479,626.80	$ 540,496.54	$ (60,869.74)
Secretary of the Treasury - Special Account #3 (Special Drawing Rights Certificates) a/	142,078,776.33	226,860,395.95	(84,781,619.62)
Deposits in foreign banks b/	273,384.09	3,539,686.31	(3,266,302.22)
Special Drawing Rights a/	2,417,663,134.23	2,194,738,480.58	222,924,653.65
Gold on hand c/	- 0 -	85,278,322.44	(85,278,322.44)
Investments in United States securities e/	1,451,408,190.41	2,363,944,975.47	(912,536,785.06)
Accounts receivable	56,929.77	7,645.75	49,284.02
Accrued interest receivable:			
Special Drawing Rights holdings a/	20,118,140.53	5,454,087.59	14,664,052.94
United States securities	5,893,576.23	18,171,807.40	(12,278,231.17)
Foreign bank deposits	1,861.54	27,474.05	(25,612.51)
Prepaid items	395,544.26	234,173.96	161,370.30
Total current assets	4,038,369,164.19	4,898,797,546.04	(860,428,381.85)
Fixed assets (at cost), net of allowance for depreciation:			
Furniture, equipment and automobile	297,286.24	236,612.18	60,674.06
Land and structure	130,200.00	132,000.00	(1,800.00)
Total fixed assets	427,486.24	368,612.18	58,874.06
Secretary of the Treasury - Special Account for:			
Bank of England - contra d/	- 0 -	3,000,000.00	(3,000,000.00)
Total assets	$4,038,796,650.43	$4,902,166,158.22	(863,369,507.79)
LIABILITIES AND EQUITY			
Current liabilities:			
Accrued liabilities - Government	$ 1,967,503.46	$ 1,041,252.89	$ 926,250.57
Accrued liabilities - other	875,031.55	338,365.05	536,666.50
Accrued payroll	253,573.17	661,408.41	(407,835.24)
Accrued annual leave	867,846.00	819,071.00	48,775.00
Accrued charges payable - Special Drawing Rights a/	23,706,945.52	6,988,035.84	16,718,909.68
Advances - Drawings - International Monetary Fund e/	- 0 -	1,162,000,000.00	(1,162,000,000.00)
Total current liabilities	27,670,899.70	1,171,848,133.19	(1,144,177,233.49)
Long-term liabilities:			
Special Drawing Rights Allocations a/	2,836,307,525.68	2,767,338,843.93	68,968,681.75
Special Drawing Rights Certificates a/	500,000,000.00	400,000,000.00	100,000,000.00
Special Account - Bank of England - contra d/	- 0 -	3,000,000.00	(3,000,000.00)
Total liabilities	3,363,978,425.38	4,342,186,977.12	(978,208,551.74)
Equity:			
Appropriated (January 30, 1934)	2,000,000,000.00	2,000,000,000.00	-0-
Less amount transferred to IMF (July 31, 1945)	1,800,000,000.00	1,800,000,000.00	-0-
Net appropriated capital	200,000,000.00	200,000,000.00	-0-
Retained earnings:			
Balance beginning of fiscal year	359,979,181.10	265,952,360.92	94,026,820.18
Net income, fiscal year ended June 30, 1975, and 1974 (Exhibit B)	114,839,043.95	94,026,820.18	20,812,223.77
Balance end of fiscal year	474,818,225.05	359,979,181.10	114,839,043.95
Total equity	674,818,225.05	559,979,181.10	114,839,043.95
Total liabilities and equity	$4,038,796,650.43	$4,902,166,158.22	$ (863,369,507.79)

THESE FINANCIAL STATEMENTS WERE NOT AUDITED BY GAO

DEPARTMENT OF THE TREASURY

EXCHANGE STABILIZATION FUND

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

FISCAL YEARS 1975 AND 1974

	1975	1974	Increase or (Decrease)
INCOME:			
Gold transactions:			
Other gold transactions f/	$ - 0 -	$ 640,569.61	$ (640,569.61)
Total gold transactions	- 0 -	640,569.61	(640,569.61)
Investments:			
Interest earned on U.S. securities	162,116,860.55	218,675,806.58	(56,558,946.03)
Discount earned on German securities	- 0 -	275,911.17	(275,911.17)
Total interest earned on investments	162,116,860.55	218,951,717.75	(56,834,857.20)
Special Drawing Rights:			
Interest earned	117,[illegible]51,525.68	31,695,994.50	85,555,531.18
Interest charges on SDR allocations	(140,148,130.74)	(40,463,804.32)	(99,684,326.42)
Loss on SDR revaluation	(9,596,782.36)	(60,506,257.05)	50,909,474.69
Assessments for administrative expense - IMF	(387,117.04)	(311,005.55)	(76,111.49)
Net loss on Special Drawing Rights	(32,880,504.46)	(69,585,072.42)	36,704,567.96
Interest earned on foreign bank deposits	165,389.78	952,158.30	(786,768.52)
Loss on foreign currency transactions	(166,645.23)	(45,624,024.56)	45,457,379.33
Miscellaneous income (loss)	46,607.95	(1,411.31)	48,019.26
Gross income	129,281,708.59	105,333,937.37	23,947,771.22
ADMINISTRATIVE EXPENSES:			
Personal services	10,200,893.66	8,267,150.16	1,933,743.50
Other services g/	1,544,296.76	1,352,147.39	192,149.37
Travel and transportation of persons	1,296,583.15	809,356.80	487,226.35
Rent, communications, and utilities	672,868.37	355,025.02	317,843.35
Reimbursement - Federal Reserve Banks	192,088.92	220,216.90	(28,127.98)
Printing and reproduction	187,639.12	87,557.95	100,081.17
Transportation of things	140,448.48	69,834.31	70,614.17
Supplies and materials	129,813.99	93,705.68	36,108.31
Depreciation expense	38,128.72	35,791.65	2,337.07
Equipment	34,574.10	15,623.12	18,950.98
Insurance claims	5,329.37	708.21	4,621.16
Total administrative expenses	14,442,664.64	11,307,117.19	3,135,547.45
Net income	$ 114,839,043.95	$ 94,026,820.18	$ 20,812,223.77

The accompanying footnotes are an integral part of these financial statements.

THESE FINANCIAL STATEMENTS WERE NOT AUDITED BY GAO

DEPARTMENT OF THE TREASURY

EXCHANGE STABILIZATION FUND

COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION

FISCAL YEARS 1975 AND 1974

	1975	1974	Increase (Decrease)
Financial Resources Were Provided By:			
Operations - Net income for the year (Exhibit B)	$ 114,839,043.95	$ 94,026,820.18	$ 20,812,223.77
Increment in Special Drawing Rights Certificates	100,000,000.00	-0-	100,000,000.00
Increment in value of Special Drawing Rights allocations resulting from devaluation of dollar	-0-	276,732,983.03	(276,732,983.03)
Expenses (income) not involving financial resources in the current period:			
Loss from revaluation of Special Drawing Rights allocations	68,968,681.75	-0-	68,968,681.75
Net (increase) or decrease in fixed assets from interagency tranfers	(13,568.17)	1,246.68	(14,814.85)
Depreciation	38,128.72	35,791.65	2,337.07
Total financial resources provided	283,832,286.25	370,796,841.54	(86,964,555.29)
Financial Resources Were Applied To:			
Acquistion of fixed assets	83,434.61	46,368.71	(37,065.90)
Increase in Working Capital	$ 283,748,851.64	$ 370,750,472.83	$ (87,001,621.19)
Analysis of Changes in Work Capital			
Increase (decrease) in current assets:			
Cash	$ (88,108,791.58)	$ (37,800,263.10)	$ (50,308,528.48)
Special Drawing Rights	222,924,653.65	245,288,293.51	(22,363,639.86)
Gold on hand c/	(85,278,322.44)	8,528,575.36	(93,80[illegible],897.80)
Investments e/	(912,536,785.06)	(570,156,298.14)	(342,380,486.92)
Accrued interest receivable	2,360,209.26	3,232,890.44	(872,681.18)
Other	210,654.32	96,256.92	114,397.40
(Increase) decrease in current liabilities:			
Accrued liabilities	(1,103,856.83)	(547,551.54)	(556,305.29)
Accrued charges payable - Special Drawing Rights	(16,718,909.68)	(707,521.57)	(16,011,388.11)
Advances - Drawings - International Monetary Fund e/	1,162,000,000.00	550,000,000.00	612,000,000.00
Deferred liability - foreign exchange revaluation	-0-	172,816,090.95	(172,816,090.95)
Increase in Working Capital	$ 283,748,851.64	$ 370,750,472.83	$ (87,001,621.19)

The accompanying footnotes are an integral part of these financial statements.

THESE FINANCIAL STATEMENTS WERE NOT AUDITED BY GAO

DEPARTMENT OF THE TREASURY

EXCHANGE STABILIZATION FUND

FOOTNOTES TO FINANCIAL STATEMENTS

a/ Pursuant to the Special Drawing Rights (SDR) Act of 1968, the Exchange Stabilization Fund was assigned responsibility for administering Rights allocated to or otherwise acquired by the United States. Allocations of SDR's were made on January 1, 1970, 1971, and 1972. Under this program SDR's may be converted into money in the same manner as gold through their sale or by the issuance of certificates to the Federal Reserve System. The issuance of certificates may be undertaken to finance the purchase of SDR's from other countries or to provide resources for financing exchange stabilization operations.

There is net interest income on balances of SDR's held in excess of allocations and net interest expense if less than the amount of allocations is held. The interest rate of 5 percent set by the International Monetary Fund (IMF) remained in effect throughout Fiscal Year 1975. Effective July 8, 1975, the rate was reduced to 3.75 percent.

Beginning July 1, 1974, SDR's were valued on the basis of an interim technique developed by the IMF using a weighted average of exchange rates for the currencies of 16 member nations. The value of an SDR changes with fluctuations in the market exchange rates of these currencies. This technique will be reviewed by IMF at the end of 2 years.

b/ The United States dollar equivalent value of foreign bank balances using published foreign exchange rates as of June 30, 1975, and 1974, was $321,916 and $3,389,431, respectively.

c/ On December 9, 1974, all ESF owned gold was transferred to the Treasury at the official price of $42.2222 per fine troy ounce.

d/ Represented funds due to the Bank of England in connection with certain U. S. Navy contracts. The funds were segregated and shown as a deposit to the Special Account of the Secretary. These accounts were settled on January 24, 1975.

THESE FINANCIAL STATEMENTS WERE NOT AUDITED BY GAO

e/ The liability resulted from transfers to ESF of foreign currencies drawn from IMF by the United States Treasury Department in April 1972 and earlier. During Fiscal Year 1975, the United States position at IMF was restored and no advances from the General Fund were required. The $1,162 million was repaid in full on June 30, 1975. To provide funds for this repayment, investments in United States securities were reduced by $912 million.

f/ Amount received from England during Fiscal Year 1974 representing the United States share less salvage charges of gold recovered from the consignment lost on January 28, 1944, in the sinking of the SS "Empire Manor."

g/ Includes ESF share of State Department direct and indirect administrative support and meeting expenses, professional service contracts, ADP programming and usage contracts, services performed by other Government agencies, and other miscellaneous services.

OFFICE OF
ASSISTANT SECRETARY
FOR INTERNATIONAL AFFAIRS

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

December 15, 1976

Dear Mr. Berngartt:

Pursuant to our recent conversation regarding the administrative expenses of the Exchange Stabilization Fund for FY 1975, I am transmitting herewith the signed copies of the two documents agreed to at that time.

Sincerely yours,

Weir M. Brown
Inspector General for
International Finance

Mr. Melvin F. Berngartt
Assistant Director
International Divison,
Trade & Finance
General Accounting Office
441 "G" Street, N. W.
Washington, D. C. 20548

Enclosure

THE SECRETARY OF THE TREASURY
WASHINGTON 20220

DEC 3 1976

Determination under Chapter 4
of PUBLIC LAW 91-599

Having determined that, for the fiscal year 1975, the financial records of administrative expenses of the Exchange Stabilization Fund contain no information considered to be of an internationally significant nature, I have directed that all financial records of the Fund's administrative expenses for that fiscal year be made available to the General Accounting Office in its audit currently being conducted for the purpose of ascertaining that administrative funds are properly accounted for and that fully adequate accounting procedures and systems for control of such funds have been established.

William E. Simon

 APPENDIX V

C E R T I F I C A T E

The administrative expenses of the Exchange Stabilization Fund (ESF) consist of expenditures for the following purposes: a) personal services; b) other services (includes ESF share of State Department overseas administrative support and meeting expenses, professional service contracts, data programming and usage contracts, services performed by other Government agencies, and other similar services); c) travel and transportation of persons; d) rent, communications, and utilities; e) reimbursement to Federal Reserve Banks; f) printing and reproduction; g) transportation of things; h) supplies and materials; i) depreciation expense; j) equipment; and k) insurance claims. All expenditures from the ESF for the foregoing purposes are charged to those respective accounts.

I hereby certify that all ESF administrative expenses for fiscal year 1975 were included and accounted for in the financial records and accounts made available to the General Accounting Office for its audit of ESF administrative expenses for that year.

Wanda P. Stiness

Wanda P. Stiness
Financial Manager
Office of the Secretary

STATEMENT OF SERVICES RENDERED BY
THE FEDERAL RESERVE BANK OF NEW YORK
FOR THE EXCHANGE STABILIZATION FUND

The Federal Reserve Bank of New York, acting as fiscal agent of the U.S. Treasury and pursuant to specific instruction, carries out foreign exchange transactions for the account of ESF, including transactions under Treasury agreements with foreign monetary authorities. It maintains accounts at foreign central banks on behalf of ESF. In connection with its agent and other responsibilities, the Bank monitors and analyzes developments in the United States and abroad. The Treasury uses reports of the Bank, frequently by telephone as well as in writing, as one source of information in its continuing assessment of the major forces acting upon the foreign exchange market, the position of the dollar, and the functioning of the international monetary system, all of which is necessary in formulating U.S. international monetary policies and decisions on ESF operations.

In addition, services are provided to the Treasury by the Bank in assembling and processing technical information regarding international capital movements, foreign currency holdings, foreign exchange transactions, etc. These data, obtained from banks and nonbank firms under statistical reporting systems managed by the Treasury, are transmitted to the Office of the Assistant Secretary for International Affairs in the Treasury by computer as well as by other means. Charges paid by ESF include Treasury's share of costs for leased computer time, terminal facilities, central processing unit time, etc.

PRINCIPAL OFFICIALS RESPONSIBLE FOR ADMINISTERING THE EXCHANGE STABILIZATION FUND

	Tenure of office	
	From	To
SECRETARY OF THE TREASURY:		
W. Michael Blumenthal	Jan. 1977	Present
William E. Simon	May 1974	Jan. 1977
George P. Schultz	June 1972	May 1974
John B. Connally	Feb. 1971	June 1972
David M. Kennedy	Jan. 1969	Feb. 1971
UNDER SECRETARY OF THE TREASURY (MONETARY AFFAIRS):		
Anthony M. Solomon	Jan. 1977	Present
Edwin H. Yeo III	a/Aug. 1975	Jan. 1977
Jack Bennett	July 1974	June 1975
Paul Volcker	Jan. 1969	July 1974
ASSISTANT SECRETARY OF THE TREASURY (INTERNATIONAL AFFAIRS):		
C. Fred Bergsten	Jan. 1977	Present
Gerald L. Parsky	Feb. 1976	Jan. 1977
John Bushnell (acting)	Nov. 1975	Feb. 1976
Charles A. Cooper	Aug. 1974	Nov. 1975
John M. Hennessey	June 1972	July 1974
John M. Hennessey (acting)	Feb. 1972	June 1972
John R. Petty	May 1968	Feb. 1972
ASSISTANT SECRETARY OF THE TREASURY (TRADE, ENERGY AND FINANCIAL RESOURCES POLICY COORDINATION) (note b):		
Gerald L. Parsky	June 1974	Feb. 1976
ASSISTANT SECRETARY OF THE TREASURY (ADMINISTRATION):		
William J. Beckham	Apr. 1977	Present
Warren F. Brecht	Apr. 1972	Apr. 1977
J. Elton Greenlee (acting)	Jan. 1972	Apr. 1972
Ernest C. Betts, Jr.	Oct. 1970	Jan. 1972

a/No acting Under Secretary was designated between June 1975 and August 1975.

b/Position was eliminated in February 1976 by a reorganization.

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