



United States
General Accounting Office
Washington, D.C. 20548

Accounting and Information
Management Division

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December 12, 1995

The Honorable Sam Gibbons
Ranking Minority Member
Committee on Ways and Means
House of Representatives

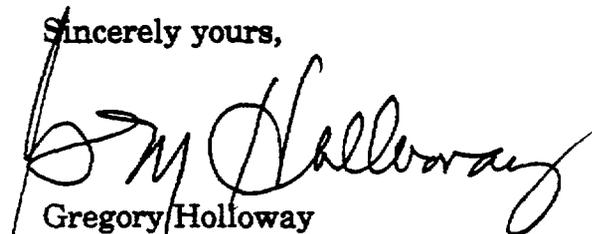
Dear Mr. Gibbons:

This letter responds to questions raised by your staff regarding actions taken to date by Secretary of the Treasury Rubin during the current debt ceiling crisis. Specifically, your staff asked whether the Department of the Treasury had followed its normal investment and redemption policies regarding the Social Security trust funds.

Enclosed is our December 7, 1995, letter to Representative Nick Smith (GAO/AIMD-96-20R), which discusses three of the options available to the Secretary to meet the federal government's obligations and stay within the statutory limit on public debt. Our review of Treasury records showed that between November 1, 1995, and December 8, 1995, Treasury followed its normal investment and redemption policies for all transactions affecting the Social Security trust funds.

If we can be of further assistance, please call me at (202) 512-9510, or Gary Engel, Assistant Director, at (202) 512-8815.

Sincerely yours,



Gregory Holloway
Director, Governmentwide Audits

Enclosure

