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U.S. Treasury Dept.
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TREASURY DEPARTMENT

RELEASE A. M. NEWSPAPERS, Tuesday, January 24, 1961.

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated October 27, 196 and the other series to be dated January 26, 1961, which were offered on January 18, we opened at the Federal Reserve Banks on January 23. Tenders were invited for $1,100,000 or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing April 27, 1961		182-day Treasury bills maturing July 27, 1961	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.445	2.196%	98.790	2.393%
Low	99.431	2.251%	98.770	2.433%
Average	99.436	2.230% 1/	98.776	2.422% 1/

87 percent of the amount of 91-day bills bid for at the low price was accepted
57 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
Boston	$ 30,151,000	$ 17,108,000	$ 7,007,000	$ 6,807,000
New York	1,496,422,000	737,042,000	865,694,000	362,954,000
Philadelphia	27,439,000	12,439,000	13,048,000	5,468,000
Cleveland	28,968,000	28,968,000	19,357,000	14,357,000
Richmond	14,125,000	14,125,000	3,421,000	3,421,000
Atlanta	22,821,000	22,171,000	9,397,000	4,776,000
Chicago	220,739,000	159,959,000	82,587,000	36,727,000
St. Louis	22,456,000	21,456,000	4,932,000	4,432,000
Minneapolis	13,824,000	8,824,000	4,807,000	2,807,000
Kansas City	26,148,000	20,548,000	6,147,000	5,547,000
Dallas	18,459,000	15,459,000	6,184,000	3,184,000
San Francisco	63,884,000	41,929,000	59,021,000	49,571,000
TOTALS	$1,985,436,000	$1,100,028,000 a/	$1,081,602,000	$500,051,000 b/

a/ Includes $206,770,000 noncompetitive tenders accepted at the average price of 99.436
b/ Includes $43,305,000 noncompetitive tenders accepted at the average price of 98.776
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.27%, for the 91-day bills, and 2.49%, for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

D-1

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE A. M. NEWSPAPERS, Tuesday, January 24, 1961. D-1

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RELEASE A.M. NEWSPAPERS

D-2

Treasury Secretary Douglas Dillon has designated Theodore L. Eliot, Jr. as Special Assistant to the Secretary.

Mr. Eliot has served in a similar capacity since 1959 when he was appointed as Special Assistant to Mr. Dillon, then Under Secretary of State. Mr. Eliot is a member of the U. S. Foreign Service and has been detailed to the Treasury.

He entered the Foreign Service in 1949 and has served in Ceylon and in Germany and, during the period of 1956-58, at the American Embassy in Moscow. He holds degrees of Bachelor of Arts and Master of Public Administration from Harvard. He was born in New York City January 24, 1928, and attended schools in Massachusetts and the District of Columbia before entering Harvard.

Mr. Eliot is married to the former Patricia Peters of San Francisco, California. They have four children ages 3 to 9 and reside at 6601 Virginia View Court in Washington.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Tuesday, January 24, 1961.

D-2

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Par. 2. The purpose of the action is to screen and check all matters submitted to the Secretary and Under Secretary for completeness and conformity with established standards of presentation, and to insure responsiveness in all departmental untis.

TREASURY DEPARTMENT
WASHINGTON

2-3

FOR IMMEDIATE RELEASE
TUESDAY, JANUARY 24, 1961

Treasury Secretary Douglas Dillon today announced the establishment in the Office of the Secretary an Executive Secretariat. Attached is Treasury Department Order No. 170-6 of January 23, 1961.

~~The purpose of this action is to insure coordination and completeness of the activities of the Treasury Department and its top officials in their dealings with the President and other Government agencies and the public.~~

Mr. Thomas W. Wolfe, Assistant Chief of the Debt Analysis Staff has been named as Director of the Executive Secretariat. Mr. Wolfe joined the Treasury as a fiscal economist in 1949. He has been Assistant Chief of the Debt Analysis Staff since 1958.

Mr. Wolfe was born in Boston, Massachusetts, May 5, 1919, attending public schools there. He served in the United States Army Air Force from 1941 through 1945. He received a Bachelor of Arts degree from Columbia College in 1948 and an M. A. in Economics from Columbia University in 1949.

Mr. Wolfe is married to the former Patricia Ann Howley of New York and now resides in Kensington, Maryland. They have a son, Thomas Brendan Wolfe, age 2.

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Tuesday, January 24, 1961.

D-3

Treasury Secretary Douglas Dillon today announced the establishment in the Office of the Secretary of an Executive Secretariat. Attached is Treasury Department Order No. 170-6 of January 23, 1961.

The purpose of the action is to screen and check all matters submitted to the Secretary and Under Secretary for completeness and conformity with established standards of presentation, and to insure responsiveness in all departmental units.

Mr. Thomas W. Wolfe, Assistant Chief of the Debt Analysis Staff has been named as Director of the Executive Secretariat. Mr. Wolfe joined the Treasury as a fiscal economist in 1949. He has been Assistant Chief of the Debt Analysis Staff since 1958.

Mr. Wolfe was born in Boston, Massachusetts, May 5, 1919, attending public schools there. He served in the United States Army Air Force from 1941 through 1945. He received a Bachelor of Arts degree from Columbia College in 1948 and an M. A. in Economics from Columbia University in 1949.

Mr. Wolfe is married to the former Patricia Ann Howley of New York and now resides in Kensington, Maryland. They have a son, Thomas Brendan Wolfe, age 2.

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THE SECRETARY OF THE TREASURY
WASHINGTON

January 23, 1961

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TREASURY DEPARTMENT ORDER NO. 170-6

There is hereby established in the Office of the Secretary an Executive Secretariat. The Executive Secretariat will be the central coordinating staff of the Department serving the Secretary and the Under Secretary. Its purpose is to screen and check all matters submitted to them for completeness and conformity with established standards of presentation, and to insure responsiveness in all departmental units to the wishes of the Secretary and the Under Secretary.

In carrying out this responsibility, the Director of the Executive Secretariat will, among other duties:

a. Review all material submitted by departmental units for the attention of the Secretary and Under Secretary to insure completeness and proper coordination;

b. Review for assignment of action all incoming official correspondence for the Secretary and Under Secretary;

c. Attend key meetings with the Secretary and Under Secretary to assure completeness of action assignments made;

d. Assure proper oral and/or written briefing of the Secretary and Under Secretary for their appointments with the President, meetings of the Cabinet, NSC and similar engagements, and for official visitors calling upon them; and

e. Maintain direct liaison with the White House Staff Secretary as the principal Department channel to the White House.

All action papers, correspondence, staff studies and memoranda, and similar material submitted by departmental units for the attention of the Secretary and Under Secretary will be routed through the Executive Secretariat for review and approval.

Douglas Dillon

Secretary of the Treasury

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~~EXTRA - MODIFIED~~

from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated November 3, 1960, (91 days remaining until maturity date on May 4, 1961) and noncompetitive tenders for $100,000 or less for the 182 -day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on February 2, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 2, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss

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D-4

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE, ~~XXXXXXXXXXXXXXXXX~~
Wednesday, January 25, 1961 .
(x1x)

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $1,600,000,000 (x2x), or thereabouts, for cash and in exchange for Treasury bills maturing February 2, 1961 (x3x), in the amount of $1,400,610,000 (x4x), as follows:

91 (x5x) -day bills (to maturity date) to be issued February 2, 1961 (x6x), in the amount of $1,100,000,000 (x7x), or thereabouts, representing an additional amount of bills dated November 3, 1960 (x8x), and to mature May 4, 1961 (x9x), originally issued in the amount of $400,140,000 (x10x), the additional and original bills to be freely interchangeable.

182 (x11x) -day bills, for $500,000,000 (x12x), or thereabouts, to be dated February 2, 1961 (x13x), and to mature August 3, 1961 (x14x).

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amoun will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturit value).

Tenders will be received at Federal Reserve Banks and Branches up to the closin hour, one-thirty o'clock p.m., Eastern Standard time, Monday, January 30, 1961 (x15x). Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Wednesday, January 25, 1961.

D-4

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $1,600,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing February 2, 1961, in the amount of $1,400,610,000, as follows:

91-day bills (to maturity date) to be issued February 2, 1961, in the amount of $1,100,000,000, or thereabouts, representing an additional amount of bills dated November 3,1960, and to mature May 4, 1961, originally issued in the amount of $400,140,000, the additional and original bills to be freely interchangeable.

182 -day bills, for $500,000,000, or thereabouts, to be dated February 2, 1961, and to mature August 3, 1961.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Standard time, Monday, January 30,1961 . Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Departmment of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated November 3, 1960, (91 days remaining until maturity date on May 4, 1961) and noncompetitive tenders for $100,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on February 2, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 2, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR IMMEDIATE RELEASE
Monday, January 30, 1961.

D-5

The holders of $6,938 million of 4-7/8% certificates of indebtedness of Series A-1961, dated February 15, 1960, maturing February 15, 1961, will not be offered preemptive rights to exchange their holdings for new securities to be offered early next month. The maturing certificates will be paid off in cash. Approximately $3,250 million of the certificates are publicly held.

The necessary funds to pay off the maturing certificates will be provided by an other issue, or issues, of direct Treasury obligations offered for cash subscriptions. Subscribers to such new issue, or issues, who hold the maturing certificates may, if they wish, deposit them at face value in lieu of any cash down payments required with subscriptions. To the extent subscribers are allotted the new securities, the Treasury will accept the maturing securities in lieu of cash in making final payments.

The announcement of the terms of the new issue, or issues, will be made later this week.

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RELEASE A. M. NEWSPAPERS, Tuesday, January 31, 1961.

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated November 3, 19 and the other series to be dated February 2, 1961, which were offered on January 25, were opened at the Federal Reserve Banks on January 30. Tenders were invited for $1,100,000,000, or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing May 4, 1961		:	182-day Treasury bills maturing August 3, 1961	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.428	2.263%	:	98.748 a/	2.476%
Low	99.414	2.318%	:	98.730	2.512%
Average	99.419	2.299% 1/	:	98.738	2.497% 1/

a/ Excepting two tenders totaling $1,800,000
84 percent of the amount of 91-day bills bid for at the low price was accepted
62 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	:	Applied For	Accepted
Boston	$ 28,604,000	$ 13,604,000	:	$ 23,300,000	$ 23,300,000
New York	1,453,953,000	646,333,000	:	896,341,000	382,777,000
Philadelphia	26,766,000	11,766,000	:	6,586,000	1,586,000
Cleveland	29,704,000	24,704,000	:	17,414,000	9,644,000
Richmond	18,137,000	18,137,000	:	4,547,000	4,547,000
Atlanta	21,648,000	20,338,000	:	5,221,000	4,371,000
Chicago	249,154,000	168,322,000	:	73,310,000	40,845,000
St. Louis	20,084,000	18,404,000	:	6,627,000	5,747,000
Minneapolis	14,353,000	10,103,000	:	7,045,000	3,445,000
Kansas City	43,385,000	34,305,000	:	15,250,000	7,400,000
Dallas	19,714,000	17,714,000	:	5,960,000	3,346,000
San Francisco	131,061,000	116,901,000	:	20,626,000	13,262,000
TOTALS	$2,056,563,000	$1,100,631,000 b/		$1,082,227,000	$500,270,000 c/

b/ Includes $207,898,000 noncompetitive tenders accepted at the average price of 99.419
c/ Includes $41,720,000 noncompetitive tenders accepted at the average price of 98.738
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.34%, for the 91-day bills, and 2.56%, for th 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in term of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannu compounding if more than one coupon period is involved.

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TREASURY DEPARTMENT 15

WASHINGTON, D.C.

RELEASE A. M. NEWSPAPERS, Tuesday, January 31, 1961. D-6

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated November 3, 196 and the other series to be dated February 2, 1961, which were offered on January 25, were opened at the Federal Reserve Banks on January 30. Tenders were invited for $1,100,000,000, or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing May 4, 1961		182-day Treasury bills maturing August 3, 1961	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.428	2.263%	98.748 a/	2.476%
Low	99.414	2.318%	98.730	2.512%
Average	99.419	2.299% 1/	98.738	2.497% 1/

a/ Excepting two tenders totaling $1,800,000
64 percent of the amount of 91-day bills bid for at the low price was accepted
62 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
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New York	1,453,953,000	646,333,000	896,341,000	382,777,000
Philadelphia	26,766,000	11,766,000	6,586,000	1,586,000
Cleveland	29,704,000	24,704,000	17,414,000	9,644,000
Richmond	18,137,000	18,137,000	4,547,000	4,547,000
Atlanta	21,648,000	20,338,000	5,221,000	4,371,000
Chicago	249,154,000	168,322,000	73,310,000	40,845,000
St. Louis	20,084,000	18,404,000	6,627,000	5,747,000
Minneapolis	14,353,000	10,103,000	7,045,000	3,445,000
Kansas City	43,385,000	34,305,000	15,250,000	7,400,000
Dallas	19,714,000	17,714,000	5,960,000	3,346,000
San Francisco	131,061,000	116,901,000	20,626,000	13,262,000
TOTALS	$2,056,563,000	$1,100,631,000 b/	$1,082,227,000	$500,270,000 c/

b/ Includes $207,898,000 noncompetitive tenders accepted at the average price of 99.419
c/ Includes $41,720,000 noncompetitive tenders accepted at the average price of 98.738
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.34%, for the 91-day bills, and 2.56%, for th 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannua compounding if more than one coupon period is involved.

FOR IMMEDIATE RELEASE
TUESDAY, JANUARY 31, 1961

D-7

Secretary Douglas Dillon has asked Mr. William H. Neal to continue as National Director of the U. S. Savings Bonds Division. Mr. Neal has agreed to do so.

In making this announcement Secretary Dillon emphasized that the Savings Bonds program plays a basic role in the administration of the public debt and affords an opportunity for every American citizen to participate directly in the sound management of the nation's finances. He welcomed the fact that the American people now own more than $43 billion in Savings Bonds -- an all time high.

Mr. Neal has served in his present position since Feb. 23, 1960. He has had a long background of volunteer service with the Savings Bonds program and in promotional work in his previous capacity as Senior Vice President of the Wachovia Bank and Trust Company, in Winston-Salem, North Carolina, from which institution he is on leave. In 1958 Mr. Neal toured military and other government installations in Europe as a volunteer to aid in maintaining participation by Americans abroad in the Savings Bonds program.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR IMMEDIATE RELEASE
TUESDAY, JANUARY 31, 1961

D-7

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DRAFT - 1/30/61

IMMEDIATE RELEASE,
Tuesday, January 31, 1961.

D-8

Treasury Secretary Dillon today named Mr. Joseph Walker Barr as Assistant to the Secretary. Mr. Barr's responsibilities will include Congressional liaison and related duties.

A Member of the 86th Congress, Mr. Barr represented the 11th District of Indiana. He served as a member of the House Banking and Currency Committee.

Mr. Barr resigned as Executive Vice President of Merz Engineering Company in Indianapolis and Shelbyville, Indiana, to accept the Treasury appointment.

Mr. Barr served during World War II in the United States Navy, attaining the rank of Lieutenant Commander. He received the Bronze Star for sinking a submarine in actions off Anzio beachhead.

In 1939 Mr. Barr received his A.B. degree from DePauw University, and in 1941 his M.A. degree in Economics from Harvard University. He is a member of Phi Beta Kappa.

Mr. Barr is 43 years of age and is married to the former Beth Ann Williston. Mr. and Mrs. Barr and their five children will reside at 10711 Tulip Lane, Potomac, Maryland.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

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Mr. Wallace is 40 years of age, and is married to the former Juna Agnes Campbell, .
Mr. and Mrs. Wallace and their three children reside at 2913 Argyle Drive, Alexandria, Virginia.

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DRAFT 1-30-61

9

IMMEDIATE RELEASE,
Tuesday, January 31, 1961. D-

Treasury Secretary Douglas Dillon has named Robert A. Wallace of Park Forest, Illinois, as a Special Assistant to the Secretary.

Mr. Wallace will serve as an economic advisor to the Secretary on financial, banking ~~and~~ monetary and fiscal policy matters.

During 1959 and 1960, Mr. Wallace was a consultant to Senator Kennedy, and during the presidential campaign he was responsible for research on economic policies. From 1955 to 1959, he served as Staff Director of the Senate Committee on Banking and Currency, directing the Committee's background study of the stock market, and participated in Senator Douglas' study of central banking problems in Western Europe. In 1958, he prepared materials and report for the Monroney Resolution to create the International Development Association as an arm of the World Bank.

Mr. Wallace was research associate to Senator Paul H. Douglas, of Illinois, from 1949 to 1954. In 1952 he directed a study of the Railroad Retirement System and in the same year served as Federal Expenditures Analyst for the American Assembly of Columbia University in its study of inflation.

In 1945 Mr. Wallace received his A.B. degree from the University of Washington, and during the following year held a teaching fellowship there. From 1946 to 1948, he was engaged

TREASURY DEPARTMENT

WASHINGTON, D.C.

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Tuesday, January 31, 1961.

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~~RETAG MODIFIED~~

from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated November 10, 1960, (91 days remaining until maturity date on May 11, 1961) and noncompetitive tenders for $100,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on February 9, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 9, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not ~~have any exemption.~~ as such, and loss

D-10

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE, 4:00 P.M., EST,
Wednesday, February 1, 1961.

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $1,600,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing February 9, 1961, in the amount of $1,600,403,000, as follows:

91-day bills (to maturity date) to be issued February 9, 1961, in the amount of $1,100,000,000, or thereabouts, representing an additional amount of bills dated November 10, 1960, and to mature May 11, 1961, originally issued in the amount of $ 400,206,000, the additional and original bills to be freely interchangeable.

182-day bills, for $ 500,000,000, or thereabouts, to be dated February 9, 1961, and to mature August 10, 1961.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Standard time, Monday, February 6, 1961. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Wednesday, February 1, 1961.

D-10

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Others than banking institutions will not be permitted to submi tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tender from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated ban or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Departmment of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated November 10,1960, (91 days remaining until maturity date on May 11, 1961) and noncompetitive tenders for $100,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on **February 9, 1961,** in cash or other immediately available funds or in a like face amount of Treasury bills maturing **February 9,1961.** Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, February 2, 1961.

D-11

The Treasury will borrow $6.9 billion, or thereabouts, on February 15, 1961, for the purpose of paying off in cash $6.9 billion of 4-7/8% Treasury Certificates of Indebtedness maturing February 15, 1961. The $6.9 billion to be borrowed will be obtained from the issue of:

> $6.9 billion, or thereabouts, of 18-month 3-1/4% Treasury Notes, at par, to be dated February 15, 1961, and to mature August 15, 1962. Interest to be payable semiannually on February 15 and August 15.

Subscriptions to the new Treasury Notes will be received subject to allotment. Payment for the securities may be made in cash, or Treasury Certificates of Indebtedness of Series A-1961, maturing February 15, 1961, which will be accepted at par, in payment or exchange, in whole or in part, for the Treasury Notes subscribed for, to the extent such subscriptions are allotted by the Treasury.

The subscription books will be open for the 3-1/4% Treasury Notes only on Monday, February 6.

Any subscriptions for the Treasury Notes with the required deposits addressed to a Federal Reserve Bank or Branch, or to the Treasurer of the United States, and placed in the mail before midnight, February 6, 1961, will be considered timely.

The new issue may not be paid for by credit in Treasury Tax and Loan Accounts.

Other details concerning the new 3-1/4% Treasury Notes are as follows:

Subscriptions to the 3-1/4% notes from commercial banks, for their own account, will be restricted in each case to an amount not exceeding 50 percent of the combined capital, surplus and undivided profits of the subscribing bank.

Subscriptions to the 3-1/4% notes from commercial and other banks for their own account, Federally-insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions with respect to Government securities and borrowings thereon, Government Investment Accounts, and the Federal Reserve Banks will be received without deposit.

Subscriptions to the 3-1/4% notes from all others must be accompanied by payment of 2% (in cash, or Treasury Certificates of Indebtedness, maturing February 15, 1961, at par) of the amount of notes applied for not subject to withdrawal until after allotment.

The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of notes applied for, and to make different percentage allotments to various classes of subscribers; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions from States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, Government Investment Accounts, and the Federal Reserve Banks, will be allotted in full. The basis of the allotment of all other subscriptions will be publicly announced, and allotment notices will be sent out promptly upon allotment.

All subscribers are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any notes of this issue, until after midnight February 6, 1961.

Commercial banks in submitting subscriptions will be required to certify that they have no beneficial interest in any of the subscriptions they enter for the account of their customers, and that their customers have no beneficial interest in the banks' subscriptions for their own account.

Dr. Edward Wichers, Associate Director of the National Bureau of Standards, one of the members of the Commission, will take to Philadelphia the official weights of the Philadelphia Mint, which have been calibrated at the Bureau of Standards. These weights will be used in the annual tests.

Mr. Chester L. Krause, of Iola, Wisconsin
Floyd W. Shafer, of Stroudsburg, Pennsylvania
Mr. August John Throm, of Paterson, New Jersey
year are Mr. Jack T. Conn, of Ada, Oklahoma
Mr. Randolph W. Nuckols, of Richmond, Virginia
Mr. Albert Gallatin Myers, Sr., of Gastonia, North Carolina
Mr. C. A. Seiple, of Canton, Ohio
Mr. John E. Power, of Philadelphia, Pennsylvania
Mr. Walter H. Woodson, Sr., of Salisbury, North Carolina
Mr. Archie Kimbrough Davis, of Winston-Salem, North Carolina
Mr. Kenneth Stanley Adams, of Bartlesville, Oklahoma
Mr. Harry O. Nichols, of Norfolk, Virginia
Mr. Howell R. Hensley, of Fort Thomas, Kentucky
[redacted]
Mr. John H. Morris, Jr., of Homewood, Alabama.

Other members of the Commission, named in conformity with statutory provisions, are Honorable Ray M. Gidney, Comptroller of the Currency, Washington, D. C.; Honorable J. Cullen Ganey, Judge of the District Court, Eastern District of Pennsylvania, Philadelphia, Pennsylvania; and Mr. Howard F. Johnson, Chief Assayer of the U. S. Assay Office, New York, New York.

D-12

DRAFT OF PROPOSED PRESS RELEASE

ANNUAL ASSAY COMMISSION 1961

Treasury Secretary ~~Honorable~~ Douglas Dillon~~, Secretary of the Treasury,~~ said ~~announced~~ today that the Annual Assay Commission for 1961 will convene at the United States Mint in Philadelphia on Wednesday morning, February 8, 1961, for the traditional "trial of the coins." The White House Saturday ~~today~~ announced the names of the 15 members appointed by President Kennedy to take part in the tests.

The Assay Commission is one of the oldest institutions of the Government, having been provided for in the same statute that established the Mint on April 2, 1792, and assembled regularly since that time. Its function is to make tests of coins, taken at random from the two operating mints during the preceding year, to determine whether they conform in weight and fineness to legal requirements.

During each year one silver coin from every delivery of 10,000 made at each of the two mints is taken out for test by the Commission. These coins are carefully preserved in a "pyx" at the Philadelphia Mint, under the joint care of the Superintendent and Assayer, and are delivered to the Commission for the annual tests. The word "pyx," referred to in the law authorizing the "trial of the coins," derives from the "pyx-chest," a receptacle for coins selected for testing in the early days of the British Mint.

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Monday, February 6, 1961.

D-12

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Mr. Edward Wichers, Associate Director of the National Bureau of Standards, one of the members of the Commission, will take to Philadelphia the official weights of the Philadelphia Mint, which have been calibrated at the Bureau of Standards. These weights will be used in the annual tests.

Besides Dr. Wichers, those serving on the Assay Commission this year are:

Mr. Chester L. Krause, of Iola, Wisconsin
Floyd W. Shafer, M. D., of Stroudsburg, Pennsylvania
Mr. August John Throm, of Paterson, New Jersey
Mr. Jack T. Conn, of Ada, Oklahoma
Mr. Randolph W. Nuckols, of Richmond, Virginia
Mr. Albert Gallatin Myers, Sr., of Gastonia, North Carolina
Mr. C. A. Seiple, of Canton, Ohio
Mr. John E. Power, of Philadelphia, Pennsylvania
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Mr. Archie Kimbrough Davis, of Winston-Salem, North Carolin
Mr. Kenneth Stanley Adams, of Bartlesville, Oklahoma
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Other members of the Commission, named in conformity with statutory provisions, are Honorable Ray M. Gidney, Comptroller of the Currency, Washington, D. C.; Honorable J. Cullen Ganey, Judge of the District Court, Eastern District of Pennsylvania, Philadelphia, Pennsylvania; and Mr. Howard F. Johnson, Chief Assayer of the U. S. Assay Office, New York, New York.

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RELEASE A. M. NEWSPAPERS, Tuesday, February 7, 1961.

33 A-113

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated November 10, 1960, and the other series to be dated February 9, 1961, which were offered on February were opened at the Federal Reserve Banks on February 6. Tenders were invited for $1,100,000,000, or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing May 11, 1961		182-day Treasury bills maturing August 10, 1961	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.413 a/	2.322%	98.721 b/	2.530%
Low	99.394	2.397%	98.698	2.575%
Average	99.400	2.374% 1/	98.703	2.566% 1/

a/ Excepting two tenders totaling $250,000
b/ Excepting one tender of $100,000
73 percent of the amount of 91-day bills bid for at the low price was accepted
15 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
Boston	$ 24,081,000	$ 10,946,000	$ 3,192,000	$ 3,192,000
New York	1,442,124,000	707,944,000	883,304,000	395,054,000
Philadelphia	27,116,000	12,116,000	6,819,000	1,819,000
Cleveland	34,420,000	34,420,000	45,332,000	30,332,000
Richmond	15,318,000	15,318,000	5,059,000	2,059,000
Atlanta	28,467,000	24,267,000	4,573,000	3,373,000
Chicago	198,913,000	147,483,000	63,701,000	31,701,000
St. Louis	19,686,000	18,686,000	4,481,000	3,481,000
Minneapolis	19,666,000	14,099,000	5,659,000	2,159,000
Kansas City	46,404,000	33,054,000	12,954,000	7,854,000
Dallas	18,090,000	17,090,000	4,677,000	3,677,000
San Francisco	70,863,000	64,728,000	21,445,000	15,373,000
	$1,945,148,000	$1,100,151,000 c/	$1,061,196,000	$500,074,000 d/

c/ Includes $200,486,000 noncompetitive tenders accepted at the average price of 99.400
d/ Includes $39,036,000 noncompetitive tenders accepted at the average price of 98.703
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.42%, for the 91-day bills, and 2.64%, for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE A. M. NEWSPAPERS, Tuesday, February 7, 1961. A-13

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated November 10, 1960, and the other series to be dated February 9, 1961, which were offered on February 1 were opened at the Federal Reserve Banks on February 6. Tenders were invited for $1,100,000,000, or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

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Low	99.394	2.397%	98.698	2.575%
Average	99.400	2.374% 1/	98.703	2.566% 1/

a/ Excepting two tenders totaling $250,000
b/ Excepting one tender of $100,000
73 percent of the amount of 91-day bills bid for at the low price was accepted
15 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
Boston	$ 24,081,000	$ 10,946,000	$ 3,192,000	$ 3,192,000
New York	1,442,124,000	707,944,000	883,304,000	395,054,000
Philadelphia	27,116,000	12,116,000	6,819,000	1,819,000
Cleveland	34,420,000	34,420,000	45,332,000	30,332,000
Richmond	15,318,000	15,318,000	5,059,000	2,059,000
Atlanta	28,467,000	24,267,000	4,573,000	3,373,000
Chicago	198,913,000	147,483,000	63,701,000	31,701,000
St. Louis	19,686,000	18,686,000	4,481,000	3,481,000
Minneapolis	19,666,000	14,099,000	5,659,000	2,159,000
Kansas City	46,404,000	33,054,000	12,954,000	7,854,000
Dallas	18,090,000	17,090,000	4,677,000	3,677,000
San Francisco	70,863,000	64,728,000	21,445,000	15,373,000
	$1,945,148,000	$1,100,151,000 c/	$1,061,196,000	$500,074,000 d/

c/ Includes $200,488,000 noncompetitive tenders accepted at the average price of 99.400
d/ Includes $39,036,000 noncompetitive tenders accepted at the average price of 98.703
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.42%, for the 91-day bills, and 2.64%, for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated **November 17, 1960**, (**91** days remaining until maturity date on **May 18, 1961**) and noncompetitive tenders for $100,000 or less for the **182** -day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on **February 16, 1961**, in cash or other immediately available funds or in a like face amount of Treasury bills maturing **February 16, 1961**. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
~~RELEASE A.M. NEWSPAPERS~~, 4:00 P. M., EST
Monday, February 6, 1961.

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $ 1,600,000,000 , or thereabouts, for cash and in exchange for Treasury bills maturing February 16, 1961 , in the amount of $ 1,601,639,000 , as follows:

91 -day bills (to maturity date) to be issued February 16, 1961 , in the amount of $ 1,100,000,000 , or thereabouts, representing an additional amount of bills dated November 17, 1960 , and to mature May 18, 1961 , originally issued in the amount of $ 499,975,000 , the additional and original bills to be freely interchangeable.

182 -day bills, for $ 500,000,000 , or thereabouts, to be dated February 16, 1961 , and to mature August 17, 1961 .

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Standard time, Friday, February 10, 1961 . Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Monday, February 6, 1961.

D-14

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of \$1,600,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing February 16,1961, in the amount of \$1,601,639,000, as follows:

91-day bills (to maturity date) to be issued February 16, 1961, in the amount of \$1,100,000,000, or thereabouts, representing an additional amount of bills dated November 17, 1960, and to mature May 18, 1961, originally issued in the amount of \$499,975,000, the additional and original bills to be freely interchangeable.

182-day bills, for \$500,000,000, or thereabouts, to be dated February 16, 1961, and to mature August 17, 1961.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of \$1,000, \$5,000, \$10,000, \$100,000, \$500,000 and \$1,000,000 (maturity value).

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Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

COTTON WASTES
(In pounds)

COTTON CARD STRIPS made from cotton having a staple of less than 1-3/16 inches in length, COMBER WASTE, LAP WASTE, SLIVER WASTE, AND ROVING WASTE, WHETHER OR NOT MANUFACTURED OR OTHERWISE ADVANCED IN VALUE: Provided, however, that not more than 33-1/3 percent of the quotas shall be filled by cotton wastes other than comber wastes made from cottons of 1-3/16 inches or more in staple length in the case of the following countries: United Kingdom, France, Netherlands, Switzerland, Belgium, Germany, and Italy:

Country of Origin	Established TOTAL QUOTA	Total Imports Sept. 20, 1960, to Feb. 7, 1961	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1960 to Feb. 7, 1961
United Kingdom	4,323,457	1,276,870	1,441,152	1,085,177
Canada	239,690	239,690	-	-
France	227,420	42,782	75,807	42,782
British India	69,627	-	-	-
Netherlands	68,240	21,442	22,747	21,442
Switzerland	44,388	-	14,796	-
Belgium	38,559	3,068	12,853	3,068
Japan	341,535	-	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	21,222	25,443	9,937
Italy	21,263	-	7,088	-
	5,482,509	1,605,074	1,599,886	1,162,406

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
FRIDAY, FEBRUARY 10, 1961.

D-16

Preliminary data on imports for consumption of cotton and cotton waste chargeable to the quotas established by the President's Proclamation of September 5, 1939, as amended

COTTON (other than linters) (in pounds)
Cotton under 1-1/8 inches other than rough or harsh under 3/4"
Imports September 20, 1960 - February 7, 1961

Country of Origin	Established Quota	Imports	Country of Origin	Established Quota	Imports
Egypt and the Anglo-Egyptian Sudan	783,816	-	Honduras	752	-
Peru	247,952	-	Paraguay	871	-
British India	2,003,483	-	Colombia	124	-
China	1,370,791	-	Iraq	195	-
Mexico	8,883,259	8,883,259	British East Africa ...	2,240	-
Brazil	618,723	618,721	Netherlands E. Indies .	71,388	-
Union of Soviet Socialist Republics ...	475,124	-	Barbados	-	-
Argentina	5,203	-	1/Other British W. Indies	21,321	-
Haiti	237	-	Nigeria	5,377	-
Ecuador	9,333	-	2/Other British W. Africa	16,004	-
			3/Other French Africa ...	689	-
			Algeria and Tunisia ...	-	-

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.

Cotton 1-1/8" or more
Imports August 1, 1960 - February 7, 1961

Established Quota (Global) - 45,656,420 Lbs.

Staple Length	Allocation	Imports
1-3/8" or more	39,590,778	39,590,778
1-5/32" or more and under 1-3/8" (Tanguis)	1,500,000	609,648
1-1/8" or more and under 1-3/8"	4,565,642	4,565,642

Washington, D. C.

IMMEDIATE RELEASE
FRIDAY, FEBRUARY 10, 1961.

D-16

Preliminary data on imports for consumption of cotton and cotton waste chargeable to the quotas established by the President's Proclamation of September 5, 1939, as amended

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Peru	247,952	-	Paraguay	871	-
British India	2,003,483	-	Colombia	124	-
China	1,370,791	-	Iraq	195	-
Mexico	8,883,259	8,883,259	British East Africa ...	2,240	-
Brazil	618,723	618,721	Netherlands E. Indies .	71,388	-
Union of Soviet Socialist Republics ...	475,124	-	Barbados	-	-
Argentina	5,203	-	1/Other British W. Indies	21,321	-
Haiti	237	-	Nigeria	5,377	-
Ecuador	9,333	-	2/Other British W. Africa	16,004	-
			3/Other French Africa ...	689	-
			Algeria and Tunisia ...		-

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.

Cotton 1-1/8" or more
Imports August 1, 1960 - February 7, 1961

Established Quota (Global) - 45,656,420 Lbs.

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1-5/32" or more and under 1-3/8" (Tanguis)	1,500,000	609,648
1-1/8" or more and under 1-3/8"	4,565,642	4,565,642

COTTON WASTES
(In pounds)

COTTON CARD STRIPS made from cotton having a staple of less than 1-3/16 inches in length, COMBER WASTE, LAP WASTE, SLIVER WASTE, AND ROVING WASTE, WHETHER OR NOT MANUFACTURED OR OTHERWISE ADVANCED IN VALUE: Provided, however, that not more than 33-1/3 percent of the quotas shall be filled by cotton wastes other than comber wastes made from cottons of 1-3/16 inches or more in staple length in the case of the following countries: United Kingdom, France, Netherlands, Switzerland, Belgium, Germany, and Italy:

Country of Origin	Established TOTAL QUOTA	Total Imports Sept. 20, 1960, to Feb. 7, 1961	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1960 to Feb. 7, 1961
United Kingdom	4,323,457	1,276,870	1,441,152	1,085,177
Canada	239,690	239,690	-	-
France	227,420	42,782	75,807	42,782
British India	69,627	-	-	-
Netherlands	68,240	21,442	22,747	21,442
Switzerland	44,388	-	14,796	-
Belgium	38,559	3,068	12,853	3,068
Japan	341,535	-	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	21,222	25,443	9,937
Italy	21,263	-	7,088	-
	5,482,509	1,605,074	1,599,886	1,162,406

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

TREASURY DEPARTMENT
Washington, D. C.

D-17

IMMEDIATE RELEASE

FRIDAY, FEBRUARY 10, 1961.

PRELIMINARY DATA ON IMPORTS FOR CONSUMPTION OF UNMANUFACTURED LEAD AND ZINC CHARGEABLE TO THE QUOTAS ESTABLISHED BY PRESIDENTIAL PROCLAMATION NO. 3257 OF SEPTEMBER 22, 1958

QUARTERLY QUOTA PERIOD - January 1, 1961 - March 31, 1961

IMPORTS - January 1, 1961 - February 8, 1961

Country of Production	ITEM 391: Lead-bearing ores, flue dust, and mattes — Quarterly Quota Dutiable Lead (Pounds)	ITEM 391 — Imports (Pounds)	ITEM 392: Lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, antimonial scrap lead, type metal, all alloys or combinations of lead n.s.p.f. — Quarterly Quota Dutiable Lead (Pounds)	ITEM 392 — Imports (Pounds)	ITEM 393: Zinc-bearing ores of all kinds, except pyrites containing not over 3% of zinc — Quarterly Quota Dutiable Zinc (Pounds)	ITEM 393 — Imports (Pounds)	ITEM 394: Zinc in blocks, pigs, or slabs; old and worn-out zinc, fit only to be remanufactured, zinc dross, and zinc skimmings — Quarterly Quota By Weight (Pounds)	ITEM 394 — Imports (Pounds)
Australia	10,080,000	2,637,455	23,680,000	14,140,081	-		-	
Belgian Congo	-		-		-		5,440,000	3,417,192
Belgium and Luxemburg (total)	-		-		-		7,520,000	1,111,126
Bolivia	5,040,000	3,235,776	-		-		-	
Canada	13,440,000	10,926,820	15,920,000	6,544,814	66,480,000	24,185,617	37,840,000	7,974,071
Italy	-		-		-		3,600,000	442,690
Mexico	-		36,880,000	5,369,245	70,480,000	26,190,774	6,320,000	807,082
Peru	16,160,000	7,730,987	12,880,000	1,391,020	35,120,000	13,812,422	3,760,000	897,073
Un. So. Africa	14,880,000	14,880,000	-		-		-	
Yugoslavia	-		15,760,000	6,116,865	-		-	
All other foreign countries (total)	6,560,000	6,560,000	6,080,000	6,080,000	17,840,000	17,840,000	6,080,000	6,080,000

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE

44 D-17

FRIDAY, FEBRUARY 10, 1961.

PRELIMINARY DATA ON IMPORTS FOR CONSUMPTION OF UNMANUFACTURED LEAD AND ZINC CHARGEABLE TO THE QUOTAS ESTABLISHED BY PRESIDENTIAL PROCLAMATION NO. 3257 OF SEPTEMBER 22, 1958

QUARTERLY QUOTA PERIOD - January 1, 1961 - March 31, 1961

IMPORTS - January 1, 1961 - February 8, 1961

Country of Production	ITEM 391 Lead-bearing ores, flue dust, and mattes		ITEM 392 Lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, antimonial scrap lead, type metal, all alloys or combinations of lead n.s.p.f.		ITEM 393 Zinc-bearing ores of all kinds, except pyrites containing not over 3% of zinc		ITEM 394 Zinc in blocks, pigs, or slabs; old and worn-out zinc, fit only to be remanufactured, zinc dross, and zinc skimmings	
	Quarterly Quota Dutiable Lead (Pounds)	Imports	Quarterly Quota Dutiable Lead (Pounds)	Imports	Quarterly Quota Dutiable Zinc (Pounds)	Imports	Quarterly Quota By Weight (Pounds)	Imports
Australia	10,080,000	2,637,455	23,680,000	14,140,081	-		-	
Belgian Congo	-		-		-		5,440,000	3,417,192
Belgium and Luxemburg (total)	-		-		-		7,520,000	1,111,126
Bolivia	5,040,000	3,235,776	-		-		-	
Canada	13,440,000	10,926,820	15,920,000	6,544,814	66,480,000	24,185,617	37,840,000	7,974,071
Italy	-		-		-		3,600,000	442,690
Mexico	-		36,880,000	5,369,245	70,480,000	26,190,774	6,320,000	807,082
Peru	16,160,000	7,730,987	12,880,000	1,391,020	35,120,000	13,812,422	3,760,000	897,073
Un. So. Africa	14,880,000	14,880,000	-		-		-	
Yugoslavia	-		15,760,000	6,116,865	-		-	
All other foreign countries (total)	6,560,000	6,560,000	6,080,000	6,080,000	17,840,000	17,840,000	6,080,000	6,080,000

45

Commodity	Period and Quantity		Unit of Quantity	Imports as of Jan. 28, 19
bsolute Quotas				
eanuts, shelled, unshelled, blanched, salted, prepared or preserved (incl. roasted peanuts but not peanut butter)......	12 mos. from Aug. 1, 1960	1,709,000	Pound	15,701*
ye, rye flour, and rye meal......	July 1, 1960-June 30, 1961			
	Canada	140,733,957	Pound	122,967,888*
	Other Countries	2,872,122	Pound	-
utter substitutes, including butter oil, containing 45% or more butterfat..................	Calendar Year 1961	1,200,000	Pound	Quota Filled
ung Oil........................	Nov. 1, 1960-Jan. 31, 1961			
	Argentina	5,525,000	Pound	3,329,423
	Paraguay	741,000	Pound	733,687
	Other Countries	234,000	Pound	224,812
	Feb. 1, 1961-Oct. 31, 1961			
	Argentina	18,770,577	Pound	745,177*
	Paraguay	2,230,313	Pound	Quota Filled
	Other Countries	711,188	Pound	-

Imports through February 7, 1961.

TREASURY DEPARTMENT
Washington, D. C.

MMEDIATE RELEASE
FRIDAY, FEBRUARY 10, 1961

D-18

The Bureau of Customs announced today preliminary figures showing the imports for onsumption of the commodities listed below within quota limitations from the beginning f the quota periods to January 28, 1961, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Jan. 28, 1961
ariff-Rate Quotas:				
ream, fresh or sour..............	Calendar Year	1,500,000	Gallon	23
hole milk, fresh or sour.........	Calendar Year	3,000,000	Gallon	1
attle, 700 lbs. or more each (other than dairy cows)..........	Jan. 1, 1961- March 31, 1961	120,000	Head	8,42
attle less than 200 lbs. each....	12 mos. from April 1, 1960	200,000	Head	33,73
ish, fresh or frozen, filleted, tc., cod, haddock, hake, pol- ock, cusk, and rosefish.........	Calendar Year	32,600,645	Pound	7,533,07
una fish.........................	Calendar Year	To be announced	Pound	2,552,63
hite or Irish potatoes:				
Certified seed...................	12 mos. from	114,000,000	Pound	38,993,15
Other............................	Sept. 15, 1960	36,000,000	Pound	3,691,04
eanut oil........................	12 mos. from July 1, 1960	80,000,000	Pound	1,44
alnuts...........................	Calendar Year	5,000,000	Pound	1,403,80
tainless steel table flatware (table knives, table forks, table spoons)..................	Nov. 1, 1960- Oct. 31, 1961	69,000,000	Pieces	68,123,90

/ Imports for consumption at the quota rate are limited to 8,150,161 pounds during ne first three months of the calendar year.

(over)

TREASURY DEPARTMENT
Washington, D. C.

1EDIATE RELEASE
RIDAY, FEBRUARY 10, 1961

D-18

The Bureau of Customs announced today preliminary figures showing the imports for 1sumption of the commodities listed below within quota limitations from the beginning the quota periods to January 28, 1961, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Jan. 28, 1961
riff-Rate Quotas:				
eam, fresh or sour..............	Calendar Year	1,500,000	Gallon	232
ole milk, fresh or sour.........	Calendar Year	3,000,000	Gallon	12
ttle, 700 lbs. or more each other than dairy cows)..........	Jan. 1, 1961- March 31, 1961	120,000	Head	8,424
ttle less than 200 lbs. each....	12 mos. from April 1, 1960	200,000	Head	33,734
sh, fresh or frozen, filleted, c., cod, haddock, hake, pol- ck, cusk, and rosefish.........	Calendar Year	32,600,645	Pound	7,533,073
na fish.........................	Calendar Year	To be announced	Pound	2,552,633
ite or Irish potatoes:				
ertified seed...................	12 mos. from	114,000,000	Pound	38,993,150
ther............................	Sept. 15, 1960	36,000,000	Pound	3,691,047
anut oil........................	12 mos. from July 1, 1960	80,000,000	Pound	1,440
lnuts...........................	Calendar Year	5,000,000	Pound	1,403,801
ainless steel table flatware able knives, table forks, able spoons).................	Nov. 1, 1960- Oct. 31, 1961	69,000,000	Pieces	68,123,909

Imports for consumption at the quota rate are limited to 8,150,161 pounds during first three months of the calendar year.

(over)

Commodity	Period and Quantity		Unit of Quantity	Imports as of Jan. 28, 1
Absolute Quotas				
Peanuts, shelled, unshelled, blanched, salted, prepared or preserved (incl. roasted peanuts but not peanut butter)......	12 mos. from Aug. 1, 1960	1,709,000	Pound	15,701*
Rye, rye flour, and rye meal......	July 1, 1960- June 30, 1961			
	Canada	140,733,957	Pound	122,967,888*
	Other Countries	2,872,122	Pound	-
Butter substitutes, including butter oil, containing 45% or more butterfat..................	Calendar Year 1961	1,200,000	Pound	Quota Filled
Tung Oil.........................	Nov. 1, 1960- Jan. 31, 1961			
	Argentina	5,525,000	Pound	3,329,423
	Paraguay	741,000	Pound	733,687
	Other Countries	234,000	Pound	224,812
	Feb. 1, 1961- Oct. 31, 1961			
	Argentina	18,770,577	Pound	745,177*
	Paraguay	2,230,313	Pound	Quota Filled
	Other Countries	711,188	Pound	-

* Imports through February 7, 1961.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
FRIDAY, FEBRUARY 10, 1961. D-19

The Bureau of Customs announced today the following preliminary figures showing the imports for consumption from January 1, 1961, to January 28, 1961, inclusive, of commodities for which quotas were established pursuant to the Philippine Trade Agreement Revision Act of 1955:

Commodity	Established Annual Quota Quantity	Unit of Quantity	Imports as of Jan. 28, 1961
Buttons.............	765,000	Gross	26,888
Cigars..............	180,000,000	Number	250,110
Coconut oil.........	403,200,000	Pound	15,170,059
Cordage.............	6,000,000	Pound	171,201
Tobacco.............	5,850,000	Pound	1,193,011

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
FRIDAY, FEBRUARY 10, 1961.

D-19

The Bureau of Customs announced today the following preliminary figures showing the imports for consumption from January 1, 1961, to January 28, 1961, inclusive, of commodities for which quotas were established pursuant to the Philippine Trade Agreement Revision Act of 1955:

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Buttons.............	765,000	Gross	26,888
Cigars..............	180,000,000	Number	250,110
Coconut oil.........	403,200,000	Pound	15,170,059
Cordage.............	6,000,000	Pound	171,201
Tobacco.............	5,850,000	Pound	1,193,011

RELEASE A. M. NEWSPAPERS, Saturday, February 11, 1961.

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated November 17, 1960, and the other series to be dated February 16, 1961, which were offered on February 6, were opened at the Federal Reserve Banks on February 10. Tenders were invited for $1,100,000,000, or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing May 18, 1961		182-day Treasury bills maturing August 17, 1961	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.384 a/	2.437%	98.666	2.639%
Low	99.374	2.476%	98.656	2.658%
Average	99.378	2.462% 1/	98.659	2.652% 1/

a/ Excepting two tenders totaling $988,000
13 percent of the amount of 91-day bills bid for at the low price was accepted
23 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
Boston	$ 30,620,000	$ 15,685,000	$ 13,014,000	$ 12,176,000
New York	1,508,285,000	769,138,000	1,091,384,000	387,239,000
Philadelphia	27,404,000	12,279,000	10,802,000	5,452,000
Cleveland	60,846,000	45,846,000	25,950,000	25,900,000
Richmond	10,420,000	10,420,000	1,502,000	1,252,000
Atlanta	24,046,000	18,976,000	5,857,000	5,627,000
Chicago	202,359,000	107,474,000	72,561,000	32,295,000
St. Louis	18,987,000	15,982,000	7,375,000	3,828,000
Minneapolis	19,689,000	13,314,000	5,730,000	2,105,000
Kansas City	38,926,000	26,706,000	16,433,000	6,460,000
Dallas	18,480,000	14,405,000	4,896,000	3,221,000
San Francisco	75,565,000	50,474,000	31,143,000	14,838,000
TOTALS	$2,035,627,000	$1,100,699,000 b/	$1,286,647,000	$500,393,000 c/

b/ Includes $209,505,000 noncompetitive tenders accepted at the average price of 99.378
c/ Includes $41,958,000 noncompetitive tenders accepted at the average price of 98.659
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.51%, for the 91-day bills, and 2.73%, for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

20

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE A. M. NEWSPAPERS, Saturday, February 11, 1961. D-20

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated November 17, 1960, and the other series to be dated February 16, 1961, which were offered on February 6, were opened at the Federal Reserve Banks on February 10. Tenders were invited for $1,100,000,000, or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing May 18, 1961		182-day Treasury bills maturing August 17, 1961	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.384 a/	2.437%	98.666	2.639%
Low	99.374	2.476%	98.656	2.658%
Average	99.378	2.462% 1/	98.659	2.652% 1/

a/ Excepting two tenders totaling $988,000
13 percent of the amount of 91-day bills bid for at the low price was accepted
23 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
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IMMEDIATE RELEASE
Friday, February 10, 1961

D-21

Secretary of the Treasury Douglas Dillon and Walter Muller, Ambassador of Chile today signed an exchange agreement in the amount of $15 million.

Under the agreement, which will run for one year, Chile may request the United States Exchange Stabilization Fund to purchase Chilean pesos should the occasion for such purchases arise. Any pesos so acquired by the U.S. Treasury would subsequently be repurchased by Chile for dollars.

This exchange agreement is designed to assist the continuing efforts of Chile to consolidate economic stabilization and freedom in its trade and exchange system, while Chile pursues a program of reconstruction from the damage of the severe earthquakes of May 1960 and a program of general economic development. The Chilean Government has stated that exchange operations on the part of the authorities will be conducted to minimize exchange rate fluctuations arising from purely temporary or erratic influences which do not reflect a fundamental trend in the market.

The agreement with the U.S. Treasury supplements the $75 million standby arrangement with the International Monetary Fund which was also announced today.

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countries carry their full and fair share of the burden, including those which up to now have not fully met their responsibilities in this field. In this respect also we in the Treasury Department look on the OECD as an essential instrument of financial policy.

To summarize the role of the OECD, in terms of tasks which the President has stressed in his message on balance of payments and gold

-- It will be a major forum for efforts to harmonize the financial and economic policies for growth and stability of most of those industrialized nations of the world whose economic behavior significantly influences the course of the world economy and trend of international payments;

-- It will provide a solid framework for intensive and frequent international consultations on the financial and monetary policies which must be pursued in order to achieve and maintain better balance in the international payments position;

-- Finally, it will bring into being an organization of vital importance for assisting, on a cooperative basis, the developing countries of the free world.

coordination between our financial and monetary authorities and those of the major industrialized countries of Western Europe. This is now recognized on all sides. The OECD is the forum in which this coordination can be worked out and through which we can avoid similar episodes in the future. As such it is a vit important element in our drive to right our payments deficit without infringing on the actions that must be taken to re-invigorate our economy at home.

The OECD will also provide an especially important mechanism for the industrialized countries of North America and Western Europe to work in concert to contribute to sound economic growth in the less-developed countries. The extreme poverty of these countries cannot be allowed to continue. The gap between standards of living in the industrialized OECD countries and those in the less-developed countries is large and widening.

To narrow this gap will require great effort and considerable resources. Economic development requires the formation of capital on a large scale. While the greatest portion of this capital must be derived from savings on the part of the less-developed countries, these countries also need large help from the industrialized countries. By fostering consultation and coordination among member countries, the OECD can contribute greatly to increasing and improving the economic, technical, and educational assistance extended to the less-developed countries. It can help to ensure that all the industrialized

began to slow in the United States, our Federal Reserve began to ease credit and reduced its rate first to 3½%, and later to 3%. Meanwhile the German Bundesbank, with its eye on the domestic boom in Germany, and with the objective of controlling inflation at home, increased its discount rate to 5% in June. The Bank of England promptly followed suit and upped its rate to 6%.

These actions brought about a sharp imbalance in short-term interest rates. The results were bad for all concerned. A flood of short-term funds left New York seeking the higher return in Frankfurt and London. This sharply increased our balance-of-payments deficit from an annual rate of $2.9 billion in the first six months to a rate of $4.7 billion in the second six months. This sudden and sharp increase shook confidence in the dollar and the result was a substantial increase in the outflow of gold. This in turn brought on the speculative outbreak in the private gold market in London last October when fo a day or two gold sold at $40 an ounce. Meanwhile the large inflow of American funds frustrated the efforts of the German authorities to tighten up on investment in Germany. When this became clear the German and British authorities cut back their discount rates, the flow of short-term capital slowed and confidence was gradually restored.

The lesson to be learned by all this is that in these days of convertible currencies there must be close cooperation and

major Western European countries pursue compatible policies. It is in this connection that we in the Treasury Department think the OECD will be especially useful. In the OECD, we shall be able to have informal and frank consultations with policy-making officials from our partner countries. Such consultations should enable the OECD countries to move in harmony toward the common objective of economic growth. Also such consultations should result in measures to contribute to the solution of the United States balance-of-payments problem.

The President, in his message to Congress on balance of payments and gold, set forth our program to ease the problem of short-term funds as well as to correct the basic payments deficit and achieve longer-term equilibrium. Most of the measures described by the President will be more effective if complementary policies are followed by the major OECD countries. Some of the measures can be effective only in cooperation with these countries.

To illustrate the need for better international coordination of economic and financial policies I would like to refer to last year's movements of international short-term capital.

During the first half of 1960 our balance-of-payments deficit on an annual basis was $2.7 billion -- down markedly from the level of $3.8 billion in 1959. Last Spring our Federal Reserve discount rate was at 4%, the German Bundesbank rate was 4%, and the Bank of England rate was 5%. In other words, all those rates were close together. Then, as business

Western Europe are joining together and the reasons why they are doing so. It provides the means for converting common policy objectives into effective action. Yet it does not restrict or impinge upon the sovereign rights which each of the Member Countries is determined to preserve. In short, the Convention provides a simple, sturdy platform from which the OECD countries can launch cooperative and constructive action to meet the major economic problems facing us today.

The Treasury Department is especially concerned with two types of measures to which the functions of the OECD would be relevant: Those that will invigorate our economy and those that will improve our balance of payments position. Such measures are now closely interrelated. For the first time in over thirty years, and to a larger extent than ever before in our history, our success in pursuing these objectives is dependent on the understanding and cooperation of the industrialized countries of Western Europe. In turn their economies are heavily influenced by our actions here at home. We must take into account the international repercussions of actions which we take here at home since the reactions they may provoke abroad could easily frustrate our objectives. The only answer is close, continuing consultation and cooperation with Canada and the countries of Western Europe. The OECD is designed to provide the forum for this consultation and cooperation.

As an example, the effectiveness of the program just announced by the President to improve our balance of payments will depend to a considerable degree on the extent to which the

In the fall of 1959 Western Europe, newly strong and confident, appeared ready to share fully with us the responsibilities we had shouldered virtually alone through most of the post-war period. Accordingly, President Eisenhower, in his meetings in Paris in December of that year, with President de Gaulle, Chancellor Adenauer and Prime Minister Macmillan, suggested that the time had come to reorganize and revitalize trans-Atlantic relations so as to redirect the energies of the industrialized countries toward the economic improvement of the free world as a whole.

Out of these four-power talks emerged consultations and negotiations among all 18 of the member countries of the OEEC, the United States and Canada.

A group of four experts was created to draft the charter of a successor organization to the OEEC which the United States and Canada could join as full members. After consulting representatives of the twenty interested government, as well as a number of individuals and international organizations, the group of four experts submitted their draft in April, 1960. Intensive inter-governmental negotiations on the OECD then began in May and continued almost without break until December 14, when representatives of the twenty governments signed the OECD Convention.

The result of this work is the Convention before you. It provides a solid foundation for the OECD. It clearly states the basis on which the industrialized nations of North America and

Secretary of State.

The OECD was an American proposal put forward by President Eisenhower late in 1959. It was an initiative to which the Western European countries and Canada quickly and enthusiastically responded.

The old Organization for European Economic Cooperation, originally established in 1948 to assist in carrying out the Marshall Plan, had completed the task it was designed to fulfill. Western Europe had been restored to vigorous health. Discriminatory trade quotas were rapidly disappearing. Convertibility of the major European currencies had been reestablished. This era of transatlantic relations had drawn to a close.

In this earlier period the United States and Canada were associated with the Europeans in their efforts through the OEEC, but were not full partners. This was proper, for the job to be done required a breakthrough in intra-European cooperation, with the United States and Canada cast in the role of providing material and moral support for this great cooperative effort of Europe to help itself.

Now we are entered upon a new era and face new challenges. In this era intra-European cooperation remains important and must be preserved. But, beyond this, the industrialized countries of Western Europe and North America must henceforth work in full partnership to strengthen the economy of the entire free world and to provide the developing countries with the resources they so sorely need if freedom is to be preserved.

HOLD FOR RELEASE ON DELIVERY
EXPECTED ABOUT 11:00 A.M. EST

Statement by the Secretary of the Treasury,
Douglas Dillon, before the
Senate Foreign Relations Committee on
Ratification of the OECD Convention,
Tuesday, February 14, 1961

I am glad to appear before the Foreign Relations Committee to urge Senate approval of the Convention for the Organization for Economic Cooperation and Development. When I last appeared before the Committee on this subject, we were in the middle of the negotiations and while the main outlines of the OECD Convention were already clear many details remained to be ironed out. Now the Convention has been signed and is before the Senate for its advice and consent to ratification.

The concept of the OECD reflects an historic change in our relations with Western Europe and in the relations between the industrialized and developing countries. The OECD would be the main instrumentality for welding stronger links between the countries of North America and Western Europe in meeting the enormous challenge they face in advancing the cause of economic growth and freedom throughout the free world. Only through working together can we bring our tremendous economic resources, technical competence, and scientific ability fully to bear on the problems of today's revolutionary world.

Before indicating in more detail the kind of cooperation through the OECD of major concern to the Treasury Department, I should like to mention briefly the origins of the OECD Convention, with which I was closely associated as Under

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The Treasury Department is especially concerned with two types of measures to which the functions of the OECD would be relevant: Those that will invigorate our economy and those that will improve our balance of payments position. Such measures are now closely interrelated. For the first time in over thirty years, and to a larger extent than ever before in our history, our success in pursuing these objectives is dependent on the understanding and cooperation of the industrialized countries of Western Europe. In turn their economies are heavily influenced by our actions here at home. We must take into account the international repercussions of actions which we take here at home since the reactions they may provoke abroad could easily frustrate our objectives. The only answer is close, continuing consultation and cooperation with Canada and the countries of Western Europe. The OECD is designed to provide the forum for this consultation and cooperation.

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To narrow this gap will require great effort and considerable resources. Economic development requires the formation of capital on a large scale. While the greatest portion of this capital must be derived from savings on the part of the less-developed countries, these countries also need large help from the industrialized countries. By fostering consultation and coordination among member countries, the OECD can contribute greatly to increasing and improving the economic, technical, and educational assistance extended to the less-developed countries. It can help to ensure that all the industrialized countries carry their full and fair share of the burden, including those which up to now have not fully met their responsibilities in this field. In this respect also we in the Treasury Department look on the OECD as an essential instrument of financial policy.

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from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated November 25, 1960, (91 days remaining until maturity date on May 25, 1961) and noncompetitive tenders for $100,000 or less for the 182 -day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on February 23, 1961 , in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 23, 1961 . Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss

TREASURY DEPARTMENT
Washington

C-23

IMMEDIATE RELEASE, 4:00 P.M., EST,
Wednesday, February 15, 1961.

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $ 1,600,000,000 , or thereabouts, for cash and in exchange for Treasury bills maturing February 23, 1961 , in the amount of $ 1,603,040,000 , as follows:

91 -day bills (to maturity date) to be issued February 23, 1961 , in the amount of $ 1,100,000,000 , or thereabouts, representing an additional amount of bills dated November 25, 1960 , and to mature May 25, 1961 , originally issued in the amount of $ 501,794,000 , the additional and original bills to be freely interchangeable.

182 -day bills, for $ 500,000,000 , or thereabouts, to be dated February 23, 1961 , and to mature August 24, 1961 .

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Standard time, Monday, February 20, 1961. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

TREASURY DEPARTMENT

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WASHINGTON, D.C.

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Wednesday, February 15, 1961. D-23

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182-day bills, for $500,000,000, or thereabouts, to be dated February 23, 1961,and to mature August 24, 1961.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Standard time, Monday, February 20, 1961. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Departmment of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated November 25,1960, (91 days remaining until maturity date on May 25, 1961) and noncompetitive tenders for $100,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on February 23, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturingFebruary 23, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

oOo

February 3, 1961

MEMORANDUM TO MR. MARTIN L. MOORE:

The following transactions were made in direct and guaranteed securities of the government for Treasury Investment and other accounts during the month of January:

Purchases	$38,507,000
Sales	44,122,800
NET SALES	5,615,800

TREASURY DEPARTMENT

75

WASHINGTON, D.C.

January 1961,

D-24 ~~A-1029~~

IMMEDIATE RELEASE,
~~Monday, January 16, 1961~~.
Wednesday, February 15, 1961

During ~~December 1960~~, market transactions in direct and guaranteed securities of the government for Treasury investment and other accounts resulted in net Sales [redacted] by the Treasury Department of ~~$39,703,700.~~ $5,615,800

oOo

TREASURY DEPARTMENT 79

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Wednesday, February 15, 1961. D-24

During January 1961, market transactions in direct and guaranteed securities of the government for Treasury investment and other accounts resulted in net sales by the Treasury Department of $5,615,800.

oOo

0-25

IMMEDIATE RELEASE,
Wednesday, February 15, 1961.

The Treasury Department today announced the subscription and allotment figures with respect to the current offering of $6,900 million, or thereabouts, of 3-1/4% Treasury Notes of Series G-1962, due August 15, 1962.

Subscriptions for the notes from States, political subdivisions, or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, Government Investment Accounts, and the Federal Reserve Banks totaled $4,363,589,000 and were allotted in full, in accordance with the offering announcement. Subscriptions from all others totaled $14,619,474,000 and were allotted 20 percent with subscriptions for $10,000 or less being allotted in full and those for more than $10,000 being allotted not less than $10,000.

Subscriptions and allotments were divided among the several Federal Reserve Districts and the Treasury as follows:

Federal Reserve District	Total Subscriptions Received	Total Allotments
Boston	$ 592,738,000	$ 127,426,000
New York	10,728,131,000	5,290,193,000
Philadelphia	412,800,000	88,009,000
Cleveland	972,311,000	232,314,000
Richmond	476,755,000	124,425,000
Atlanta	539,881,000	126,402,000
Chicago	2,148,803,000	475,127,000
St. Louis	386,500,000	98,202,000
Minneapolis	289,239,000	72,770,000
Kansas City	490,227,000	169,870,000
Dallas	506,100,000	120,661,000
San Francisco	1,412,697,000	390,172,000
Treasury	26,131,000	8,119,000
Govt. Inv. Accts.	750,000	750,000
TOTAL	$18,983,063,000	$7,324,440,000

TREASURY DEPARTMENT

WASHINGTON, D.C.

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Wednesday, February 15, 1961.

D-25

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TOTAL	$18,983,063,000	$7,324,440,000

STATUTORY DEBT LIMITATION

AS OF January 31, 1961 — Washington, Feb. 16, 1961

Section 21 of Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), "shall not exceed in the aggregate $285,000,000,000 (Act of June 30, 1959; U.S.C., title 31, sec. 757b), outstanding at any one time. For purposes of this section the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder shall be considered as its face amount." The Act of June 30, 1960 (P.L. 86-564 86th Congress) provides that during the period beginning on July 1, 1960 and ending June 30, 1961, the above limitation ($285,000,000,000) shall be temporarily increased by $8,000,000,000.

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time			$293,000,000,000
Outstanding-			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing:			
Treasury bills	$39,743,839,000		
Certificates of indebtedness	18,441,629,000		
Treasury notes	51,308,933,000	$109,494,401,000	
Bonds-			
Treasury	79,775,969,250		
* Savings (current redemp. value)	47,243,133,625		
Depositary	135,964,000		
R.E.A. series	12,855,000		
Investment series	6,114,683,000	133,282,604,875	
Special Funds-			
Certificates of indebtedness	7,117,591,000		
Treasury notes	9,168,993,000		
Treasury bonds	27,537,385,000	43,823,969,000	
Total interest-bearing		286,600,974,875	
Matured, interest-ceased		426,607,750	
Bearing no interest:			
United States Savings Stamps	51,270,295		
Excess profits tax refund bonds	760,845		
Special notes of the United States:			
Internat'l Monetary Fund series	2,498,000,000		
~~xxx~~Int.'l Devel. Ass'n.	57,652,200	2,607,683,340	
Total		289,635,265,965	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A. & DC Stad. Bds.	158,804,250		
Matured, interest-ceased	1,682,425	160,486,675	
Grand total outstanding			289,795,752,640
Balance face amount of obligations issuable under above authority			3,204,247,360

Reconcilement with Statement of the Public Debt January 31, 1961
(Date)

(Daily Statement of the United States Treasury, January 31, 1961)
(Date)

Outstanding-	
Total gross public debt	290,035,560,398
Guaranteed obligations not owned by the Treasury	160,486,675
Total gross public debt and guaranteed obligations	290,196,047,073
Deduct - other outstanding public debt obligations not subject to debt limitation	400,294,433
	289,795,752,640

STATUTORY DEBT LIMITATION

AS OF January 31, 1961 Washington, Feb. 16, 1961

Section 21 of Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), "shall not exceed in the aggregate $285,000,000,000 (Act of June 30, 1959; U.S.C., title 31, sec. 757b), outstanding at any one time. For purposes of this section the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder shall be considered as its face amount." The Act of June 30, 1960 (P.L. 86-564 86th Congress) provides that during the period beginning on July 1, 1960 and ending June 30, 1961, the above limitation ($285,000,000,000) shall be temporarily increased by $8,000,000,000.

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* Savings (current redemp. value)	47,243,133,625		
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Deduct - other outstanding public debt obligations not subject to debt limitation	400,294,433
	289,795,752,640

RELEASE A. M. NEWSPAPERS, Tuesday, February 21, 1961.

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated November 25, 1960, and the other series to be dated February 23, 1961, which were offered on February 15, were opened at the Federal Reserve Banks on February 20. Tenders were invited for $1,100,000,000, or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing May 25, 1961		182-day Treasury bills maturing August 24, 1961	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.383 a/	2.441%	98.657	2.656%
Low	99.364	2.516%	98.637	2.696%
Average	99.369	2.496% 1/	98.641	2.688% 1/

a/ Excepting one tender of $300,000
39 percent of the amount of 91-day bills bid for at the low price was accepted
27 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
Boston	$ 32,296,000	$ 17,894,000	$ 16,273,000	$ 6,273,000
New York	1,482,481,000	715,841,000	990,304,000	405,884,000
Philadelphia	29,270,000	14,194,000	9,485,000	4,285,000
Cleveland	34,468,000	31,418,000	25,741,000	15,741,000
Richmond	16,678,000	12,678,000	2,614,000	2,614,000
Atlanta	28,885,000	27,665,000	4,680,000	4,070,000
Chicago	211,128,000	139,108,000	70,667,000	28,667,000
St. Louis	22,036,000	20,536,000	5,262,000	4,762,000
Minneapolis	21,258,000	16,392,000	6,720,000	3,220,000
Kansas City	39,806,000	29,806,000	17,845,000	10,815,000
Dallas	15,855,000	15,855,000	4,183,000	4,183,000
San Francisco	70,515,000	58,965,000	27,033,000	9,531,000
TOTALS	$2,004,676,000	$1,100,352,000 b/	$1,180,807,000	$500,045,000 c/

b/ Includes $239,608,000 noncompetitive tenders accepted at the average price of 99.369
c/ Includes $51,560,000 noncompetitive tenders accepted at the average price of 98.641
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.55%, for the 91-day bills, and 2.76%, for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE A. M. NEWSPAPERS, Tuesday, February 21, 1961. D-27

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated November 25, 1960, and the other series to be dated February 23, 1961, which were offered on February 15, were opened at the Federal Reserve Banks on February 20. Tenders were invited for $1,100,000,000, or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing May 25, 1961		182-day Treasury bills maturing August 24, 1961	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.383 a/	2.441%	98.657	2.656%
Low	99.364	2.516%	98.637	2.696%
Average	99.369	2.496% 1/	98.641	2.688% 1/

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District	Applied For	Accepted	Applied For	Accepted
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Cleveland	34,468,000	31,418,000	25,741,000	15,741,000
Richmond	16,678,000	12,678,000	2,614,000	2,614,000
Atlanta	28,885,000	27,665,000	4,680,000	4,070,000
Chicago	211,128,000	139,108,000	70,667,000	28,667,000
St. Louis	22,036,000	20,536,000	5,262,000	4,762,000
Minneapolis	21,258,000	16,392,000	6,720,000	3,220,000
Kansas City	39,806,000	29,806,000	17,845,000	10,815,000
Dallas	15,855,000	15,855,000	4,183,000	4,183,000
San Francisco	70,515,000	58,965,000	27,033,000	9,531,000
TOTALS	$2,004,676,000	$1,100,352,000 b/	$1,180,807,000	$500,045,000 c/

b/ Includes $239,608,000 noncompetitive tenders accepted at the average price of 99.369
c/ Includes $51,560,000 noncompetitive tenders accepted at the average price of 98.641
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.55%, for the 91-day bills, and 2.76%, for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

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~~RETAxxxMODIFIED~~

from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated December 1, 1960, (91 days remaining until maturity date on June 1, 1961) and noncompetitive tenders for $100,000 or less for the 182 -day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on March 2, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 2, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss

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TREASURY DEPARTMENT
Washington

D-28

IMMEDIATE RELEASE, ~~4:00 P.M., EST~~,
Tuesday, February 21, 1961.

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $1,500,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing March 2, 1961, in the amount of $ 1,506,404,000, as follows:

91 -day bills (to maturity date) to be issued March 2, 1961, in the amount of $ 1,000,000,000, or thereabouts, representing an additional amount of bills dated December 1, 1960, and to mature June 1, 1961, originally issued in the amount of $ 500,211,000, the additional and original bills to be freely interchangeable.

182 -day bills, for $ 500,000,000, or thereabouts, to be dated March 2, 1961, and to mature August 31, 1961.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amoun will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturit value).

Tenders will be received at Federal Reserve Banks and Branches up to the closin hour, one-thirty o'clock p.m., Eastern Standard time, Monday, February 27, 1961. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Tuesday, February 21, 1961.

D-28

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91-day bills (to maturity date) to be issued March 2, 1961, in the amount of $1,000,000,000, or thereabouts, representing an additional amount of bills dated December 1, 1960, and to mature June 1, 1961, originally issued in the amount of $500,211,000, the additional and original bills to be freely interchangeable.

182-day bills, for $500,000,000, or thereabouts, to be dated March 2, 1961, and to mature August 31, 1961.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

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Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Departmment of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any o all tenders, in whole or in part, and his action in any such respec shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated December 1, 1960, (91 days remaining until maturity date on June 1, 1961) and noncompetitive tenders for $100,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on March 2, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 2, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are exclude from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereund need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which th return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

oOo

RELEASE A. M. NEWSPAPERS, Tuesday, February 28, 1961.

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated December 1, 1960 and the other series to be dated March 2, 1961, which were offered on February 21, were opened at the Federal Reserve Banks on February 27. Tenders were invited for $1,000,000,000, or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing June 1, 1961		182-day Treasury bills maturing August 31, 1961	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.352 a/	2.564%	98.612 b/	2.745%
Low	99.342	2.603%	98.590	2.789%
Average	99.344	2.594% 1/	98.595	2.779% 1/

a/ Excepting two tenders totaling $500,000
b/ Excepting one tender of $200,000
82 percent of the amount of 91-day bills bid for at the low price was accepted
19 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
Boston	$ 23,461,000	$ 10,203,000	$ 7,594,000	$ 7,594,000
New York	1,581,767,000	683,495,000	876,147,000	393,567,000
Philadelphia	24,869,000	9,869,000	7,169,000	2,169,000
Cleveland	30,561,000	18,517,000	35,037,000	14,886,000
Richmond	14,185,000	14,131,000	1,187,000	1,062,000
Atlanta	32,636,000	26,986,000	4,291,000	4,091,000
Chicago	216,200,000	135,365,000	64,260,000	34,855,000
St. Louis	16,580,000	15,080,000	5,517,000	4,529,000
Minneapolis	15,600,000	9,582,000	4,310,000	1,210,000
Kansas City	37,867,000	25,631,000	7,057,000	5,857,000
Dallas	14,258,000	14,195,000	2,860,000	2,860,000
San Francisco	75,096,000	37,584,000	37,870,000	27,410,000
	$2,083,080,000	$1,000,838,000 c/	$1,053,299,000	$500,090,000 d/

c/ Includes $201,804,000 noncompetitive tenders accepted at the average price of 99.344
d/ Includes $43,674,000 noncompetitive tenders accepted at the average price of 98.595
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.65%, for the 91-day bills, and 2.86%, for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

D-29

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TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE A. M. NEWSPAPERS, Tuesday, February 28, 1961. D-29

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated December 1, 1960, and the other series to be dated March 2, 1961, which were offered on February 21, were opened at the Federal Reserve Banks on February 27. Tenders were invited for $1,000,000,000, or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing June 1, 1961		182-day Treasury bills maturing August 31, 1961	
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Low	99.342	2.603%	98.590	2.789%
Average	99.344	2.594% 1/	98.595	2.779% 1/

a/ Excepting two tenders totaling $500,000
b/ Excepting one tender of $200,000
82 percent of the amount of 91-day bills bid for at the low price was accepted
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TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
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Philadelphia	24,869,000	9,869,000	7,169,000	2,169,000
Cleveland	30,561,000	18,517,000	35,037,000	14,886,000
Richmond	14,185,000	14,131,000	1,187,000	1,062,000
Atlanta	32,636,000	26,986,000	4,291,000	4,091,000
Chicago	216,200,000	135,365,000	64,260,000	34,855,000
St. Louis	16,580,000	15,080,000	5,517,000	4,529,000
Minneapolis	15,600,000	9,582,000	4,310,000	1,210,000
Kansas City	37,867,000	25,831,000	7,057,000	5,857,000
Dallas	14,258,000	14,195,000	2,860,000	2,860,000
San Francisco	75,096,000	37,584,000	37,870,000	27,410,000
	$2,083,080,000	$1,000,838,000 c/	$1,053,299,000	$500,090,000 d/

c/ Includes $201,804,000 noncompetitive tenders accepted at the average price of 99.344
d/ Includes $43,674,000 noncompetitive tenders accepted at the average price of 98.595
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.65%, for the 91-day bills, and 2.86%, for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $ 200,000 or less for the additional bills dated December 8, 1960, (91 days remaining until maturity date on June 8, 1961) and noncompetitive tenders for $ 100,000 or less for the 182 -day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on March 9, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 9, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not ~~have any exemption,~~ as such, and loss

TREASURY DEPARTMENT
Washington

D-36

IMMEDIATE RELEASE, 4:00 P.M., EST,
Wednesday, March 1, 1961.

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $ 1,600,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing March 9, 1961, in the amount of $ 1,600,724,000, as follows:

91 -day bills (to maturity date) to be issued March 9, 1961, in the amount of $ 1,100,000,000, or thereabouts, representing an additional amount of bills dated December 8, 1960, and to mature June 8, 1961, originally issued in the amount of $ 500,235,000, the additional and original bills to be freely interchangeable.

182 -day bills, for $ 500,000,000, or thereabouts, to be dated March 9, 1961, and to mature September 7, 1961.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amour will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturit value).

Tenders will be received at Federal Reserve Banks and Branches up to the closi hour, one-thirty o'clock p.m., Eastern Standard time, Monday, March 6, 1961 Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

Corrected Copy

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Wednesday, March 1, 1961.

D-30

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $1,600,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing March 9, 1961, in the amount of $1,600,724,000, as follows:

91-day bills (to maturity date) to be issued March 9, 1961, in the amount of $1,100,000,000, or thereabouts, representing an additional amount of bills dated December 8, 1960, and to mature June 8, 1961, originally issued in the amount of $5,235,000, the additional and original bills to be freely interchangeable.

182-day bills, for $500,000,000, or thereabouts, to be dated March 9, 1961, and to mature September 7, 1961.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Standard time, Monday, March 6, 1961. . Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Departmment of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated December 8, 1960, (91 days remaining until maturity date on June 8, 1961) and noncompetitive tenders for $100,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on March 9, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturingMarch 9, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

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Mr. Donnelley was married in [redacted] 1943 to Lucia Tarquinio de Sousa, of Rio de Janeiro, Brazil. Mrs. Donnelley, a former newswoman, is an interpreter who has served at many major international conferences. [redacted] The Donnelleys have a daughter, Leigh Patricia, 16, who attends the Marymount School in Arlington, Virginia. They [redacted] LIVE [redacted] at 3721 25th Street, N., Arlington.

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RELEASE MORNING NEWSPAPERS,
Friday, March 3, 1961.   D-31

Secretary of the Treasury Douglas Dillon today announced the appointment of Dixon Donnelley, former Washington newsman and foreign news magazine editor, as Assistant to the Secretary for Public Affairs. Mr. Donnelley served as Assistant to Mr. Dillon when he was Under Secretary of State.

Born in New York City on July 29, 1915, Mr. Donnelley attended Columbia University. He began news work on the New York Daily News, Al In 1937 [redacted] went to Cuba as City Editor of The Havana Post[redacted].

He returned to the United States in 1940 and became Assistant City Editor of The Washington Daily News, joining Nelson Rockefeller's Office of the Coordinator of Inter-American Affairs as News Editor a year later. From 1942-45, he was an Intelligence [redacted] Officer with the U.S. Army Air Force. At war's end, he became Assistant City Editor of The Washington Post.

Mr. Donnelley joined the Foreign Service in 1946 and served as Press Attache to U.S. Embassies in Mexico, Chile, and Argentina. In 1950, he resigned to become Editor and Publisher of "Visao," an American-owned news magazine published in Brazil. [redacted]

In 1955, Mr. Donnelley became Editorial Director of the Senate Sub-committee on Juvenile Delinquency. He then served on the Stevenson-Kefauver campaign staff in 1956 as Senator Estes Kefauver's Public Relations Director.

Prior to rejoining the State Department in 1958, Mr. Donnelley was a Consultant to the President's Committee on Scientists and Engineers. ~~While at State, he was a member of the U.S. Delegations to the Inaugural Meeting of the Inter-American Development Bank at San Salvador in February 1960; the Meeting of the Committee of 21 at Bogota, Colombia, in September 1960, which launched the new U.S. program of social development for Latin America; and the meeting establishing the new Organization for Economic Cooperation and Development (OECD) at Paris, in December 1960.~~

Author of "Establishing and Operating A Small Newspaper," Mr. Donnelley [redacted] the National Press Club [redacted] Washington and the Overseas Press Club [redacted] New York.

BELONGS TO

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE MORNING NEWSPAPERS,
Friday, March 3, 1961.

D-31

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Author of "Establishing and Operating A Small Newspaper," Mr. Donnelley belongs to the National Press Club, Washington, and the Overseas Press Club, New York.

Mr. Donnelley was married in 1943 to Lucia Tarquinio de Sousa, of Rio de Janeiro, Brazil. Mrs. Donnelley, a former newswoman, is an interpreter who has served at many major international conferences. The Donnelleys have a daughter, Leigh Patricia, 16, who attends the Marymount School in Arlington, Virginia. They live at 3721 25th Street, N., Arlington.

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Immediate Release
Friday, Mar 3, 1961

Treasury Secretary Douglas Dillon today made a key policy official responsible for ensuring that Treasury [redacted] adheres closely to fair employment practices.

He designated Robert A. Wallace, Special Aswistant to the Secretary as Employment Policy Officer of the Department. Mr. Wallace will [redacted] work on a continuoing basis to PREVENT [redacted]e [redacted] discrimination within the Department against any job applicant or employee because of race, color, religion, or national origin.

Mr. Wallace's designation marks the first time that [redacted] a top Treasury policy officer has been given this assignment.[redacted]k

Mr. Wallace has called a special conference in Washington at an ... of all Treasury Department Employment Policy Officers in ... over the United States, to

UNITED STATES NET MONETARY GOLD TRANSACTIONS WITH

FOREIGN COUNTRIES AND INTERNATIONAL INSTITUTIONS

January 1, 1960 - December 31, 1960

(in millions of dollars at $35 per fine troy ounce)

Negative figures represent net sales by the United States; positive figures, net purchases

Country	First Quarter 1960	Second Quarter 1960	Third Quarter 1960	Fourth Quarter 1960	Calendar Year 1960
Argentina	---	---	-30.0	-20.0	-50.0
Austria	-1.1	---	---	---	-1.1
Belgium	-26.3	-24.5	-7.0	-83.1	-140.9
BIS	---	---	---	-36.0	-36.0
Burma	---	---	---	-3.8	-3.8
Cambodia	---	---	---	-12.0	-12.0
Chile	---	---	---	-2.0	-2.0
Colombia	---	---	-6.3	---	-6.3
Denmark	---	---	---	-15.0	-15.0
Egypt	---	-7.5	---	---	-7.5
Finland	---	---	---	-3.0	-3.0
France	---	---	-56.3	-116.7	-173.0
Germany	---	---	---	-33.8	-33.8
Ghana	---	---	---	-5.6	-5.6
Greece	---	---	-5.0	-42.0	-47.0
Honduras	-.8	---	---	---	-.8
Iceland	-2.4	---	---	-.2	-2.6
Indonesia	---	---	-2.0	-22.9	-24.9
International Monetary Fund	---	---	---	+300.0	+300.0
Iran	-.4	---	---	---	-.4
Iraq	---	---	-1.8	-28.0	-29.8
Japan	---	---	-15.2	---	-15.2
Mexico	---	---	---	-20.0	-20.0
Morocco	---	---	---	-21.0	-21.0
Netherlands	-10.0	-24.9	-109.7	-104.7	-249.4
Pakistan	---	-12.5	---	---	-12.5
Peru	---	---	---	-15.0	-15.0
Saudi Arabia	---	-11.3	---	---	-11.3
Spain	-.2	-.2	-32.7	-80.6	-113.7
Surinam	---	---	---	-2.5	-2.5
Switzerland	---	---	-159.6	-164.6	-324.2
Syria	---	-2.1	---	---	-2.1
Tunisia	---	-.5	---	---	-.5
Turkey	---	---	---	-6.1	-6.1
United Kingdom	---	---	-200.0	-350.0	-550.0
Uruguay	---	---	---	-3.8	-3.8
Vatican City	---	+1.0	-2.5	-4.5	-6.0
Yugoslavia	---	---	-3.4	-12.5	-15.9
All Other	-.6	-.9	-.1	-2.1	-3.7
Total	-41.7	-83.5	-631.6	-911.6	-1,668.5

Figures may not add to totals because of rounding.

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE
FRIDAY, MARCH 3, 1961 D-32

Treasury Secretary Douglas Dillon today made a key policy official responsible for ensuring that Treasury adheres closely to fair employment practices.

He designated Robert A. Wallace, Special Assistant to the Secretary, as Employment Policy Officer of the Department. Mr. Wallace will work on a continuing basis to prevent discrimination within the Department against any job applicant or employee because of race, color, religion, or national origin.

Mr. Wallace's designation marks the first time that a top Treasury policy officer has been given this assignment.

Mr. Wallace has called a special conference in Washington at an early date of all Treasury Department Employment Policy Officers in Washington and from field offices all over the United States, to discuss existing practices under the Employment Policy program and how they may be further implemented and more effectively applied throughout the entire Treasury organization.

Secretary Dillon told a top level meeting of Treasury officials that the Wallace appointment is directly in line with the personal desire of President Kennedy and the firm policy of his administration to fight discrimination on all fronts. Wallace is in daily contact with the Secretary and will be responsible for periodic reports to him on the progress of the Treasury's employment policy group.

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U. S. TREASURY DEPARTMENT
Washington, D. C.

FOR IMMEDIATE RELEASE, SATURDAY, MARCH 4, 1961

The action of the Government of the Federal Republic of Germany in increasing the par value of the Deutsche mark by approximately 5 percent must be viewed in the context of three separate problems facing the free world. The first is the basic disequilibrium in the free world balance of accounts, which has been characterized by a persistent surplus of the Federal Republic and deficits in some other free world countries, including the United States. The second has arisen from movements of short-term capital seeking higher interest rates in Germany or speculating on the possibility of a revaluation of the Deutsche mark. The third is the common problem facing the economically advanced countries of the free world in providing foreign assistance in amounts adequate to bring about a significant increase in the standards of living of the less developed countries.

The action taken by the Federal Republic in increasing the par value of the Deutsche mark is a useful but modest step toward redressing the first problem, the basic imbalance in free world accounts. As to the second problem, it should put an end to uncertainty concerning the future level of the German exchange rate. It is the hope of the United States Government that, having taken this step, the Federal Republic will now proceed rapidly to take further steps along other lines which have been under discussion.

It is further hoped that the Government of the Federal Republic will take prompt steps toward helping with a solution of the third problem by moving forward with a large-scale program of foreign assistance on a continuing budgetary basis.

98 2-32

RELEASE A. M. NEWSPAPERS, Tuesday, March 7, 1961.

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated December 8, 19[illegible] and the other series to be dated March 9, 1961, which were offered on March 1, were opened at the Federal Reserve Banks on March 6. Tenders were invited for $1,100,000,0[illegible] or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing June 8, 1961		182-day Treasury bills maturing September 7, 1961	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.376	2.469%	98.652	2.666%
Low	99.367	2.504%	98.646	2.678%
Average	99.372	2.485% 1/	98.648	2.674% 1/

77 percent of the amount of 91-day bills bid for at the low price was accepted
53 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
Boston	$ 26,964,000	$ 12,764,000	$ 8,142,000	$ 5,441,000
New York	1,467,460,000	703,356,000	979,109,000	378,686,000
Philadelphia	25,377,000	10,377,000	6,735,000	1,603,000
Cleveland	39,736,000	39,056,000	25,606,000	10,642,000
Richmond	9,387,000	9,387,000	7,173,000	1,623,000
Atlanta	24,615,000	20,815,000	5,100,000	3,972,000
Chicago	240,207,000	157,865,000	57,571,000	16,350,000
St. Louis	24,324,000	22,824,000	4,090,000	3,238,000
Minneapolis	15,684,000	13,684,000	5,461,000	2,861,000
Kansas City	43,882,000	33,321,000	11,336,000	5,807,000
Dallas	17,265,000	17,265,000	4,428,000	4,428,000
San Francisco	69,500,000	59,325,000	86,813,000	65,629,000
TOTALS	$2,004,401,000	$1,100,039,000 a/	$1,201,564,000	$500,280,000 b/

a/ Includes $220,344,000 noncompetitive tenders accepted at the average price of 99.37[illegible]
b/ Includes $49,740,000 noncompetitive tenders accepted at the average price of 98.648
1/ On a coupon issue of the same length and for the same amount invested, the return o[illegible] these bills would provide yields of 2.54%, for the 91-day bills, and 2.75%, for th[illegible] 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannua[illegible] compounding if more than one coupon period is involved.

Co/L

TREASURY DEPARTMENT

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WASHINGTON, D.C.

RELEASE A. M. NEWSPAPERS, Tuesday, March 7, 1961. D-33

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated December 8, 1960 and the other series to be dated March 9, 1961, which were offered on March 1, were opened at the Federal Reserve Banks on March 6. Tenders were invited for $1,100,000,000 or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing June 8, 1961		182-day Treasury bills maturing September 7, 1961	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.376	2.469%	98.652	2.666%
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IMMEDIATE RELEASE,
Monday, March 6, 1961.

D-34

The Treasury Department today made public a report of monetary gold transactions with foreign governments, central banks, and international institutions for the calendar year 1960. For the year as a whole, net sales of gold by the United States amounted to $1,668.5 million.

A table showing quarterly and annual net transactions, by country, for 1960 is printed on reverse side.

UNITED STATES NET MONETARY GOLD TRANSACTIONS WITH

FOREIGN COUNTRIES AND INTERNATIONAL INSTITUTIONS

January 1, 1960 - December 31, 1960

(in millions of dollars at $35 per fine troy ounce)

Negative figures represent net sales by the United States; positive figures, net purchases

Country	First Quarter 1960	Second Quarter 1960	Third Quarter 1960	Fourth Quarter 1960	Calendar Year 1960
Argentina	---	---	-30.0	-20.0	-50.0
Austria	-1.1	---	---	---	-1.1
Belgium	-26.3	-24.5	-7.0	-83.1	-140.9
BIS	---	---	---	-36.0	-36.0
Burma	---	---	---	-3.8	-3.8
Cambodia	---	---	---	-12.0	-12.0
Chile	---	---	---	-2.0	-2.0
Colombia	---	---	-6.3	---	-6.3
Denmark	---	---	---	-15.0	-15.0
Egypt	---	-7.5	---	---	-7.5
Finland	---	---	---	-3.0	-3.0
France	---	---	-56.3	-116.7	-173.0
Germany	---	---	---	-33.8	-33.8
Ghana	---	---	---	-5.6	-5.6
Greece	---	---	-5.0	-42.0	-47.0
Honduras	-.8	---	---	---	-.8
Iceland	-2.4	---	---	-.2	-2.6
Indonesia	---	---	-2.0	-22.9	-24.9
International Monetary Fund	---	---	---	+300.0	+300.0
Iran	-.4	---	---	---	-.4
Iraq	---	---	-1.8	-28.0	-29.8
Japan	---	---	-15.2	---	-15.2
Mexico	---	---	---	-20.0	-20.0
Morocco	---	---	---	-21.0	-21.0
Netherlands	-10.0	-24.9	-109.7	-104.7	-249.4
Pakistan	---	-12.5	---	---	-12.5
Peru	---	---	---	-15.0	-15.0
Saudi Arabia	---	-11.3	---	---	-11.3
Spain	-.2	-.2	-32.7	-80.6	-113.7
Surinam	---	---	---	-2.5	-2.5
Switzerland	---	---	-159.6	-164.6	-324.2
Syria	---	-2.1	---	---	-2.1
Tunisia	---	-.5	---	---	-.5
Turkey	---	---	---	-6.1	-6.1
United Kingdom	---	---	-200.0	-350.0	-550.0
Uruguay	---	---	---	-3.8	-3.8
Vatican City	---	+1.0	-2.5	-4.5	-6.0
Yugoslavia	---	---	-3.4	-12.5	-15.9
All Other	-.6	-.9	-.1	-2.1	-3.7
Total	-41.7	-83.5	-631.6	-911.6	-1,668.5

Figures may not add to totals because of rounding.

TREASURY DEPARTMENT 102

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Monday, March 6, 1961.

D-34

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rather than mere temporary stimulus -- to the flourishing and continuing growth we can and must achieve. We hope that by carrying out these many-sided programs with resolve and determination, we can make maximum use of our resources, both human and material, to create a bribhter future for all Americans.

The tax system should be flexible and respond to changing economic conditions. In times of falling income, the receipts under such a tax system should decline, so that resulting Federal Budget deficits will help to sustain the level of demand and employment. In times of rising income and employment the system should furnish increasing revenue and a surplus should result. An important advantage of the surplus will be that through debt retirement, it can be made available to private investors for capital formation and economic growth. We are looking forward to a strong economy in which such years of surplus will match or exceed those of deficit.

The problems of bringing about a prompt recovery and, more importantly, vigorous expansion, call for the stimulating potential of a larger Government budget within a financially orderly framework. We aim to make Government's contribution to economic activity in a way that will provide solid support

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markets and repay their bank loans, the more the banks will be able to supply credit to other borrowers, and so stimulate recovery.

There is another vital force in this whole area of interest rates and the availability of funds generally, and that is in the field of tax policy.

I shall defer discussion of this subject in view of the recommendations which the President proposes to submit shortly on tax measures that will encourage the expansion and modernization of the Nation's productive plant so as to accelerate economic growth and improve the international competitive position of American industry. It will perhaps suffice to state the basic goal of our tax policy. It is simply this: to develop and maintain a strong tax system which will meet the revenue requirements of the Government, contribute to economic stability, and further the objectives of a dynamic and growing economy.

The tax

a decrease

in long-term mortgage rates reflecting the increase in available mortgage funds that is already beginning to manifest itself.

Second, security offerings of municipalities, state, and local governments: Ordinarily, as interest rates decline and funds become increasingly available in a recession period, such offerings increase. However, in the current recession, this pattern has not been discernible. As late as last month, offerings continued to lag somewhat below a year ago. But as the credit ease continues, we can expect some growth in constructive municipal borrowing. Estimates for March project a considerable increase over the corresponding month last year.

Third, the corporate financing field, where the stock market seems to be openly inviting additional equity financing an invitation we hope will be increasingly accepted by corporations. For the more corporations turn to the securities

markets and

these policies is, of course, to decrease the supply of long-term securities and increase the supply of short term securiti

Our attempts to try to bring about a greater availability of credit at lower interest rates in pursuing recovery and growth are certainly justified by recent developments. There has been a notable lag in certain key areas such as housing and municipal and corporate investment. Yet these are the very areas which we wish to stimulate.

Let me briefly examine these three specific areas:

First, housing: Although in housing the availability of credit at lower mortgage rates is only one aspect of the problem, it is nevertheless an important one. We are hopeful that efforts of the Administration to lower mortgage rates -- by reducing the Federal Housing Administration rate, placing more emphasis in the Federal National Mortgage Association program on buying rather than selling mortgages, and urging key mortgage lenders to lower their rates -- will help to speed up

a decrease

Chart 1

MARKET YIELDS ON U.S. TREASURY SECURITIES
Pattern of Rates by Length of Maturity

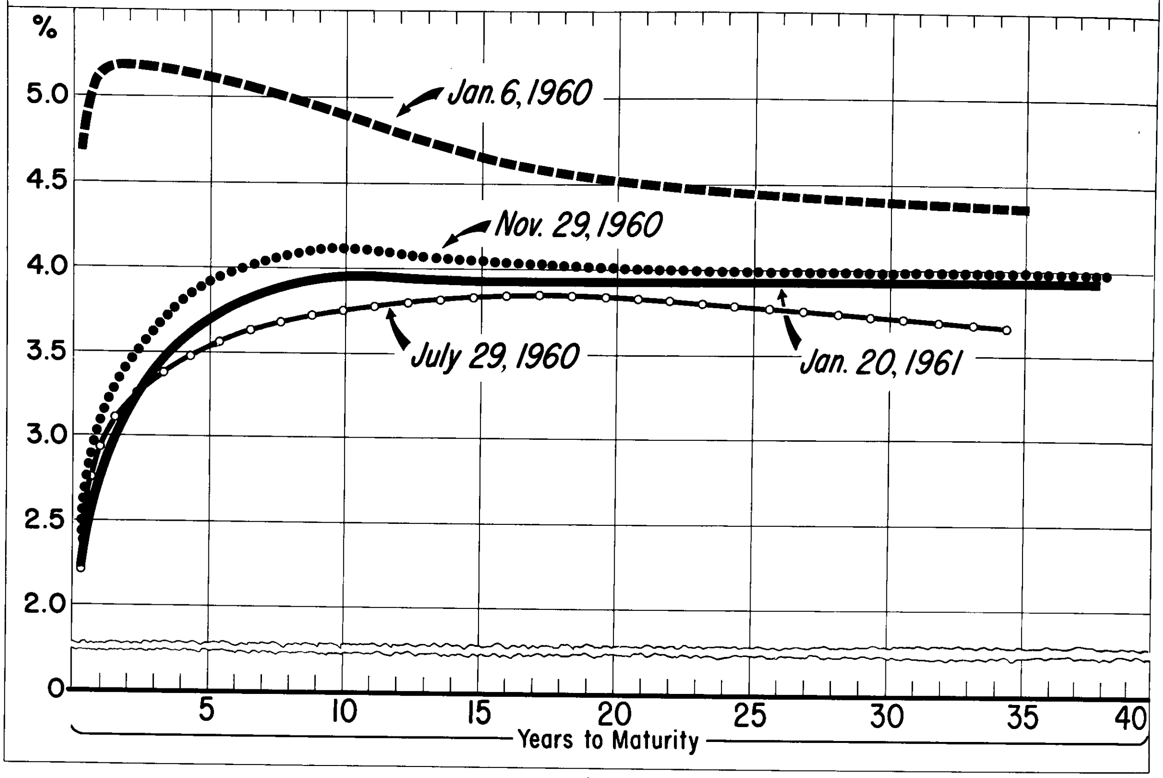
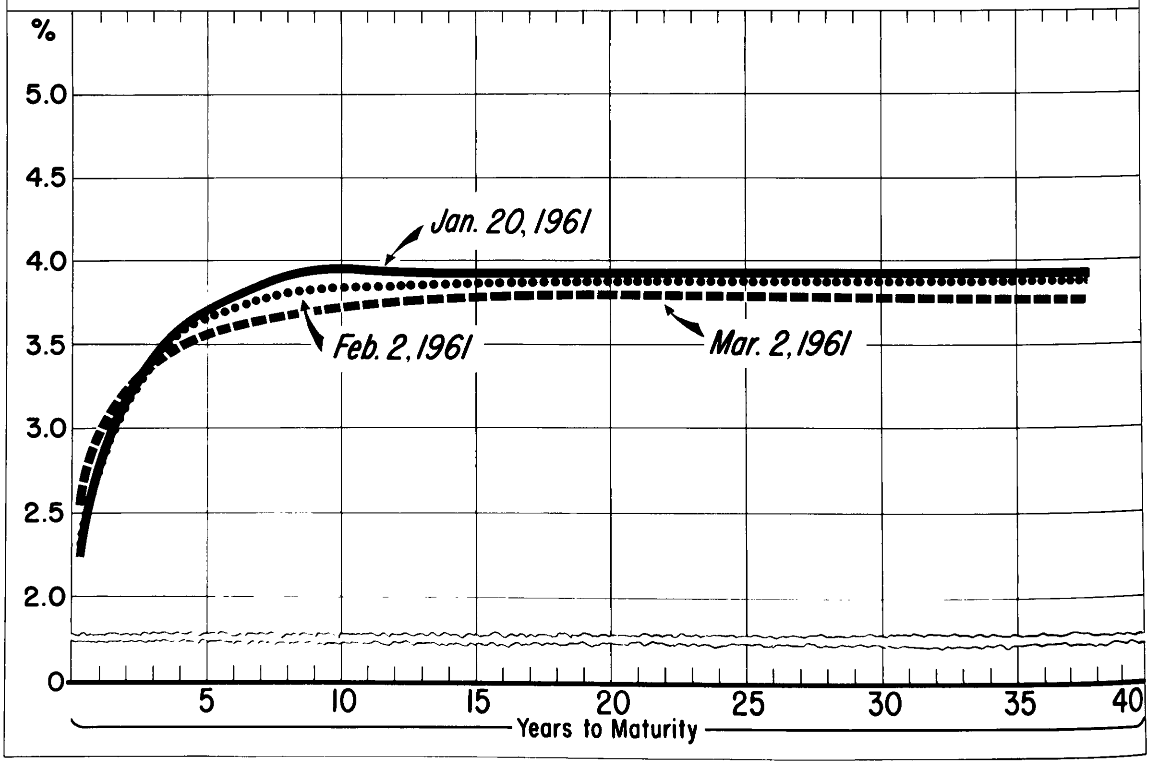


Chart 2

MARKET YIELDS ON U.S. TREASURY SECURITIES
Pattern of Rates by Length of Maturity



again affect confidence in the soundness of our dollar. This we cannot allow to occur.

Therefore, other means must be found to promote lower long term rates -- means that they do not immediately involve downward pressures on short rates. It was this dilemma that led the Federal Reserve Board to the conclusion that the "bills only" policy which had worked effectively in earlier recessions was no longer appropriate to the task at hand. In addition, the Treasury can and should support efforts to lower the long term rate by judicious debt management policies, not forgetting however, the need for some lengthening of the debt so as to maintain a reasonable refunding pattern.

Recent developments in this field can be seen from the 1961 two charts before you which show the market yields on U. S. Treasury securities for selected dates.

The first chart

In 1958, for instance, ninety day bills sold at six-tenths of one percent. This tended to lower long term rates and in turn promoted economic recovery. It is important here to recognize that extremely low short term rates are not of themselves necessary for recovery. They reflect increased credit availability and help stimulate the investment flow into the long term sector at lower rates. Today, a reduction in long term interest rates, including mortgage rates, is just as necessary as in previous recessions, but we must find new tools to achieve it. No longer can extremely low short term rates be permitted to result from credit easing steps taken to achieve our recovery objective. Instead, moves have been made to stabilize the short term rate around present levels, an adequately low rate for business purposes. There is always the danger that a lower rate may precipitate a renewed flow of short term capital abroad which could once

budgets and surpluses.

It is now clear that revenues in fiscal 1962 cannot help but be less than those projected in President Eisenhower's final Budget Message of January 16. In that message, corporate profits for calendar 1961 (on which, of course, fiscal 1962 revenue figures are based) were estimated at forty-six billion dollars. The facts now available indicate that this estimate is too high, possibly by as much as three billion dollars. In addition, personal income may fall somewhat short of the four hundred fifteen billion dollar estimate in that Message.

cannot pinpoint revenues and expenditures more exactly since final decisions have not yet been taken by the President However, the Director of the Budget will be able to provide you with these estimates when he appears before you later this month.

In past recessions the Federal Reserve has been able to promote the needed lower long term rates of interest by allowing the short term rate to fall almost to zero.

We must make certain that the powerful and productive influenc of the Federal Government is used most effectively.

Our nation's resources -- the capacity of our people and the quality of our physical plant and materials -- are impressi But they are not presently being fully utilized and the level of unemployment is unacceptably high. In initiating new progra of expansion, therefore, we can call upon unused resources, upon credit ease and fiscal expansion - and even upon a reasonable budget deficit for a limited period of time -- without running the risk of inflation.

There are, of course, inescapable physical limits on the speed with which our untapped reserves can be put to use. Nevertheless, the curren t recession makes a modest and temporar deficit not only inevitable, but actually desirable as a stimulant to recovery and the resumption of economic growth. The fact is that a budget deficit may prove helpful in a period of widespread unemployment such as the present one. During periods of prosperity, of course, we should return to balanced

distribute the benefits of that increased productivity between workers, investors and consumers, without sacrificing our international competitive position. The President has just provided a channel for funnelling many of these considerations and bringing them to bear on key problems through the President's Advisory Committee on Labor-Management Policy.

Now to return to the problems of our economy here at home. We must try to produce an environment that will not only bring us out of our present recession, but will also permit our economy to grow at a faster rate than has been the case in recent years.

The role of the Federal Government as an energizing force in the growth of our economy and as a stabilizing influence upon its ups and downs is daily becoming more important. But there are limits upon what the Government can, or should, do. It is as important to avoid over-commitment as under-commitment, as essential to avoid waste as to avoid constrictive economy.

responsibilities for a rising flow of capital to the less developed countries. We hope to facilitate both of these types of cooperation through the OECD.

It is also essential for our people to realize that we are inevitably subject to international competition. Just as this country has always found open competition to be a major force in stimulating growth, expansion, and technological change here at home, the same is proving to be true internationally. This development serves to emphasize our need to remain strong and competitive -- and not restrictive or isolated. Obviously, this has a great many implications for American industry in terms of the price-wage-cost structure. It becomes important to emphasize to both management and labor that profits and wages need not always be increased to provide more benefits to investors and workers. Both of these economic groups are made up of individual consumers. Hence, the provision of more goods and services for the same dollar by some lowering of prices with increasing productivity may better

to promote an increased stream of tourists to the United States. We are recommending a reduction in tourist allowances. We are developing procedures to encourage foreign monetary authorities to hold dollars. And we are reexamining the tax status of Americ investment abroad to determine whether ~~they are~~ it is paying ~~their~~ its fair share of our national tax and whether or not any deficiency of our tax system in this regard has contributed substantially to an imbalance of payments. We will continue to explore ways and means of assuring that the substantial payment imbalances of recent years are not continued so as to impair our national economic position.

But improvement in our basic deficit also means that the chronic surplus in the balance of payments of certain other advanced countries needs to be simultaneously reduced. This calls for improved international cooperation across the broad spectrum of economic policies. International cooperation is also increasingly needed in approaching what are now mutual

responsibilities for

We hope to pursue this cooperation through the proposed new Organization for Economic Cooperation and Development (OECD), through the International Monetary Fund, and in other appropriate ways. At longer range, we are instituting a thorough exploration of measures to improve the functioning of the International Monetary Fund and to strengthen its capabilities, in order to assure adequate and flexible liquidity for the growth that lies ahead.

I have said that we must utilize the time given us by the restoration of confidence to attack the problem of our basic deficit, which last year amounted to about $1.5 billion. In dealing with this basic deficit, we are actively pursuing the specific lines of policy laid down by the President. For example, we expect to tie our military procurement and economic aid expenditures even more closely to United States sources of supply. We are preparing to improve our facilities for providing credit to our exporters. We are moving vigorously

to promote

achievement of reasonable equilibrium in our balance of payments will not be a simple task. It will involve vigorous and many-sided action by our government, the cooperation of other free countries, and active and enlightened support by our own people. I am increasingly hopeful that if we utilize these elements, properly welded together, we can reach our goal within the next two years.

One inescapable conclusion which emerged from the short term capital movements of 1960 is the need for more effective international cooperation in economic and monetary policy in order to minimize the disruptive effects, and the magnitude of such movements. To be sure there will always be differences among countries in the timing of booms and recessions, and there will always be some need for a short term capital flow. But if fuller exchanges of views and experience among the financial officials of leading countries can in any way reduce the impact of these swings, we must seek such exchanges.

We hope

a broad and comprehensive approach to achieving an over-all equilibrium in our international payments, placing heavy emphasis on expanding our exports. He rejected protectionism as ineffective and undesirable and stressed that help for the less developed countries from all the economically advanced countries must be enlarged.

I am pleased to report that reaction abroad to the President's vigorous and determined approach has been very favorable. The dollar once again is strong. There has been a decided slackening in the outflow of gold and dollars and there are signs that some of the speculative funds that left our shores last fall are beginning to return.

This is not, of course, a sign that the problem is over, but only that the world believes that we mean what we say. It is imperative, therefore, that we press on with more fundamental measures for correcting our basic balance of payments deficit, utilizing the breathing spell provided by this free world vote of confidence. It is clear that

to differentials in interest rates, as well as to speculative considerations. When recession here coincided with boom abroad from mid-1960 onward, monetary policies and interest rates in the United States and Europe diverged widely. At one time last fall a short-term investor could obtain as much as two percent more on his money in London than in New York. Hence, a broad stream of short term capital moved from New York to London and other European money centers in search of these higher short term rates. The size of this flow shook confidence in our ability to maintain the value of the dollar. Speculation began against the dollar and added to the outflow. This speculative fever continued unabated until late January.

The first task of this Administration was to restore confidence and put an end to these speculative movements. The President promptly pledged that the official dollar price of gold would be maintained at $35 per ounce. He also outlined

this deficit. In 1960 another over-all deficit of $3.8 billion occurred and we paid out another $1.7 billion of gold.

The situation in 1960 was dominated by a new element. Our exports had a very good year. But a very large outflow of short term capital took place, mainly from June to the end of the year. Our basic deficit -- that is, minus the short term capital outflow-- markedly improved, and was estimated at about $1-1/2 billion, as against something over $4 billion in 1959. The outflow of short term capital, amounting to more than two billion dollars, was the major factor in the large drain of gold and dollars during the final six months of last year.

Now what caused this new phenomen~~a~~on - the large scale exodus of short-term capital?

With convertibility, international money markets have again become closely inter-connected and liquid funds now flow freely in large volume between these markets in response

to differentials

This new situation arose two years ago with the return of convertibility in Europe. For the first time since the thirties all the major currencies of the free world became freely interchangeable for current transactions.

This new situation severely aggravated our balance of payments problem last year and, in turn, it determined the nature of some of our responses to recession here at home.

To begin with, I should like to review briefly the significant developments in our balance of payments in recent years.

Between 1951 and 1957 foreign countries utilized the proceeds of their surpluses, averaging roughly one billion dollars a year, to build up needed reserves of dollars. The situation has been quite different since 1957. In 1958 and 1959, our exports fell off sharply and our imports rose. Our deficit rose to $~~2~~3-1/2 billion and more a year and we had to pay out some $3 billion in gold to cover a large part of

this deficit.

It seems important that we search for and employ those economic policies which are best designed to achieve a maximum of all of these desirable objectives, without unduly sacrificing one at the expense of another.

In moving now, in the year 1961, towards these long-range national economic objectives, we must recognize the urgency of the two major problems immediately confronting us:

First, the problem of bringing about a prompt recovery from the present recession and, even more important, a continuing, vigorous expansion in our domestic economy.

Second, curing the long standing imbalance in our international payments, and working in concert with other industralized nations toward a more permanent equilibrium.

The simultaneous occurrence of recession and acute balance of payments difficulties posed new and complex problems for the United States last year. The sensitive inter-relationship between our domestic economy and our balance of payments situation can be expected to remain with us in the future. For today we face an international economic situation quite different from anything we have seen for over thirty years.

This new

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During the intervening years, marked at various times by unanticipated price rises, attention shifted to the problem of inflation and reasonable price stability emerged as a second national economic objective.

More recently, a third national objective has received increasing emphasis -- to develop economic policies directed at stimulating maximum sustainable rates of growth within our own country and within the economies of our friends and allies.

In pursuing these national economic objectives it is important to keep in mind other national objectives such as national security, a desirable degree of economic freedom, a maintenance of a market mechanism unimpaired by the absence of workable competition, the provision of adequate government services in areas where private action will not suffice, and some equitable distribution of income and opportunity.

It is only realistic to recognize that some courses of policy and action can serve to promote the achievement of certain of our goals at the sacrifice of others.

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STATEMENT OF THE HONORABLE DOUGLAS DILLON
SECRETARY OF THE TREASURY, BEFORE THE
JOINT ECONOMIC COMMITTEE,
TUESDAY, MARCH 7, 1961, 10:00 A.M.

Mr. Chairman, I am pleased to meet with this distinguished Committee. It is important that we discuss the broad outlines of our economic situation and the economic programs the Government should follow in pursuit of our central national objective.

This objective, simply stated, is to preserve and develop the security, freedom and prosperity of the United States within a strong free world. Our economic policies, both domestic and foreign, can be used effectively to serve our central objective if they are directed particularly at three specific economic objectives which have been a subject of particular concern to this Committee during the past year.

The first national economic objective is that stated in the Employment Act of 1946, namely, the maintenance of a high level of employment or, in the words of the Act, "maximum employment."

During the

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HOLD FOR RELEASE ON DELIVERY

TREASURY DEPARTMENT
Washington

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The situation in 1960 was dominated by a new element. Our exports had a very good year. But a very large outflow of short term capital took place, mainly from June to the end of the year. Our basic deficit -- that is, minus the short term capital outflow -- markedly improved, and was estimated at about $1-1/2 billion, as against something over $4 billion in 1959. The outflow of short term capital, amounting to more than two billion dollars, was the major factor in the large drain of gold and dollars during the final six months of last year.

Now what caused this new phenomenon-- the large scale exodus of short term capital?

With convertibility, international money markets have again become closely inter-connected and liquid funds now flow freely in large volume between these markets in response to differentials in interest rates, as well as to speculative considerations. When recession here coincided with boom abroad from mid-1960 onward, monetary policies and interest rates in the United States and Europe diverged widely. At one time last fall a short term investor could obtain as much as two percent more on his money in London than in New York. Hence, a broad stream of short term capital moved from New York to London and other European money centers in search of these higher short term rates. The size of this flow shook confidence in our ability to maintain the value of the dollar. Speculation began against the dollar and added to the outflow. This speculative fever continued unabated until late January.

The first task of this Administration was to restore confidence and put an end to these speculative movements. The President promptly pledged that the official dollar price of gold would be maintained at $35 per ounce. He also outlined a broad and comprehensive approach to achieving an over-all equilibrium in our international payments, placing heavy emphasis on expanding our exports. He rejected protectionism as ineffective and undesirable and stressed that help for the less developed countries from all the economically advanced countries must be enlarged.

I am pleased to report that reaction abroad to the President's vigorous and determined approach has been very favorable. The dollar once again is strong. There has been a decided slackening in the outflow of gold and dollars and there are signs that some of the speculative funds that left our shores last fall are beginning to return.

This is not, of course, a sign that the problem is over, but only that the world believes that we mean what we say. It is imperative, therefore, that we press on with more fundamental measures for correcting our basic balance of payments deficit, utilizing the breathing spell provided by this free world vote of confidence. It is clear that achievement of reasonable equilibrium in our balance of payments will not be a simple task. It will involve vigorous and many-sided action by our government, the cooperation of other free countries, and active and enlightened support by our own people. I am increasingly hopeful that if we utilize these elements, properly welded together, we can reach our goal within the next two years.

One inescapable conclusion which emerged from the short term capital movements of 1960 is the need for more effective international cooperation in economic and monetary policy in order to minimize the disruptive effects, and the magnitude of such movements. To be sure there will always be differences among countries in the timing of booms and recessions, and there will always be some need for a short term capital flow. But if fuller exchanges of views and experience among the financial officials of leading countries can in any way reduce the impact of these swings, we must seek such exchanges. We hope to pursue this cooperation through the proposed new Organization for Economic Cooperation and Development (OECD), through the International Monetary Fund, and in other appropriate ways. At longer range, we are instituting a thorough exploration of measures to improve the functioning of the International Monetary Fund and to strengthen its capabilities, in order to assure adequate and flexible liquidity for the growth that lies ahead.

I have said that we must utilize the time given us by the restoration of confidence to attack the problem of our basic deficit, which last year amounted to about $1.5 billion. In dealing with this basic deficit, we are actively pursuing the specific lines of policy laid down by the President. For example, we expect to tie our military procurement and economic aid expenditures even more closely to United States sources of supply. We are preparing to improve our facilities for providing credit to our exporters. We are moving vigorously to promote an increased stream of tourists to the United States. We are recommending a reduction in tourist allowances. We are developing procedures to encourage foreign monetary authorities to hold dollars. And we are reexamining the tax status of American investment abroad to determine whether it is paying its fair share of our national tax and whether or not any deficiency of our tax system in this regard has contributed substantially to an imbalance of payments. We will continue to explore ways and means of assuring that the substantial payment imbalances of recent years are not continued so as to impair our national economic position.

But improvement in our basic deficit also means that the chronic surplus in the balance of payments of certain other advanced countries needs to be simultaneously reduced. This calls for improved international cooperation across the broad spectrum of economic policies. International cooperation is also increasingly needed in approaching what are now mutual responsibilities for a rising flow of capital to the less developed countries. We hope to facilitate both of these types of cooperation through the OECD.

It is also essential for our people to realize that we are inevitably subject to international competition. Just as this country has always found open competition to be a major force in stimulating growth, expansion, and technological change here at home, the same is proving to be true internationally. This development serves to emphasize our need to remain strong and competitive -- and not restrictive or isolated. Obviously, this has a great many implications for American industry in terms of the price-wage-cost structure. It becomes important to emphasize to both management and labor that profits and wages need not always be increased to provide more benefits to investors and workers. Both of these economic groups are made up of individual consumers. Hence, the provision of more goods and services for the same dollar by some lowering of prices with increasing productivity may better distribute the benefits of that increased productivity between workers, investors, and consumers, without sacrificing our international competitive position. The President has just provided a channel for funnelling many of these considerations and bringing them to bear on key problems through the President's Advisory Committee on Labor-Management Policy.

Now to return to the problems of our economy here at home. We must try to produce an environment that will not only bring us out of our present recession, but will also permit our economy to grow at a faster rate than has been the case in recent years.

The role of the Federal Government as an energizing force in the growth of our economy and as a stabilizing influence upon its ups and downs is daily becoming more important. But there are limits upon what the Government can, or should, do. It is as important to avoid over-commitment as under-commitment, as essential to avoid waste as to avoid constrictive economy. We must make certain that the powerful and productive influence of the Federal Government is used most effectively.

Our nation's resources -- the capacity of our people and the quality of our physical plant and materials -- are impressive. But they are not presently being fully utilized and the level of unemployment is unacceptably high. In initiating new programs of expansion, therefore, we can call upon unused resources, upon credit ease and fiscal expansion -- and even upon a reasonable budget deficit for a limited period of time -- without running the risk of inflation.

There are, of course, inescapable physical limits on the speed with which our untapped reserves can be put to use. Nevertheless, the current recession makes a modest and temporary deficit not only inevitable, but actually desirable as a stimulant to recovery and the resumption of economic growth. The fact is that a budget deficit may prove helpful in a period of widespread unemployment such as the present one. During periods of prosperity, of course, we should return to balanced budgets and surpluses.

It is now clear that revenues in fiscal 1962 cannot help but be less than those projected in President Eisenhower's final Budget Message of January 16. In that message, corporate profits for calendar 1961 (on which, of course, fiscal 1962 revenue figures are based) were estimated at forty-six billion dollars. The facts now available indicate that this estimate is too high, possibly by as much as three billion dollars. In addition, personal income may fall somewhat short of the four hundred fifteen billion dollar estimate in that Message.

I cannot pinpoint revenues and expenditures more exactly since final decisions have not yet been taken by the President. However, the Director of the Budget will be able to provide you with these estimates when he appears before you later this month.

In past recessions the Federal Reserve has been able to promote the needed lower long term rates of interest by allowing the short term rate to fall almost to zero. In 1958, for instance, ninety day bills sold at six-tenths of one percent. This tended to lower long term rates and in turn promoted economic recovery. It is important here to recognize that extremely low short term rates are not of themselves necessary for recovery. They reflect increased credit availability and help stimulate the investment flow into the long term sector at lower rates. Today, a reduction in long term interest rates, including mortgage rates, is just as necessary as in previous recessions, but we must find new tools to achieve it. No longer can extremely low short term rates be permitted to result from credit easing steps taken to achieve our recovery objective. Instead, moves have been made to stabilize the short term rate around present levels, an adequately low rate for business purposes. There is always the danger that a lower rate may precipitate a renewed flow of short term capital abroad which could once again affect confidence in the soundness of our dollar. This we cannot allow to occur.

Therefore, other means must be found to promote lower long term rates -- means that they do not immediately involve downward pressures on short rates. It was this dilemma that led the Federal Reserve Board to the conclusion that the "bills only" policy which had worked effectively in earlier recessions was no longer appropriate to the task at hand. In addition, the Treasury can and should support efforts to lower the long term rate by judicious debt management policies, not forgetting, however, the need for some lengthening of the debt so as to maintain a reasonable refunding pattern.

Recent developments in this field can be seen from the two charts before you which show the market yields on U. S. Treasury securities for selected dates.

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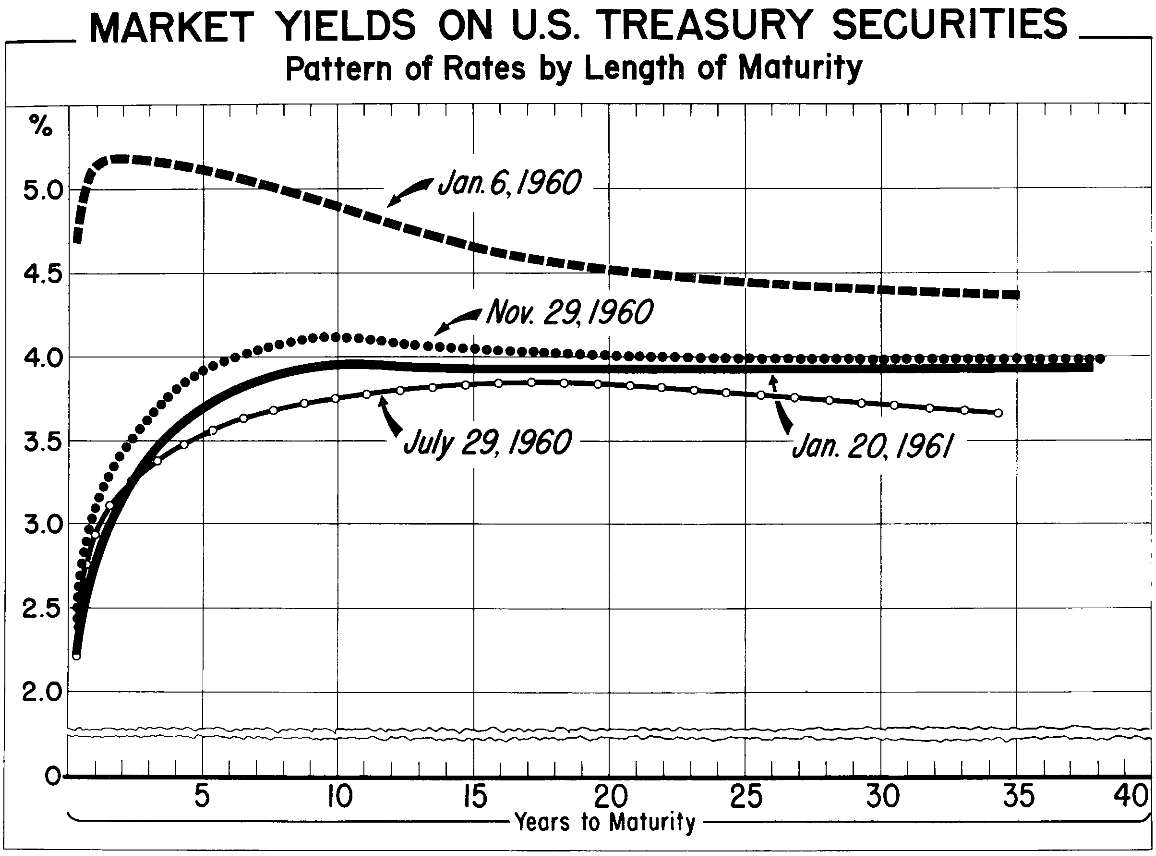
Chart I

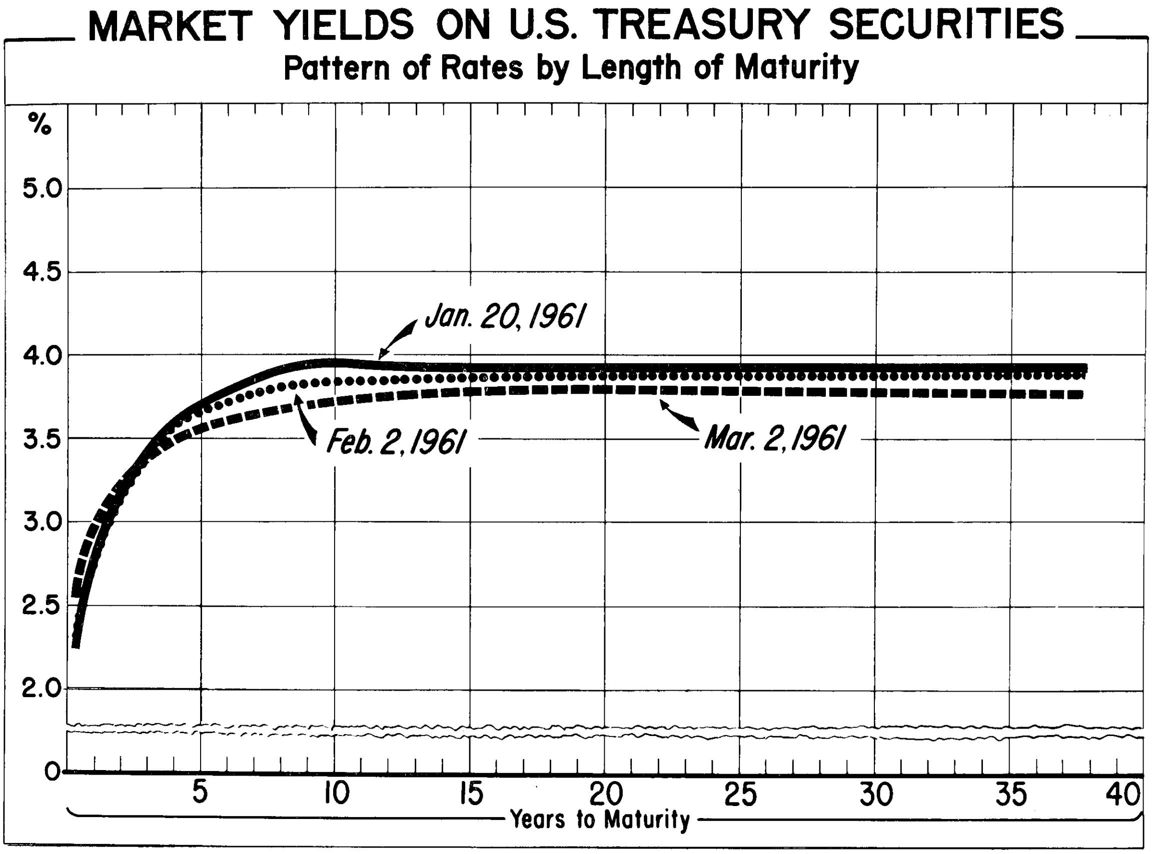


Office of the Secretary of the Treasury

F-625-2

The first chart shows that the high point last year was reached in January, and the low point the following July. It also clearly shows that long-term rates actually moved up as the recession deepened toward the end of last year -- indicative of a lag in the availability of credit to borrowers.

Chart 2



Office of the Secretary of the Treasury

F-625-I

The second chart shows that a decline in rates has occurred since Inaugural Day and that a further decline followed the President's economic Message, in which he specifically called for maintaining short rates at current levels and a greater availability of long-term credit at declining rates. This decline in long term rates, coupled with the maintenance of short term rates was helped when the Federal Reserve last month began buying government notes and bonds of varying maturities, some beyond five years, for virtually the first time in a decade, and the Treasury concentrated its sales of securities in the short-term sector. The effect of these policies is, of course, to decrease the supply of long-term securities and increase the supply of short term securities.

Our attempts to try to bring about a greater availability of credit at lower interest rates in pursuing recovery and growth are certainly justified by recent developments. There has been a notable lag in certain key areas such as housing and municipal and corporate investment. Yet these are the very areas which we wish to stimulate.

Let me briefly examine these three specific areas:

First, housing: Although in housing the availability of credit at lower mortgage rates is only one aspect of the problem, it is nevertheless an important one. We are hopeful that efforts of the Administration to lower mortgage rates -- by reducing the Federal Housing Administration rate, placing more emphasis in the Federal National Mortgage Association program on buying rather than selling mortgages, and urging key mortgage lenders to lower their rates -- will help to speed up a decrease in long-term mortgage rates reflecting the increase in available mortgage funds that is already beginning to manifest itself.

Second, security offerings of municipalities, state, and local governments: Ordinarily, as interest rates decline and funds become increasingly available in a recession period, such offerings increase. However, in the current recession, this pattern has not been discernible. As late as last month, offerings continued to lag somewhat below a year ago. But as the credit ease continues, we can expect some growth in constructive municipal borrowing. Estimates for March project a considerable increase over the corresponding month last year.

Third, the corporate financing field, where the stock market seems to be openly inviting additional equity financing -- an invitation we hope will be increasingly accepted by corporations. For the more corporations turn to the securities markets and repay their bank loans, the more the banks will be able to supply credit to other borrowers, and so stimulate recovery.

There is another vital force in this whole area of interest rates and the availability of funds generally, and that is in the field of tax policy.

I shall defer discussion of this subject in view of the recommendations which the President proposes to submit shortly on tax measures that will encourage the expansion and modernization of the Nation's productive plant so as to accelerate economic growth and improve the international competitive position of American industry. It will perhaps suffice to state the basic goal of our tax policy. It is simply this: to develop and maintain a strong tax system which will meet the revenue requirements of the Government, contribute to economic stability, and further the objectives of a dynamic and growing economy.

The tax system should be flexible and respond to changing economic conditions. In times of falling income, the receipts under such a tax system should decline, so that resulting Federal Budget deficits will help to sustain the level of demand and employment. In times of rising income and employment, the system should furnish increasing revenue and a surplus should result. An important advantage of the surplus will be that through debt retirement, it can be made available to private investors for capital formation and economic growth. We are looking forward to a strong economy in which such years of surplus will match or exceed those of deficit.

The problems of bringing about a prompt recovery and, more importantly, vigorous expansion, call for the stimulating potential of a larger Government budget within a financially orderly framework. We aim to make Government's contribution to economic activity in a way that will provide solid support -- rather than more temporary stimulus -- to the flourishing and continuing growth we can and must achieve. We hope that by carrying out these many-sided programs with resolve and determination, we can make maximum use of our resources, both human and material, to create a brighter future for all Americans.

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from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

~~XXXXX-X XXXXXXXX~~

decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated December 15, 1960, (91 days remaining until maturity date on June 15, 1961) and noncompetitive tenders for $100,000 or less for the 182 -day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on March 16, 1961 , in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 16, 1961 . Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does ~~not have any exemption,~~ as such, and loss

TREASURY DEPARTMENT
Washington

D-36

IMMEDIATE RELEASE, ~~4:00 P.M., EST,~~
Wednesday, March 8, 1961.

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $ 1,600,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing March 16, 1961, in the amount of $1,598,517,000, as follows:

91-day bills (to maturity date) to be issued March 16, 1961, in the amount of $1,100,000,000, or thereabouts, representing an additional amount of bills dated December 15, 1960, and to mature June 15, 1961, originally issued in the amount of $ 501,318,000, the additional and original bills to be freely interchangeable.

182-day bills, for $ 500,000,000, or thereabouts, to be dated March 16, 1961, and to mature September 14, 1961.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Standard time, Monday, March 13, 1961. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

TREASURY DEPARTMENT

WASHINGTON, D.C.

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D-36

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Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Departmment of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $ 200,000 or less for the additional bills dated December 15, 1960 (91 days remaining until maturity date on June 15, 1961) and noncompetitive tenders for $ 100,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on March 16, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 16, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

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IMMEDIATE RELEASE, TODAY D-37

The Treasury Department made public the following letter from Secretary Dillon to Clarence E. Hunter, who resigned, effective February 15th, as U. S. Treasury Representative at the U. S. Mission to NATO and other European Regional Organizations, in Paris, France:

~~February 15, 1961~~

Dear Clarence:

I WANT ~~am writing this letter in order~~ to express ~~to you~~ the deep appreciation of the ~~Treasury for your~~ DEPARTMENT seven and a half years of dedicated service as Treasury Representative and Financial Advisor to the U. S. Permanent Representative to the North Atlantic Council and to the OEEC.

~~Through past contacts with~~ FORMER Secretary Anderson and others here at the Treasury ~~I~~ have ~~long been conscious~~ TOLD ME of the very high regard which they have always had for you personally and for your fine work in Paris.

With the completion of your Treasury service, I want to add ~~my~~ own ~~best wishes for~~ health and happiness in the years ahead ~~to those which I know your many friends in Treasury and throughout the Government all want to extend to you and Mrs. Hunter.~~

WISH YOU and Mrs Hunter

Sincerely,

/s/ Douglas Dillon
Douglas Dillon

Mr. Clarence E. Hunter
U. S. Treasury Representative
U. S. Mission to NATO and European
Regional Organizations
Place du Marechal de Lattre de Tassigny
Paris 16, France

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Wednesday, March 8, 1961.

D-37

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Dear Clarence:

I want to express the deep appreciation of the Department for your seven and a half years of dedicated service as Treasury Representative and Financial Advisor to the U. S. Permanent Representative to the North Atlantic Council and to the OEEC.

Former Secretary Anderson and others here at the Treasury have told me of the very high regard which they have always had for you personally and for your fine work in Paris.

With the completion of your Treasury service, I want to wish you and Mrs. Hunter health and happiness in the years ahead.

Sincerely,

/s/ Douglas Dillon
Douglas Dillon

Mr. Clarence E. Hunter
U. S. Treasury Representative
U. S. Mission to NATO and European
Regional Organizations
Place du Marechal de Lattre de Tassigny
Paris 16, France

D-38

RELEASE A. M. NEWSPAPERS, Tuesday, March 14, 1961.

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated December 15, 1960, and the other series to be dated March 16, 1961, which were offered on March 8, were opened at the Federal Reserve Banks on March 13. Tenders were invited for $1,100,000,000, or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing June 15, 1961		182-day Treasury bills maturing September 14, 1961	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.411	2.330%	98.768 a/	2.437%
Low	99.398	2.382%	98.738	2.496%
Average	99.405	2.352% 1/	98.759	2.455% 1/

a/ Excepting two tenders totaling $1,274,000
63 percent of the amount of 91-day bills bid for at the low price was accepted
87 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
Boston	$ 31,340,000	$ 15,353,000	$ 3,309,000	$ 2,134,000
New York	1,405,909,000	698,145,000	665,601,000	393,211,000
Philadelphia	26,301,000	9,876,000	8,107,000	3,107,000
Cleveland	31,925,000	29,866,000	12,527,000	12,327,000
Richmond	17,214,000	11,114,000	1,743,000	1,743,000
Atlanta	30,978,000	26,376,000	4,003,000	3,803,000
Chicago	202,226,000	143,809,000	65,656,000	33,851,000
St. Louis	25,209,000	22,609,000	5,224,000	4,942,000
Minneapolis	18,647,000	13,997,000	4,947,000	3,965,000
Kansas City	45,604,000	45,604,000	12,358,000	12,358,000
Dallas	17,425,000	17,375,000	5,375,000	4,675,000
San Francisco	78,057,000	66,007,000	23,888,000	23,888,000
TOTALS	$1,930,835,000	$1,100,131,000 b/	$812,738,000	$500,004,000 c/

b/ Includes $240,249,000 noncompetitive tenders accepted at the average price of 99.405
c/ Includes $51,007,000 noncompetitive tenders accepted at the average price of 98.759
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.40%, for the 91-day bills, and 2.52%, for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

TREASURY DEPARTMENT 142

WASHINGTON, D.C.

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Richmond	17,214,000	11,114,000	1,743,000	1,743,000
Atlanta	30,978,000	26,376,000	4,003,000	3,803,000
Chicago	202,226,000	143,809,000	65,656,000	33,851,000
St. Louis	25,209,000	22,609,000	5,224,000	4,942,000
Minneapolis	18,647,000	13,997,000	4,947,000	3,965,000
Kansas City	45,604,000	45,604,000	12,358,000	12,358,000
Dallas	17,425,000	17,375,000	5,375,000	4,675,000
San Francisco	78,057,000	66,007,000	23,888,000	23,888,000
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b/ Includes $240,249,000 noncompetitive tenders accepted at the average price of 99.405
c/ Includes $51,007,000 noncompetitive tenders accepted at the average price of 98.759
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.40%, for the 91-day bills, and 2.52%, for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

Financing of the Highway Trust Fund

Item	Tax base	Rates prior to 1956 Highway Revenue Act	Rates under 1956 Highway Revenue Act	Rates under Federal-aid Highway Act of 1959	Rates under President's proposal	Fiscal year: Percent of receipts appropriated to Trust Fund: 1957	1958-61	1962-64	1965-72	1962-72 President's proposal
						Percent				
Gasoline	Gallon	2¢	3¢	4¢ 1/	no change	100	100	100	100	100
Diesel fuel 2/	Gallon	2¢	3¢	4¢ 1/	7¢	100	100	100	100	100
Trucks and buses	Mfrs. price	8%	10%	no change	no change	20	50	50	50	50
Tires - for highway vehicles	Pound	5¢	8¢	no change	10¢	37½	100	100	100	100
others	Pound	5¢	no change	no change 3/	no change	0	100	100	100	100
Tubes	Pound	9¢	no change	no change	10¢	0	100	100	100	100
Tread rubber	Pound	0	3¢	no change	10¢	100	100	100	100	100
Use tax on trucks and buses 4/	Taxable gross weight	0	$1.50 per M lbs.	no change	$5	100	100	100	100	100
Floor stocks taxes:										
Gasoline	Gallon	--	1¢	1¢	--	100	100	--	--	--
Tires for highway vehicles	Pound	--	3¢	--	2¢	100	--	--	--	100
Tread rubber	Pound	--	3¢	--	7¢	100	--	--	--	100
Tubes	Pound	--	--	--	1¢	--	--	--	--	100
Trucks and buses	Mfrs. price	--	2%	--	--	100	--	--	--	--
Passenger automobiles	Mfrs. price	10%	no change	no change	no change	0	0	50 5/	0	0
Automobile parts and accessories	Mfrs. price	8%	no change	no change	no change	0	0	62½ 5/	0	0

Treasury Department — March 14, 1961

1/ For period October 1, 1959 through June 30, 1961.
2/ Includes special motor fuels.
3/ Laminated tires taxed at 1-cent per pound beginning June 1, 1960.
4/ Vehicles with taxable gross weight in excess of 26,000 pounds.
5/ Actually, receipts equivalent to tax of 5 percent.

now approach $600 million a year. Under the circumstances, it is inconsistent to use the revenues derived from aviation gasoline to help build highways.

President Kennedy's proposal with respect to aviation gasoline revenues did not include any recommendations as to an increase in the level of taxation of aviation gasoline or the taxing of jet fuel, which is now free of tax. We believe, along with the previous Administration, that these products should make a greater contribution to Federal revenues in view of the heavy Federal expenditures for airways. However, we have not finished our analysis of the situation and, therefore, are not making any suggestions for change at this time.

To sum up, I believe that we have got to keep our Federal Highway Program moving ahead -- and that we should do so on a pay-as-you-build basis.

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specifically the automotive users of the roads. Federal aid to roads came into being because of the development of the automobile and truck, and Federally aided roads are designed and built for automotive traffic needs. Since highways built with Federal aid exist because of the need for motor roads and would not exist except for motor travel, the additional revenue should come from motor vehicles.

Let me say a final few words regarding one further item mentioned by the President: the use of receipts from the 2 cents per gallon tax on aviation gasoline. These receipts, about $22 million in fiscal 1962, are now transferred to the Highway Trust Fund. The President recommended that in the future aviation gasoline receipts be retained in the general fund of the Treasury.

Aircraft operators use a Federal airways system which provides services that may be compared with the Federal highway system. Federal costs for operating and improving the airways system (excluding airport grants and weather and other indirect services)

now approach

such a shift of the tax burden is clearly borne out by various State and Federal studies. The shift would assign to heavier trucks a more reasonable share of the highway building costs attributable to them. For its part, the Treasury would consider either alternative to be financially satisfactory because both meet the need to finance the highway program from additional revenues.

I should point out that both alternatives appear to leave a shortfall of about $1 billion by the end of fiscal 1972 relative to present estimated financing needs. Since this is about 2 percent of total revenues over the life of the Fund, it should permit the taxes to end before the close of the calendar year 1972. We are dealing with revenue and expenditure estimates up to a decade in the future, so there will be ample time in the future to take care of such minor adjustments.

Of course the additional taxes of about $900 million that the President has recommended mean additional burdens which in all fairness must be justified. The Highway Program benefits most

specifically

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	Tax base	Present rate	Rate as of July 1 under present law	Rate proposed by President
Diesel fuel and special motor fuel	gallon	4¢	3¢	7¢
Trucks and buses over 26,000 lbs.	1,000 lbs. of gross weight	$1.50	$1.50	$5.00
Highway tires	pound	8¢	8¢	10¢
Inner tubes	pound	9¢	9¢	10¢
Tread rubber	pound	3¢	3¢	10¢

His alternative suggestion, which also was the recommendation of the previous Administration, was to increase the tax on motor fuels to 4-1/2 cents a gallon, but without other tax increases.

To obtain a full perspective of the increases proposed by the President, as compared with present Highway Trust Fund tax rates, I refer you to the table attached to my statement.

While either of these alternative programs would raise approximately $900 million a year at present levels of consumption, the first -- which is the President's preference -- would shift a considerable part of the increase on to heavier trucks using diesel fuel, rather than on to motorists in general. The desirability of

such

byproduct of the highway program

With these considerations in mind, and after reviewing possible methods of financing, the President decided that it would be preferable to raise additional revenues from the excises which have PREVIOUSLY ~~been~~ earmarked to support the highway program ~~[illegible]~~. As you remember, he made alternative suggestions in this respect.

His first preference was the retention of the present four cents per gallon tax on gasoline, rather than ALLOWING IT TO ~~[illegible]~~ ~~it~~ be reduced to three cents on July 1 as scheduled under present law. As part of this program, he recommended increases in certain other taxes as follows:

debt issues could reduce the interest estimate somewhat, but there would still be billions of interest costs -- dollars that build no roads.

The President has definitely stated that he believes deficit financing for the Federal Highway Program would be an unwise decision and that the amendment to Section 209 of the Highway Revenue Act of 1956 limiting highway aid apportionments to estimated Trust Fund revenues should be continued in force. The President is pledged, "barring a worsening economy to submit to the Congress programs (aside from any new defense outlays) which of and by themselves will not unbalance the budget previously submitted." To finance the highway program by diverting revenues now going to the general fund from the tax on passenger automobiles and parts and accessories would constitute a deliberate unbalancing of the budget. As the President said, "This is a decision which, if it is taken at all, should be taken on its merits, in relation to the state of the economy and the budget as a whole, not as an accidental byproduct

to measure the cost of bond financing, but the cost is still there.

A special bond issue to finance the Interstate System was proposed to the Congress in 1955. The Congress considered the interest cost disadvantages of bonds and decided on a pay-as-you-build approa

I think that decision is just as sound today as it was in 1955.

The magnitude of interest costs, if we were to take this route toward completing the Federal Highway Program, would be heavy indeed. The President said in his message that a special highway bond progra to finish the Interstate System as now planned would cost $6.6 billi in interest. This figure was based upon three assumptions: one, a 4 percent interest rate. Two, reduction of the motor fuel tax to 3 cents per gallon on July 1, 1961. Three, repeal of the now scheduled diversion for fiscal 1962-64 of the equivalent of a 5 perc tax on passenger automobiles and parts and accessories. The Highway Trust Fund would have to be kept in being through most of fiscal 1981 to retire the bonds which would amount to over $16 billion at their maximum. Financing the highway cost through regular Federal

debt

not solve the problem. It would merely transfer it to another portion of the over-all Federal budget.

To use some of the previously expected general fund revenues for highways would be tantamount to making one of these assumptions:

[redacted] that highway building should replace some planned expenditures for defense, aid to farmers, aid to veterans, etc.

(OR, [redacted] that these latter functions should be carried on as planned by increasing THE taxes used for general fund purposes.

(OR, FINALLY, [redacted], that highway building should be financed by deficits.

I am sure it is not intended to use diversions from the general fund for highway financing as a means of reducing other Governmental programs. On the other hand, I am not aware of any interest in increasing OTHER taxes to offset the loss to the general fund of any diversion to the Highway Trust Fund. Consequently, it is most likely that diversion will in fact mean the use of deficit financing to build our highways. Financing the highway program by increasing [redacted] the level of the general Federal debt may make it difficul

to measure

Federal Highway program was set up, it was well understood that the Federal Government would have to spend considerably more on highway aid than the equivalent of receipts then being obtained from the gasoline tax alone. Thus, in making the 1956 program possible, Congress decided to impose a few new automotive taxes -- tread rubber and the truck weight tax -- to increase the rates on others -- motor fuels, highway tires, sales of trucks -- and to use the resulting additional revenues, plus most of the then existing revenues from these sources, for highway aid.

Other revenues from these and from other automotive products were retained as general revenue sources.

To reverse the 1956 decision would be highly undesirable. It would represent an attempt to avoid admitting that the highway program is costing more money than estimated. More revenues are required. Diverting monies from the general fund for highway aid would reduce revenues required for other needs of the Government, around which other important programs have been built. This would

and 1964 for the Interstate System are set at $2.2 billion.

Because of estimated shortages of Trust Fund revenues under present law, however, it now appears that apportionments to States for fiscal 1963 can only be $2 billion, and for fiscal 1964, $1.5 billion. Thereafter, under present law, revenues would permit apportionments to rise slowly to a maximum of $1.9 billion in 1968, compared to an estimated requirement in that year of $3 billion.

Under present law, diversions from the general fund to the Trust Fund amounting to $2.5 billion are scheduled during the fiscal years 1962-64.

President Kennedy, just as President Eisenhower before him, has requested that this diversion not be permitted to occur. Instead, both have supported the 1956 decision for financing the Highway Trust Fund. The original legislation setting up the Highway Trust Fund represented a decision that some -- but not all -- revenues from excises on automotive products be used for highway purposes.

At this point, it is important to remember that when the new

Federal

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previously planned Interstate System. We now see clearly that considerably more money than was first anticipated must be raised to pay for the System if it is to be finished IN THE EARLY 1970'S as scheduled.

~~We cannot ignore this need for additional funds. We should continue the financing of the program under the principles which guided the Congress in 1956 when it authorized the program and laid out the financial blueprint for making it a reality.~~

The Highway Trust Fund will need an additional $9.7 billion by 1972 to meet the anticipated extra costs, and $12.2 billion if the presently scheduled diversion for fiscal 1962-64 of revenues from the general fund of the Treasury is rescinded.

Let us take a look at the situation facing us in the next few years in order to put these figures in better perspective:

Highway aid involves planning and apportionments to States far in advance of the time the funds are actually spent. For this reason, State apportionments will be made this summer for the fiscal year 1963. Under present law, authorizations for both fiscal 1963 and 1964

For Release: Upon Delivery March 14, 1961

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**STATEMENT OF THE HON. DOUGLAS DILLON,
SECRETARY OF THE TREASURY,
BEFORE THE COMMITTEE ON WAYS AND MEANS
OF THE HOUSE OF REPRESENTATIVES,
ON FINANCING THE FEDERAL-AID HIGHWAY PROGRAM,
TUESDAY, MARCH 14, 1961, 10:00 A.M.**

The transportation potential of the Federal Highway Program's network of roads -- its contribution to the economic, agricultural and industrial growth of the Nation, as well as to its security -- is clearly visible. We have the engineers, machinery, and manpower to carry out the program easily within the time limit contemplated. Furthermore, highway construction is making a positive contribution at this moment by putting under-employed manpower and machinery to work.

However, as President Kennedy said in his message of February 2 the pay-as-you-go Federal Highway Program is in trouble.

~~If we are to carry out the Program as planned, if we are to complete it as scheduled in the early 1970's, we must find ways to meet the costs involved.~~

Five years have now passed since it was decided to complete the

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previously

TREASURY DEPARTMENT
Washington

For Release: Upon Delivery March 14, 1961

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However, as President Kennedy said in his message of February 28, the pay-as-you-go Federal Highway Program is in trouble.

Five years have now passed since it was decided to complete the previously planned Interstate System. We now see clearly that considerably more money than was first anticipated must be raised to pay for the System if it is to be finished in the early 1970's as scheduled.

The Highway Trust Fund will need an additional $9.7 billion by 1972 to meet the anticipated extra costs, and $12.2 billion if the presently scheduled diversion for fiscal 1962-64 of revenues from the general fund of the Treasury is rescinded.

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Because of estimated shortages of Trust Fund revenues under present law, however, it now appears that apportionments to States for fiscal 1963 can only be $2 billion, and for fiscal 1964, $1.5 billion. Thereafter, under present law, revenues would permit apportionments to rise slowly to a maximum of $1.9 billion in 1968, compared to an estimated requirement in that year of $3 billion.

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President Kennedy, just as President Eisenhower before him, has requested that this diversion not be permitted to occur. Instead, both have supported the 1956 decision for financing the Highway Trust Fund. The original legislation setting up the Highway Trust Fund represented a decision that some -- but not all -- revenues from excises on automotive products be used for highway purposes.

At this point, it is important to temember that when the new Federal Highway program was set up, it was well understood that the Federal Government would have to spend considerably more on highway aid than the equivalent of receipts then being obtained from the gasoline tax alone. Thus, in making the 1956 program possible, Congress decided to impose a few new automotive taxes -- tread rubber and the truck weight tax -- to increase the rates on others -- motor fuels, highway tires, sales of trucks -- and to use the resulting additional revenues, plus most of the then existing revenues from these sources, for highway aid.

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To reverse the 1956 decision would be highly undesirable. It would represent an attempt to avoid admitting that the highway program is costing more money than estimated. More revenues are required. Diverting monies from the general fund for highway aid would reduce revenues required for other needs of the Government, around which other important programs have been built. This would not solve the problem. It would merely transfer it to another portion of the over-all Federal budget.

To use some of the previously expected general fund revenues for highways would be tantamount to making one of these assumptions:

That highway building should replace some planned expenditures for defense, aid to farmers, aid to veterans, etc.

Or, that these latter functions should be carried on as planned by increasing the taxes used for general fund purposes.

Or, finally, that highway building should be financed by deficits.

I am sure it is not intended to use diversions from the general fund for highway financing as a means of reducing other Governmental programs. On the other hand, I am not aware of any interest in increasing other taxes to offset the loss to the general fund of any diversion to the Highway Trust Fund. Consequently, it is most likely that diversion will in fact mean the use of deficit financing to build our highways. Financing the highway program by increasing the level of the general Federal debt may make it difficult to measure the cost of bond financing, but the cost is still there.

A special bond issue to finance the Interstate System was proposed to the Congress in 1955. The Congress considered the interest cost disadvantages of bonds and decided on a pay-as-you-build approach.

I think that decision is just as sound today as it was in 1955.

The magnitude of interest costs, if we were to take this route toward completing the Federal Highway Program, would be heavy indeed. The President said in his message that a special highway bond program to finish the Interstate System as now planned would cost $6.6 billion in interest. This figure was based upon three assumptions: one, a 4 percent interest rate. Two, reduction of the motor fuel tax to 3 cents per gallon on July 1, 1961. Three, repeal of the now scheduled diversion for fiscal 1962-64 of the equivalent of a 5 percent tax on passenger automobiles and parts and accessories. The Highway Trust Fund would have to be kept in being through most of fiscal 1981 to retire the bonds which would amount to over $16 billion at their maximum. Financing the highway cost through regular Federal debt issues could reduce the interest estimate somewhat, but there would still be billions of interest costs -- dollars that build no roads.

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To finance the highway program by diverting revenues now going to the general fund from the tax on passenger automobiles and parts and accessories would constitute a deliberate unbalancing of the budget. As the President said, "This is a decision which, if it is taken at all, should be taken on its merits, in relation to the state of the economy and the budget as a whole, not as an accidental by product of the highway program."

With these considerations in mind, and after reviewing possible methods of financing, the President decided that it would be preferable to raise additional revenues from the excises which have previously been earmarked to support the highway program. As you remember, he made alternative suggestions in this respect.

His first preference was the retention of the present four cents per gallon tax on gasoline, rather than allowing it to be reduced to three cents on July 1 as scheduled under present law. As part of this program, he recommended increases in certain other taxes as follows:

	Tax base	Present rate	Rate as of July 1 under present law	Rate proposed by President
Diesel fuel and special motor fuel	gallon	4¢	3¢	7¢
Trucks and buses over 26,000 lbs.	1,000 lbs. of gross weight	$1.50	$1.50	$5.00
Highway tires	pound	8¢	8¢	10¢
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To obtain a full perspective of the increases proposed by the President, as compared with present Highway Trust Fund tax rates, I refer you to the table attached to my statement.

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I should point out that both alternatives appear to leave a shortfall of about $1 billion by the end of fiscal 1972 relative to present estimated financing needs. Since this is about 2 percent of total revenues over the life of the Fund, it should permit the taxes to end before the close of the calendar year 1972. We are dealing with revenue and expenditure estimates up to a decade in the future, so there will be ample time in the future to take care of such minor adjustments.

Of course the additional taxes of about $900 million that the President has recommended mean additional burdens which in all fairness must be justified. The Highway Program benefits most specifically the automotive users of the roads. Federal aid to roads came into being because of the development of the automobile and truck, and Federally aided roads are designed and built for automotive traffic needs. Since highways built with Federal aid exist because of the need for motor roads and would not exist except for motor travel, the additional revenue should come from motor vehicles.

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Aircraft operators use a Federal airways system which provides services that may be compared with the Federal highway system. Federal costs for operating and improving the airways system (excluding airport grants and weather and other indirect services) now approach $600 million a year. Under the circumstances, it is inconsistent to use the revenues derived from aviation gasoline to help build highways.

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To sum up, I believe that we have got to keep our Federal Highway Program moving ahead -- and that we should do so on a pay-as-you-build basis.

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Financing of the Highway Trust Fund

Item	Tax base	Rates prior to 1956 Highway Revenue Act	Rates under 1956 Highway Revenue Act	Rates under Federal-aid Highway Act of 1959	Rates under President's proposal	Fiscal year: Percent of receipts appropriated to Trust Fund: 1957	1958-61	1962-64	1965-72	1962-72 President's proposal
						(..........Percent	....	....	....	..........)
Gasoline	Gallon	2¢	3¢	4¢ 1/	no change	100	100	100	100	100
Diesel fuel 2/	Gallon	2¢	3¢	4¢ 1/	7¢	100	100	100	100	100
Trucks and buses	Mfrs. price	8%	10%	no change	no change	20	50	50	50	50
Tires - for highway vehicles	Pound	5¢	8¢	no change	10¢	37½	100	100	100	100
others	Pound	5¢	no change	no change 3/	no change	0	100	100	100	100
Tubes	Pound	9¢	no change	no change	10¢	0	100	100	100	100
Tread rubber	Pound	0	3¢	no change	10¢	100	100	100	100	100
Use tax on trucks and buses 4/	Taxable gross weight	0	$1.50 per M lbs.	no change	$5	100	100	100	100	100
Floor stocks taxes:										
Gasoline	Gallon	--	1¢	1¢	--	100	100	--	--	--
Tires for highway vehicles	Pound	--	3¢	--	2¢	100	--	--	--	100
Tread rubber	Pound	--	3¢	--	7¢	100	--	--	--	100
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Treasury Department

March 14, 1961

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STATUTORY DEBT LIMITATION

AS OF February 28, 1961

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Washington, March 15, 1961

Section 21 of Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), "shall not exceed in the aggregate $285,000,000,000 (Act of June 30, 1959; U.S.C., title 31, sec. 757b), outstanding at any one time. For purposes of this section the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder shall be considered as its face amount." The Act of June 30, 1960 (P.L. 86-564 86th Congress) provides that during the period beginning on July 1, 1960 and ending June 30, 1961, the above limitation ($285,000,000,000) shall be temporarily increased by $8,000,000,000.

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time			$293,000,000,000
Outstanding-			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing:			
Treasury bills	$39,942,377,000		
Certificates of indebtedness	11,503,147,000		
Treasury notes	58,660,653,000	$110,106,177,000	
Bonds-			
Treasury	79,762,604,850		
* Savings (current redemp. value)	47,327,154,782		
Depositary	126,813,000		
R.E.A. series	14,119,000		
Investment series	6,075,763,000	133,306,454,632	
Special Funds-			
Certificates of indebtedness	7,341,985,000		
Treasury notes	8,847,768,000		
Treasury bonds	27,537,385,000	43,727,138,000	
Total interest-bearing		287,139,769,632	
Matured, interest-ceased		396,669,975	
Bearing no interest:			
United States Savings Stamps	51,457,648		
Excess profits tax refund bonds	759,707		
Special notes of the United States:			
Internat'l Monetary Fund series	2,498,000,000		
Int.'l Devel. Ass'n.	57,652,200	2,607,869,555	
Total		290,144,309,162	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A. & DC Stad Bds.	194,561,650		
Matured, interest-ceased	1,505,375	196,067,025	
Grand total outstanding			290,340,376,187
Balance face amount of obligations issuable under above authority			2,659,623,813

Reconcilement with Statement of the Public Debt February 28, 1961 (Date)

(Daily Statement of the United States Treasury, February 28, 1961) (Date)

Outstanding-	
Total gross public debt	290,543,590,281
Guaranteed obligations not owned by the Treasury	196,067,025
Total gross public debt and guaranteed obligations	290,739,657,306
Deduct - other outstanding public debt obligations not subject to debt limitation	399,281,119
	290,340,376,187

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Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A.& DC Stad Bds.	194,561,650		
Matured, interest-ceased	1,505,375	196,067,025	
Grand total outstanding			290,340,376,187
Balance face amount of obligations issuable under above authority			2,659,623,813

Reconcilement with Statement of the Public Debt February 28, 1961 (Date)

(Daily Statement of the United States Treasury, February 28, 1961 (Date))

Outstanding-	
Total gross public debt	290,543,590,281
Guaranteed obligations not owned by the Treasury	196,067,025
Total gross public debt and guaranteed obligations	290,739,657,306
Deduct - other outstanding public debt obligations not subject to debt limitation	399,281,119
	290,340,376,187

D-40

D-41

March 10, 1961.

FOR IMMEDIATE RELEASE

Tues ~~Monday~~, March 14, 1961

The following letter today was made public by the Treasury Department:

Dear Mr. Salinger:

Thank you for your memorandum of February 28, 1961, enclosing a letter from Mr. H. E. Salisbury of the "New York Times", concerning delays in receiving copies of the Soviet newspaper "Pravda" published in Moscow.

A check with New York authorities disclosed that parcels containing newspapers are stamped without examination by Customs. However, the local Postmaster had requested that such parcels bear the customs stamp to show that they had received customs treatment. Hence, when such parcels arrived on a weekend, they received customs treatment the following business day.

Arrangements have now been made between the Collector of Customs at New York and the local Postmaster to place in the city mail any current newspapers and magazines, including those from the Soviet Union, without the customary "Customs Free" stamp. Such publications arriving over the weekend would, of course, receive similar treatment.

I hope these arrangements will help to contribute to the freest possible flow of information between our own and other countries.

Sincerely yours,

Douglas Dillon

Honorable Pierre Salinger
Press Secretary to the President
The White House
Washington 25, D. C.

Customs: RKlaben:bln 3-6-7-61
Rewritten - DDonnelley:jc 3-10-61

TREASURY DEPARTMENT 188

WASHINGTON, D.C.

FOR IMMEDIATE RELEASE,
Tuesday, March 14, 1961. D-41

The following letter today was made public by the Treasury Department:

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Sincerely yours,

/s/ Douglas Dillon
Douglas Dillon

Honorable Pierre Salinger
Press Secretary to the President
The White House
Washington 25, D. C.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE

Wednesday, March 15, 1961. D-42

The Bureau of Customs announced today the following preliminary figures showing the imports for consumption from January 1, 1961, to March 4, 1961, inclusive, of commodities for which quotas were established pursuant to the Philippine Trade Agreement Revision Act of 1955:

Commodity	Established Annual Quota Quantity	Unit of Quantity	Imports as of March 4, 1961
Buttons.............	765,000	Gross	38,923
Cigars..............	180,000,000	Number	655,965
Coconut oil.........	403,200,000	Pound	27,072,028
Cordage.............	6,000,000	Pound	391,720
Tobacco.............	5,850,000	Pound	3,000,386

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE

Wednesday, March 15, 1961. D-42

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Coconut oil.........	403,200,000	Pound	27,072,028
Cordage.............	6,000,000	Pound	391,720
Tobacco.............	5,850,000	Pound	3,000,386

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE

Wednesday, March 15, 1961.

D-43

PRELIMINARY DATA ON IMPORTS FOR CONSUMPTION OF UNMANUFACTURED LEAD AND ZINC CHARGEABLE TO THE QUOTAS ESTABLISHED BY PRESIDENTIAL PROCLAMATION NO. 3257 OF SEPTEMBER 22, 1958

QUARTERLY QUOTA PERIOD - January 1, 1961 - March 31, 1961

IMPORTS - January 1, 1961 - March 13, 1961

Country of Production	ITEM 391: Lead-bearing ores, flue dust, and mattes		ITEM 392: Lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, antimonial scrap lead, type metal, all alloys or combinations of lead n.s.p.f.		ITEM 393: Zinc-bearing ores of all kinds, except pyrites containing not over 3% of zinc		ITEM 394: Zinc in blocks, pigs, or slabs; old and worn-out zinc, fit only to be remanufactured, zinc dross, and zinc skimmings	
	Quarterly Quota Dutiable Lead (Pounds)	Imports (Pounds)	Quarterly Quota Dutiable Lead (Pounds)	Imports (Pounds)	Quarterly Quota Dutiable Zinc (Pounds)	Imports (Pounds)	Quarterly Quota By Weight (Pounds)	Imports (Pounds)
Australia	10,080,000	5,944,788	23,680,000	22,687,898	-		-	
Belgian Congo	-		-		-		5,440,000	3,417,192
Belgium and Luxemburg (total)	-		-		-		7,520,000	4,750,619
Bolivia	5,040,000	4,217,279	-		-		-	
Canada	13,440,000	13,440,000	15,920,000	12,349,542	66,480,000	37,379,636	37,840,000	22,284,003
Italy	-		-		-		3,600,000	663,152
Mexico	-		36,880,000	23,978,378	70,480,000	58,743,072	6,320,000	1,792,026
Peru	16,160,000	7,730,987	12,880,000	3,802,446	35,120,000	30,127,982	3,760,000	1,759,419
Un. So. Africa	14,880,000	14,880,000	-		-		-	
Yugoslavia	-		15,760,000	14,273,717	-		-	
All other foreign countries (total)	6,560,000	6,560,000	6,080,000	6,080,000	17,840,000	17,840,000	6,080,000	6,080,000

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TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
Wednesday, March 15, 1961.

D-43

PRELIMINARY DATA ON IMPORTS FOR CONSUMPTION OF UNMANUFACTURED LEAD AND ZINC CHARGEABLE TO THE QUOTAS ESTABLISHED BY PRESIDENTIAL PROCLAMATION NO. 3257 OF SEPTEMBER 22, 1958

QUARTERLY QUOTA PERIOD - January 1, 1961 - March 31, 1961

IMPORTS - January 1, 1961 - March 13, 1961

Country of Production	ITEM 391 Lead-bearing ores, flue dust, and mattes: Quarterly Quota Dutiable Lead (Pounds)	ITEM 391 Imports (Pounds)	ITEM 392 Lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, antimonial scrap lead, type metal, all alloys or combinations of lead n.s.p.f.: Quarterly Quota Dutiable Lead (Pounds)	ITEM 392 Imports (Pounds)	ITEM 393 Zinc-bearing ores of all kinds, except pyrites containing not over 3% of zinc: Quarterly Quota Dutiable Zinc (Pounds)	ITEM 393 Imports (Pounds)	ITEM 394 Zinc in blocks, pigs, or slabs; old and worn-out zinc, fit only to be remanufactured, zinc dross, and zinc skimmings: Quarterly Quota By Weight (Pounds)	ITEM 394 Imports (Pounds)
Australia	10,080,000	5,944,788	23,680,000	22,687,898	-		-	
Belgian Congo	-		-		-		5,440,000	3,417,192
Belgium and Luxemburg (total)	-		-		-		7,520,000	4,750,619
Bolivia	5,040,000	4,217,279	-		-		-	
Canada	13,440,000	13,440,000	15,920,000	12,349,542	66,480,000	37,379,636	37,840,000	22,284,003
Italy	-		-		-		3,600,000	663,152
Mexico	-		36,880,000	23,978,378	70,480,000	58,743,072	6,320,000	1,792,026
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Un. So. Africa	14,880,000	14,880,000	-		-		-	
Yugoslovia	-		15,760,000	14,273,717	-		-	
All other foreign countries (total)	6,560,000	6,560,000	6,080,000	6,080,000	17,840,000	17,840,000	6,080,000	6,080,000

PREPARED IN THE BUREAU OF CUSTOMS

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COTTON WASTES
(In pounds)

COTTON CARD STRIPS made from cotton having a staple of less than 1-3/16 inches in length, COMBER WASTE, LAP WASTE, SLIVER WASTE, AND ROVING WASTE, WHETHER OR NOT MANUFACTURED OR OTHERWISE ADVANCED IN VALUE: Provided, however, that not more than 33-1/3 percent of the quotas shall be filled by cotton wastes other than comber wastes made from cottons of 1-3/16 inches or more in staple length in the case of the following countries: United Kingdom, France, Netherlands, Switzerland, Belgium, Germany, and Italy:

Country of Origin	Established TOTAL QUOTA	Total Imports Sept. 20, 1960, to March 13, 1961	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1960 to March 13, 1961
United Kingdom	4,323,457	1,411,231	1,441,152	1,179,209
Canada	239,690	239,690	-	-
France	227,420	42,782	75,807	42,782
British India	69,627	-	-	-
Netherlands	68,240	21,442	22,747	21,442
Switzerland	44,388	-	14,796	-
Belgium	38,559	3,068	12,853	3,068
Japan	341,535	-	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	21,222	25,443	9,937
Italy	21,263	-	7,088	-
	5,482,509	1,739,435	1,599,886	1,256,438

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
Wednesday, March 15, 1961.

D-44

Preliminary data on imports for consumption of cotton and cotton waste chargeable to the quotas established by the President's Proclamation of September 5, 1939, as amended

COTTON (other than linters) (in pounds)
Cotton under 1-1/8 inches other than rough or harsh under 3/4"
Imports September 20, 1960 - March 13, 1961

Country of Origin	Established Quota	Imports	Country of Origin	Established Quota	Imports
Egypt and the Anglo-Egyptian Sudan	783,816	-	Honduras	752	-
Peru	247,952	50,569	Paraguay	871	-
British India	2,003,483	-	Colombia	124	-
China	1,370,791	-	Iraq	195	-
Mexico	8,883,259	8,883,259	British East Africa ...	2,240	681
Brazil	618,723	618,721	Netherlands E. Indies .	71,388	-
Union of Soviet Socialist Republics ...	475,124	-	Barbados	-	-
Argentina	5,203	-	1/Other British W. Indies	21,321	-
Haiti	237	-	Nigeria	5,377	-
Ecuador	9,333	-	2/Other British W. Africa	16,004	-
			3/Other French Africa ...	689	-
			Algeria and Tunisia ...	-	-

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.

Cotton 1-1/8" or more
Imports August 1, 1960 - March 13, 1961

Established Quota (Global) - 45,656,420 Lbs.

Staple Length	Allocation	Imports
1-3/8" or more	39,590,778	39,590,778
1-5/32" or more and under 1-3/8" (Tanguis)	1,500,000	609,648
1-1/8" or more and under 1-3/8"	4,565,642	4,565,642

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
Wednesday, March 15, 1961.

D-44

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1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
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Cuba	6,544	-	-	-
Germany	76,329	21,222	25,443	9,937
Italy	21,263	-	7,088	-
	5,482,509	1,739,435	1,599,886	1,256,438

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

Commodity	Period and Quantity		Unit of Quantity	Imports as of March 4, 196
Absolute Quotas				
Peanuts, shelled, unshelled, blanched, salted, prepared or preserved (incl. roasted peanuts but not peanut butter)......	12 mos. from Aug. 1, 1960	1,709,000	Pound	31,243
Rye, rye flour, and rye meal......	July 1, 1960-June 30, 1961			
	Canada	140,733,957	Pound	122,967,888*
	Other Countries	2,872,122	Pound	-
Butter substitutes, including butter oil, containing 45% or more butterfat..................	Calendar Year 1961	1,200,000	Pound	Quota Filled
Tung Oil........................	Feb. 1, 1961-Oct. 31, 1961			
	Argentina	18,770,577	Pound	3,583,268*
	Paraguay	2,230,313	Pound	Quota Filled
	Other Countries	711,188	Pound	-

* Imports through March 13, 1961.

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE

Wednesday, March 15, 1961. D-45

The Bureau of Customs announced today preliminary figures showing the imports for consumption of the commodities listed below within quota limitations from the beginning of the quota periods to March 4, 1961, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of March 4, 1961
Tariff-Rate Quotas:				
Cream, fresh or sour............	Calendar Year	1,500,000	Gallon	236
Whole milk, fresh or sour.......	Calendar Year	3,000,000	Gallon	17
Cattle, 700 lbs. or more each (other than dairy cows)........	Jan. 1, 1961-March 31, 1961	120,000	Head	14,161
Cattle less than 200 lbs. each..	12 mos. from April 1, 1960	200,000	Head	35,272
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish........	Calendar Year	32,600,645	Pound	Quota Filled 1/
Tuna fish.......................	Calendar Year	To be announced	Pound	7,475,964
White or Irish potatoes:				
Certified seed.................	12 mos. from	114,000,000	Pound	42,098,000
Other..........................	Sept. 15, 1960	36,000,000	Pound	5,007,468
Peanut oil......................	12 mos. from July 1, 1960	80,000,000	Pound	1,440
Walnuts.........................	Calendar Year	5,000,000	Pound	2,779,340
Stainless steel table flatware (table knives, table forks, table spoons)................	Nov. 1, 1960-Oct. 31, 1961	69,000,000	Pieces	Quota Filled 2/

1/ Imports for consumption at the quota rate are limited to 8,150,161 pounds during the first three months of the calendar year.

2/ Based on preliminary data; subject to adjustment.

(over)

TREASURY DEPARTMENT
Washington, D. C.

MMEDIATE RELEASE

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Based on preliminary data; subject to adjustment.

(over)

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Absolute Quotas				
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Tung Oil.........................	Feb. 1, 1961- Oct. 31, 1961			
	Argentina	18,770,577	Pound	3,583,268
	Paraguay	2,230,313	Pound	Quota Fille
	Other Countries	711,188	Pound	

* Imports through March 13, 1961.

from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

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decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 ~~(16)~~ or less for the additional bills dated December 22, 1960 ~~(17)~~, (92 ~~(18)~~ days remaining until maturity date on June 23, 1961 ~~(19)~~) and noncompetitive tenders for $100,000 ~~(20)~~ or less for the 182 ~~(21)~~ -day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on March 23, 1961 ~~(22)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 23, 1961 ~~(23)~~. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss

D-46

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE, 4:00 P.M., EST,
Wednesday, March 15, 1961.

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $1,600,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing March 23, 1961, in the amount of $1,601,661,000, as follows:

92-day bills (to maturity date) to be issued March 23, 1961, in the amount of $1,100,000,000, or thereabouts, representing an additional amount of bills dated December 22, 1960, and to mature June 23, 1961, originally issued in the amount of $500,151,000, the additional and original bills to be freely interchangeable.

182-day bills, for $500,000,000, or thereabouts, to be dated March 23, 1961, and to mature September 21, 1961.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Standard time, Monday, March 20, 1961. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE, 4:00 P.M., EST,
Wednesday, March 15, 1961

D-46

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92-day bills (to maturity date) to be issued March 23, 1961, in the amount of $ 1,100,000,000, or thereabouts, representing an additional amount of bills dated December 22, 1960, and to mature June 23, 1961, originally issued in the amount of $500,151,000 the additional and original bills to be freely interchangeable.

182-day bills, for $500,000,000 or thereabouts, to be dated March 23, 1961 and to mature September 21, 1961.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Standard time, Monday, March 20, 1961 . Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Departmment of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated December 22, 1960, (92 days remaining until maturity date on June 23, 1961) and noncompetitive tenders for $100,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on March 23, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 23, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

HOLD FOR RELEASE - 4:00 P.M.
Wednesday, March 15, 1961

D-47

ADVANCE REFUNDING OFFER

The U. S. Treasury offers to the holders of four issues of outstanding Treasury Bonds and Notes which mature from June 15, 1962, through August 15, 1963, two issues of 3-3/8% and 3-5/8% intermediate-term bonds in exchange as of March 15, 1961, on mutually advantageous terms to the holder and the Treasury.

The Treasury will in this way offer holders of intermediate-term securities maturing within the next 2-1/2 years an opportunity of remaining invested in new intermediate-term securities in the six and seven-year maturity range. By means of this advance refunding the Treasury can reduce the volume of outstanding debt to be refinanced on final maturity during the next 2-1/2 years. In view of the large volume of other issues in the short-term area, any reduction of the congested maturity schedule in 1962 and 1963 will be of material advantage in the management of the debt and will reduce the over-all burden of interest costs.

The offering is made attractive to investors by providing an immediate increase in interest return, in consideration of acceptance of a security of somewhat longer maturity. Market yields on the new issues are at least equal to those on outstanding issues of comparable maturity on the date of this offering. The investment return to holders for the period of the extension as summarized herein, would appear to compare favorably with prospective yields that might be obtained on reinvestment at the time when these four outstanding securities are scheduled to mature. The transfer of old for new securities will not be treated as a sale and purchase for tax purposes, thereby avoiding immediate charging of book losses on the securities being accepted by the Treasury in exchange for the new issues.

Terms and Conditions of the Advance Refunding Offer

1. To all holders owning $500, or more, of the following outstanding Treasury bonds:

Description of bonds and notes	Issue date	Maturity date	Remaining term to maturity (Yrs. - Mos.)	Amount outstanding (in billions)
2-1/4% bonds of 6/15/59-62	June 1, 1945	June 15, 1962	1 - 3	$5.3
2-1/4% bonds of 12/15/59-62	Nov. 15, 1945	Dec. 15, 1962	1 - 9	3.4
2-5/8% notes of 2/15/63	Apr. 15, 1958	Feb. 15, 1963	1 - 11	4.0
2-1/2% bonds of 8/15/63	Dec. 15, 1954	Aug. 15, 1963	2 - 5	6.8

2. New bonds to be issued:

Description	Issue date	Maturity date	Interest starts 1/	Interest payable
3-5/8% bonds of 1967	March 15, 1961	Nov. 15, 1967	March 15, 1961	May 15 & Nov. 15
3-3/8% bonds of 1966	March 15, 1961	Nov. 15, 1966	March 15, 1961	May 15 & Nov. 15

1/ Interest on the bonds and notes surrendered stops on March 15, 1961.

3. Terms of the exchange:

Exchanges will be made on the basis of par for par in multiples of $500, and with adjustments of accrued interest to March 15, 1961, and payments to the Treasury as indicated below:

Outstanding bonds and notes	Exchangeable only for bonds	Payment to Treasury on account of $100 issue price 1/	Accrued interest payable to investor (per $100 face amount)	Extension of maturity Yrs.-Mos.
2-1/4% bonds 6/15/59-62)		$ -	$0.556	5 - 5
2-1/4% bonds 12/15/59-62)	3-5/8% of Nov. 15, 1967	$0.30	$0.556	4 - 11
3-5/8% notes 2/15/63)		$ -	$0.203	4 - 9
2-1/2% bonds 8/15/63	3-3/8% of Nov. 15, 1966	$ -	$0.193	3 - 3

1/ To be deducted from amount of accrued interest shown in next column.

4. Limitation on amount of new bonds to be issued:

While it is not practicable to estimate the extent of investor acceptance, the Treasury is placing an outside limit of $5 billion, or thereabouts, on the aggregate amount of 3-5/8% bonds of Nov. 15, 1967, and $3 billion, or thereabouts, on the aggregate amount of 3-3/8% bonds of Nov. 15, 1966, to be issued to the public. In the event the limit on either issue is exceeded, subscriptions to the respective issue will be subject to allotment. In addition, exchange subscriptions not to exceed $250,000,000, in the aggregate, from Government Investment Accounts to these two issues will be allotted in full.

5. Books open for subscriptions for the new bonds:

Books will be open for subscriptions from March 20 through March 22, 1961. Subscriptions accompanied by eligible bonds and notes and placed in the mail by midnight March 22, 1961, addressed to Treasurer, U. S., Washington 25, D. C., or any Federal Reserve Bank or Branch will be accepted. The use of registered mail is recommended for bondholders' protection. The new bonds will be delivered to subscribers on March 30, 1961.

6. Requirements applicable to subscriptions:

Subscriptions will be received at the Federal Reserve Banks and Branches and at the Office of the Treasurer of the United States, Washington, D.C. Banking institutions generally may submit subscriptions for account of customers, provided the names of the customers are set forth in such subscriptions.

Subscriptions which are subject to allotment from banking institutions for their own account, Federally-insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, Federal Reserve Banks, and Government Investment Accounts will be received without deposit. Subscriptions which are subject to allotment from all others must be accompanied by deposit of eligible securities in an amount equal to 10% of the bonds applied for.

7. Denominations and other characteristics of new bonds:

$500, $1,000, $5,000, $10,000, $100,000, and $1,000,000 in coupon and registered forms. They will be acceptable to secure deposits of public moneys.

8. Nonrecognition of gain or loss for Federal income tax purposes:

Pursuant to the provisions of section 1037(a) of the Internal Revenue Code of 1954 as added by Public Law 86-346 (approved Sept. 22, 1959) the Secretary of the Treasury has declared that no gain or loss shall be recognized for Federal income tax purposes upon the exchange of the eligible bonds and notes solely for the new 3-5/8% or 3-3/8% bonds. For tax purposes, therefore, the investor will carry the new bonds on his books at the same amount as he is now carrying the eligible bonds and notes, plus the amount of premium, if any, paid on the new bonds. Gain or loss, if any, upon the obligations surrendered in exchange will be taken into account upon the disposition or redemption of the new bonds.

9. Federal estate tax option in new bonds:

The option to redeem the eligible 2-1/4% bonds of June 15, 1959-62, and December 15, 1959-62, at par and accrued interest prior to maturity for the purpose of using the proceeds in payment of Federal estate taxes (if the bonds were owned by the deceased at the time of his death) is <u>not</u> applicable to the new 3-5/8% bonds issued in exchange.

10. Book value of new bonds to banking institutions:

The Comptroller of the Currency, Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation have indicated to the Treasury that banks under their supervision may place the new 3-5/8% and 3-3/8% bonds received in exchange on their books at an amount not greater than the amount at which the eligible bonds and notes surrendered by them are carried on their books, plus the amount of premium, if any, paid on the new bonds, and that they will so advise their examiners.

11. Computation of investment return for the extension of maturity:

A holder of the outstanding eligible bonds or notes has the option of accepting the Treasury's exchange offer or of holding the eligible bonds or notes to maturity. Consequently, he can compare his return resulting from exchanging now with the return that he might obtain by reinvesting the proceeds of the eligible bonds or notes at maturity.

The return before tax for making the extension now through exchange will be the coupon rate on the new issue. If a holder of the eligible bonds or notes does <u>not</u> make the exchange, he would receive only the respective interest rates to their maturity and would have to reinvest at that time at a rate equal to that indicated in section 12 below for the remaining term of the issue now offered, in order to equal the return he would receive by accepting the exchange offer. For example, if the 2-1/4% bonds of June 15, 1959-62, are exchanged for the new 3-5/8% 6-year 8-month bonds, the rate for the entire 6 years and 8 months will be 3-5/8%. If the exchange is not made, a 2-1/4% rate will be received until June 1962 requiring reinvestment of the proceeds of the 2-1/4s at that time at a rate of at least 3.98% for the remainder of the 6 years and 8 months, all at compound interest, to average out to a 3-5/8% rate for 6 years, 8 months. This minimum reinvestment rate for the extension period is shown in the table under section 12 and is the investment return for the extension period if the exchange is made now. The minimum reinvestment rates for the other issues included in the exchange are also shown in the table under section 12.

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12. Investment return on the 3-5/8% and 3-3/8% bonds offered in exchange, to the holders of the eligible bonds and notes:

gible bonds and notes ----------	2-1/4% bonds June 15, 1959-62	2-1/4% bonds Dec. 15, 1959-62	2-5/8% notes Feb. 15, 1963	2-1/2% bonds Aug. 15, 1963
ment to Treasury on :count of $100 issue price ------	-	$0.30	-	-
;/8% bond offered in exchange ----------------	November 15, 1967			
)/8% bond offered in exchange ------------------------------------				Nov. 15, 1966
roximate investment return:				
from issue date (Mar. 15, 1961) to maturity 1/ --------------	3.75%	3.75%	3.75%	3.63%
'or the extension of maturity: 2/				
Nontaxable holder (or before tax) ----------------------	3.98	4.10	4.08	4.09
Taxable holder; equivalent rate 3/ if cost (book value) of eligible bond or note (per $100 face value) is:				
$102 4/ -------	-	-	4.02	4.02
100 -------	3.96	4.07	4.05	4.06
98 -------	3.98	4.06	4.07	4.08
96 -------	4.00	4.08	4.09	4.09
94 -------	4.02	4.10	4.11	4.11
92 -------	4.04	4.12	4.13	4.13
90 -------	4.06	4.14	4.15	4.15

Yield to a nontaxable holder, or before tax. Based on mean of bid and ask prices of eligible bonds and notes at noon on March 14, 1961.

For explanation see paragraph 11 above.

Rate of return during extension which, combined with the respective interest rates until maturity of the eligible bond or note, would provide the same return as the applicable new bond for its full term after tax (on basis of 52% tax on ordinary income and 25% tax on long-term capital gain at maturity of the new bond). To obtain approximate equivalent rates between those for book values shown, interpolation may be applied.

Holders of the 2-1/4% bonds are assumed to have amortized any premium when purchased to par at first call date in 1959. Holders of the 2-5/8% notes and 2-1/2% bonds with book cost above par are assumed to be amortizing any premium to par at maturity.

March 6, 1961

MEMORANDUM TO MR. MARTIN L. MOORE:

The following transactions were made in direct and guaranteed securities of the government for Treasury Investment and other accounts during the month of February:

Purchases	$12,589,000
Sales	33,938,200
Net Sales	$21,349,200

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Wednesday, February 15, ~~1961.~~
Thursday, March 16, 1961

~~D-24~~
D-48

During ~~January~~ February 1961, market transactions in direct and guaranteed securities of the government for Treasury investment and other accounts resulted in net sales by the Treasury Department of ~~$5,615,800~~ $21,349,200.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, March 16, 1961. D-48

During February 1961, market transactions in direct and guaranteed securities of the government for Treasury investment and other accounts resulted in net sales by the Treasury Department of $21,349,200.

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ADD

"In connection with this action, representatives of the State of Alaska have expressed concern over possible expanded activities of foreign fishing fleets in areas of the high seas near Alaska. We understand that the Department of State has long been aware of the problems which would be posed by the expansion of foreign fishing activities into new areas of primary interest to Alaskan fishermen, and is giving serious consideration to this matter, which involves complex aspects of conservation and fisheries policy."

MASTER

TREASURY DEPARTMENT

WASHINGTON, D.C.

March 20, 1961

FOR IMMEDIATE RELEASE

TREASURY LIFTS IMPORT RESTRICTIONS
ON SOVIET CANNED CRABMEAT

The Treasury Department today announced the removal by the United States of a prohibition on imports of Soviet canned crabmeat which has been in effect since January 27, 1951.

The prohibition was placed in force under Section 307 of the U. S. Tariff Act, which bans imports of goods produced with convict or forced labor.

The decision to remove the prohibition on imports of Soviet canned crabmeat is in accordance with U. S. law, and is based upon the fact that there is no current evidence that prison or forced labor is still being used in connection with Soviet canned crabmeat.

A Treasury spokesman said:

"If the removal of this restriction also helps to promote better relations between the Soviet Union and the United States, it should be welcomed by the peoples of both countries.

"This action supports the President's desire for improved relations between the Soviet and American peoples and the often-expressed willingness of the United States Government to offer the Soviet Union every opportunity to trade with us in peaceful goods on normal commercial terms."

~~(ADD COMING)~~

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D-38

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TREASURY DEPARTMENT

WASHINGTON, D.C.

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D-19

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RELEASE A. M. NEWSPAPERS, Tuesday, March 21, 1961.　　　　192

The Treasury Department announced last evening that the tenders for two series Treasury bills, one series to be an additional issue of the bills dated December 22 1960, and the other series to be dated March 23, 1961, which were offered on March were opened at the Federal Reserve Banks on March 20. Tenders were invited for $1,100,000,000, or thereabouts, of 92-day bills and for $500,000,000, or thereabouts of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	92-day Treasury bills maturing June 23, 1961		182-day Treasury bills maturing September 21, 1961	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.426	2.246%	98.768	2.437%
Low	99.412	2.301%	98.748	2.476%
Average	99.418	2.278% 1/	98.751	2.471% 1/

67 percent of the amount of 92-day bills bid for at the low price was accepted
99 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
Boston	$ 37,679,000	$ 27,019,000	$ 4,952,000	$ 4,302,000
New York	1,399,263,000	612,613,000	843,090,000	386,870,000
Philadelphia	27,564,000	10,752,000	7,047,000	2,047,000
Cleveland	38,237,000	38,237,000	22,999,000	11,399,000
Richmond	11,016,000	11,016,000	12,583,000	2,583,000
Atlanta	26,595,000	25,131,000	12,230,000	11,530,000
Chicago	238,598,000	202,628,000	74,027,000	34,566,000
St. Louis	28,379,000	27,379,000	5,467,000	4,967,000
Minneapolis	20,424,000	17,424,000	4,390,000	2,390,000
Kansas City	35,509,000	34,849,000	14,197,000	12,994,000
Dallas	17,770,000	17,210,000	5,259,000	5,239,000
San Francisco	76,860,000	75,830,000	27,540,000	21,140,000
TOTALS	$1,957,894,000	$1,100,088,000 a/	$1,033,781,000	$500,027,000

a/ Includes $255,239,000 noncompetitive tenders accepted at the average price of 99.
b/ Includes $59,447,000 noncompetitive tenders accepted at the average price of 98.7
1/ On a coupon issue of the same length and for the same amount invested, the return these bills would provide yields of 2.32%, for the 92-day bills, and 2.54%, for 182-day bills. Interest rates on bills are quoted in terms of bank discount wi the return related to the face amount of the bills payable at maturity rather t the amount invested and their length in actual number of days related to a 360- year. In contrast, yields on certificates, notes, and bonds are computed in te of interest on the amount invested, and relate the number of days remaining in interest payment period to the actual number of days in the period, with semian compounding if more than one coupon period is involved.

D-52

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE A. M. NEWSPAPERS, Tuesday, March 21, 1961. D-50

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March 21, 1961

FOR IMMEDIATE RELEASE

DILLON URGES BROADER JOB OPPORTUNITIES
IN TREASURY DEPARTMENT

Treasury Secretary Douglas Dillon yesterday called upon the Department's employment officers to broaden job opportunities, particularly at the higher grades, for all applicants and employees, regardless of race, color, religion, or national origin.

The Secretary told a meeting of employment officers from Washington and Treasury field offices throughout the country that the Department's recent record on actual discrimination was, on the whole, not a bad one. However, he said there is a need to encourage by positive measures equal opportunities for all qualifie persons to make maximum contributions to the Department's operation In this connection he stressed the need for broader recruitment among minority groups and fairer promotion policies within the various Bureaus.

Frank Reeves, Special Assistant to the President, told the meeting that the President expects all Federal agencies to enforce a strict policy of non-discrimination in hiring, assigning, and promoting government workers. He said that the President's Executive Order establishing a Committee on Equal Employment Opportunity under the Chairmanship of Vice-President Johnson goes far beyond mere policing against discrimination. The President's order, he emphasized, is intended to produce affirmative action by executive departments and agencies in carrying out a national policy of non-discrimination within the executive branch of the Government.

Mr. Reeves complimented the Treasury Department on the speed with which it has acted in supporting the President's policy for a more active program to spread employment opportunities on a broader basis.

Yesterday's meeting was the first in a series scheduled by Robert A. Wallace, Special Assistant to the Secretary, who has been designated Treasury's Employment Policy Officer to accelerate the Department's program of broader employment opportunities among minority groups. Further meeting's are being held today.

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D-51

TREASURY DEPARTMENT

WASHINGTON, D.C.

March 21, 1961

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Nations meetings. Most important, we can seek to increase the sense of harmony among nations, particularly between the older industralized states and the younger emerging nations of Asia and Africa.

In these ways, we can seek solutions to international problems before they become conflicts. It takes great statesmanship to solve a world crisis. But it is a sign of greater, if sometimes lesser-known statesmanship, to prevent the crisis from developing.

Never before has mankind been confronted by such grave dangers nor by such magnificent opportunities. In the same hand we hold the power of death and destruction and the power of life and progress. We Americans have a profound conviction that mankind will choose the pathway of life. In this conviction, we must dedicate ourselves anew to the principles of the United Nations Charter and to the pursuit of peace, freedom, and prosperity for all the peoples of the earth. Our consciences as Americans and as members of the human race demand no less.

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Each time the world organization takes on a new and bigger tas skeptics wonder if it can survive the test. But it has grown stron from adversity. Today it is meeting the test of the Congo, where there is a United Nations force of approximately twenty thousand troops and several hundred administrators, paid for by a United Nat budget of some $135 million.

The development of the operating capacity of the United Nation is perhaps the most striking aspect of the organization since its inception. But there is considerably more to the United Nations. It is also a facility for the practice of multilateral diplomacy. The complex world of today presents us with issues which involve many different peoples. Hence, multilateral negotiations are required to supplement bilateral diplomacy. They, in turn, require a place and an atmosphere that are suitable. The place should have corridors as well as council chambers, because some of the most important developments in international arrangements come, not from formal meetings and agreements, but from informal, unofficial under-standings and exchanges of views. Indeed the very presence in New York for protracted periods of time of leading statesmen is a real if intangible force in bridging gaps of misunderstanding between ourselves and the world around us.

This bodes well for the present and for the future. It is a happy development in the current struggle between freedom and totalitarianism that statesmen from all continents and all sections of the world desire to mingle their voices in a cosmopolitan chorus demanding peace.

It is our duty to strengthen and to maintain this great experiment in international collaboration, particularly in these days when it is subject to heavy attack and severe testing. It is valuable as a unifying factor of free states against totalitarian assaults or infiltrations which challenge their independence and security. However, the United Nations should not be used as a means of extending the Cold War but, rather, as a means of ending it. The world organization is needed to preserve national ways of life and the ability of individual nations to choose how they shoulc live. But it is not a device to hold back the hand of time or to maintain the status quo. On the contrary, change is often good and desirable, and the United Nations should serve as the framework of change and progress throughout the world. Peoples are best cemented together, not by mutual fear, but by mutual hope.

Finally, there are contained within the framework of the United Nations many opportunities to develop what may be called "quiet diplomacy", free from the shrill urgencies of the crisis and the headline. We need to cultivate these opportunities, and we will be better enabled to do so as the world organization grows both more responsible and more responsive to world needs. We can perhaps do this best in many cases by operating quietly away from the glare of publicity which sometimes distorts formal United

Only in the United Nations can a small country participate fully in deliberations of international developments. Without the United Nations, it is not likely that small African states would have much say in decisions that will not only shape the future of Africa, but of the entire world. Small or emerging nations desperately need the United Nations for their security and as a sounding board for their hopes, fears, and aspirations.

President Kennedy had this idea very much in mind when he called in his State of the Union Message on "the many smaller nations of the world to join with us in strengthening this Organization, which is far more essential to their security than it is to ours -- the only body in the world where no nation need be powerful to be secure, where every Nation has an equal voice, and where any nation can exert influence, not according to the strength of its armies, but according to the strength of its ideas."

What, then, is this organization which has grown and developed in ways not foreseen by those who wrote its Charter in San Francisco fifteen years ago?

It is, first of all -- and I say this without apology, a debating forum. This characteristic causes some United Nations supporters to become impatient and to assume that the United Nations because it is often long-winded and, on occasion, even unproductive, is also ineffective.

But free, thoughtful debate is essential on such immense issues as the rights of man, the ways of seeking peace, the need for economic advancement and spiritual growth, and the importance of justice with freedom. These topics must be endlessly explored and debated according to the customs of free Parliaments if humanity is to move forward out of the shadows which becloud this uneasy world. Indeed, if the totalitarian spokesmen through their contacts with the free world in the forum of the United Nations learn nothing more than the rules and procedures of a democratically conducted debate, perhaps a small dent will have been knocked into the theory of the autocratic state -- a dent which one day may bring about repercussions in the proceedings of monolithic totalitarianism.

The United Nations is also an operation -- a limited operation it is true, but a crucial one. The United Nations has demonstrated that an international organization can mobilize people and resources for economic development -- that it can supervise the administration of dependent areas -- that it can whip together a military force to repel aggression -- and that it can mobilize security forces and civilian administrators to bring about a modicum of order and securi where there might otherwise be civil war and communal rioting.

The United Nations has amassed great support around the world in the fifteen years of its life -- although often for different reasons. This is at once a tribute to the many-sidedness of the world organization, which plays a variety of roles in various parts of the world. It is also a tribute to the capacity of the United Nations to respond to successively different demands throughout its existence.

The world has moved onward -- but unfortunately, not always upward -- since 1945, when the United Nations was a fledgling hope of barely fifty members. The United Nations has also altered, both in its composition and in its functions. It was originally conceived as an organization dependent for action upon agreement between the Permanent Powers -- notably the United States and the Soviet Union. In those days, a majority in the General Assembly could be obtained from the votes of Western Europe and Latin America.

But the strains of international events demanded that the organization either grow or simply wither away -- discarded, like its predecessor, the League of Nations. The United Nations <u>did</u> grow. It has now reached a total of 99 members, with several more almost certain to join in the next few years. A majority can now be obtained from the combined states of Asia and Africa. The functions of the organization have also expanded to meet new needs, as more and more problems affecting its membership and the world as a whole have been thrown into the lap of the United Nations.

Throughout these changes and developments, the United Nations concept has retained the allegiance of the overwhelming majority of the people of the United States.

President Kennedy spoke for all of us when he said in his Inaugural Address that the United Nations is "our last best hope in an age where the instruments of war have far outpaced the instruments of peace."

Four months earlier, former President Eisenhower told the General Assembly that the United Nations "has accomplished what no nation singly or any limited group of nations could have accomplished ..... to forego the bonds and build the structure of a true world community."

Important as the United Nations is to us, it is of perhaps greater importance to the new and emerging countries. To them, it is the symbol of nationhood. Membership in the world organization has become tangible evidence of their newly-won independence.

TREASURY DEPARTMENT
Washington

HOLD FOR RELEASE ON DELIVERY

REMARKS OF THE HONORABLE DOUGLAS DILLON
SECRETARY OF THE TREASURY
AT THE
ANNUAL DINNER OF THE UNITED NATIONS ASSOCIATION
OF MARYLAND, HOTEL EMERSON, BALTIMORE, MARYLAND
'EDNESDAY, MARCH 22, 1961, 7:30 P.M.

"The United Nations in a Time of Transition"

It is a great pleasure for me to meet with the members of the United Nations Association of Maryland. For it is through the efforts of such organizations as yours that the message of the United Nations reaches the American public. Public understanding and support of the United Nations are, as you well know, fundamental to our country's fulfillment of its international responsibilities and objectives. We in Government are, therefore, deeply appreciative of the splendid work you are doing to help achieve this essential end.

Two decades ago, the idea of an organized world community seemed to many people to be no more than an idle dream. Some felt that such an organization was wholly impractical. Others feared that a successful world organization would impair the national sovereignties of member nations. Still others insisted that world affairs should be managed by a few of the great powers and that smaller nations should be compelled to follow their bidding.

Many obstacles were encountered in the creation of the United Nations. There have been further obstacles to its development and growth. But most of these obstacles have been surmounted. Today, the United Nations is one of the most vital realities in the entire sphere of international relations. We Americans can take justifiable pride in the role our country has played in helping to build and to preserve the United Nations system.

By a great many standards, the United States is classified as a "great power". However, throughout our history the American people have been devoted to the rights of small nations -- the right to independence, the right to survive, the right to grow, and the right to pursue material and spiritual well-being for their peoples within a framework of free institutions of their own making These rights have been achieved -- as never before -- within the framework of the United Nations.

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Nations meetings. Most important, we can seek to increase the sense of harmony among nations, particularly between the older industralized states and the younger emerging nations of Asia and Africa.

In these ways, we can seek solutions to international problems before they become conflicts. It takes great statesmanship to solve a world crisis. But it is a sign of greater, if sometimes lesser-known statesmanship, to prevent the crisis from developing.

Never before has mankind been confronted by such grave dangers -- nor by such magnificent opportunities. In the same hand we hold the power of death and destruction and the power of life and progress. We Americans have a profound conviction that mankind will choose the pathway of life. In this conviction, we must dedicate ourselves anew to the principles of the United Nations Charter and to the pursuit of peace, freedom, and prosperity for all the peoples of the earth. Our consciences as Americans and as members of the human race demand no less.

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from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

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decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 ~~(16)~~ or less for the additional bills dated December 29, 1960 ~~(17)~~, (91 ~~(18)~~ days remaining until maturity date on June 29, 1961 ~~(19)~~) and noncompetitive tenders for $100,000 ~~(20)~~ or less for the 182 ~~(21)~~ -day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on March 30, 1961 ~~(22)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 30, 1961 ~~(23)~~. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does ~~not have any exemption.~~ as such, and loss

TREASURY DEPARTMENT
Washington

2-53

IMMEDIATE RELEASE, ~~4:00 P.M.,~~
Wednesday, March 22, 1961 ~~(1)~~.

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $1,600,000,000 ~~(2)~~, or thereabouts, for cash and in exchange for Treasury bills maturing March 30, 1961 ~~(3)~~, in the amount of $ 1,500,859,000 ~~(4)~~, as follows:

91 ~~(5)~~ -day bills (to maturity date) to be issued March 30, 1961 ~~(6)~~, in the amount of $ 1,100,000,000 ~~(7)~~, or thereabouts, representing an additional amount of bills dated December 29, 1960 ~~(8)~~, and to mature June 29, 1961 ~~(9)~~, originally issued in the amount of $ 500,633,000 ~~(10)~~, the additional and original bills to be freely interchangeable.

182 ~~(11)~~ -day bills, for $ 500,000,000 ~~(12)~~, or thereabouts, to be dated March 30, 1961 ~~(13)~~, and to mature September 28, 1961 ~~(14)~~.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amoun will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturit value).

Tenders will be received at Federal Reserve Banks and Branches up to the closin hour, one-thirty o'clock p.m., Eastern Standard time, Monday, March 27, 1961 ~~(15)~~ Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

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Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Departmment of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated December 29, 1960, (91 days remaining until maturity date on June 29, 1961) and noncompetitive tenders for $100,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on March 30, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing March 30, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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Following his service with the Treasury, Mr. Nichols joined the Renegotiation Board, where he served as General Counsel until April 1954, when he left the Government to enter private law practice.

Born in Boston, Massachusetts, on August 11, 1907, Mr. Nichols earned his A.B. degree from Harvard College and his LL.B. degree from Harvard Law School. After graduation in 1932, he practiced law in Boston for six years before entering the Government with the Justice Department. He served in the Lands Division of that Department until January 1942, when he transferred to the War Production Board, where he served as a member of the Office of General Counsel.

From December 1943 to February 1946, Mr. Nichols was on active duty as an officer in the U. S. Navy.

The Bureau of Customs, under the direction of the Commissioner, administers powers and duties vested in the Secretary of the Treasury pertaining to the importation and exportation of merchandise. The principal functions are the assessment and collection of import duties, and the prevention of smuggling.

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March 23, 1961
~~DRAFT 3-21-61~~

FOR IMMEDIATE RELEASE

DILLON APPOINTS NEW COMMISSIONER OF CUSTOMS

Philip Nichols, Jr., Washington attorney who ten years ago helped simplify U.S. Customs regulations, will be ~~sworn in tomorrow~~ ~~today was sworn in as~~ as Commissioner of Customs by Treasury Secretary Douglas Dillon ~~it was announced today~~.

Mr. Nichols has been a member of the law firm of Butler, Koehler and Tausig since 1957. ~~He was appointed and took the oath of office as head of the Bureau of Customs in a ceremony this afternoon at the Treasury Building~~.

Mr. Nichols succeeds Ralph Kelly, who resigned last January 20.

Mr. Nichols was with the Treasury from December 1946 to December 1951, in various legal positions. For three years, he was an Assistant General Counsel for Customs and Narcotics. Mr. Nichols also served as chairman of the Committee which drafted legislation to simplify Customs procedures.

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D-54

213

Daane to continue as Assistant to the Secretary

~~DRAFT - 2/9/61~~ ~~Dillon~~

FOR RELEASE March 23, 1961.

Treasury Secretary Douglas Dillon announced today ~~said~~ that he has asked Mr. J. Dewey Daane ~~will~~ to continue in his present capacity as Assistant to the Secretary. Mr. Daane has accepted this assignment.

Mr. Daane also serves as the principal advisor to Under Secretary for Monetary Affairs, Robert V. Roosa, in all aspects of his responsibilities. Mr. Daane has served in his present capacity since July 18, 1960.

On leave from the Federal Reserve Bank of Minneapolis where he holds the position of Vice President and Economic Advisor, Mr. Daane was previously associated with the Federal Reserve Bank of Richmond. His principal duties have included economic research and analysis in the monetary field, and in recent years he served as an associate economist of the Federal Open Market Committee.

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D-55

TREASURY DEPARTMENT 214

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D-55

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

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on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

All bidders are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any bills of this issue, until after one-thirty o'clock p.m., Eastern Standard time, Tuesday, (xxx) March 28, 1961.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $300,000 (12) or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on April 3, 1961 (xxx), provided, however, any qualified depositary will be permitted to make payment by credit in its Treasury tax and loan account for not more than 50 percent of the amount of Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its District.

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217

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE, ~~4:00 P.M., EST~~,
~~XXXXXXXXXXXXXXXXXXXXXXXXXX~~
Thursday, March 23, 1961 .

D-56

The Treasury Department, by this public notice, invites tenders for $ 1,500,000,000 , or thereabouts, of 172 -day Treasury bills, to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be designated Tax Anticipation Series, they will be dated April 3, 1961 , and they will mature September 22, 1961 . They will be accepted at face value in payment of income and profits taxes due on September 15 1961 , and to the extent they are not presented for this purpose the face amount of these bills will be payable without interest at maturity. Taxpayers desiring to apply these bills in payment of September 15, 1961 , income and profits taxes have the privilege of surrendering them to any Federal Reserve Bank or Branch or to the Office of the Treasurer of the United States, Washington, not more than fifteen days before September 15, 1961 , and receiving receipts therefor showing the face amount of the bills so surrendered. These receipts may be submitted in lieu of the bills on or before September 15, 1961 , to the District Director of Internal Revenue for the District in which such taxes are payable. The bills will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Standard time, Tuesday, March 28, 1961 . Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made

TREASURY DEPARTMENT 218

WASHINGTON, D.C.

IMMEDIATE RELEASE,
Thursday, March 23, 1961.

D-56

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Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

All bidders are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any bills of this issue, until after one-thirty o'clock p.m., Eastern Standard time, Tuesday, March 28, 1961.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcemen will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $300,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on April 3, 1961, provided, however, any qualified depositary will be permitted to make payment by credit in its Treasury tax and loan account for not more than 50 percent of the amount of Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its District.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Feder Reserve Bank or Branch.

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March 23, 1961.

IMMEDIATE RELEASE
Thursday, March 23, 1961

TREASURY TO RAISE $1-1/2 BILLION CASH IN TAX BILLS

The Treasury will receive tenders on Tuesday, March 28, 1961, for $1-1/2 billion, or thereabouts, of Treasury tax anticipation bills, to be dated April 3, 1961, and to mature September 22, 1961. These bills will be acceptable in payment of income taxes due September 15, 1961. They may be paid for up to 50% by credit in Treasury tax and loan accounts.

This issue of bills is for the purpose of covering the current cash needs of the Treasury, and will offset in part the $3-1/2 billion of tax anticipation bills which matured on March 22, 1961, of which approximately one-half were used by the holders in payment of income taxes due March 15, 1961.

In addition to the cash being obtained from the issue of $1-1/2 billion of the September 1961 tax anticipation bills, the Treasury has also announced an increase of $100 million in the regular weekly Treasury bills to be dated March 30, 1961. The Treasury may elect to raise an additional $200 million by increasing the regular 91-day weekly Treasury bills maturing during the following two weeks.

The Treasury also is planning to issue $2 billion in one-year Treasury bills on April 15, 1961, for the purpose of redeeming a like amount of one-year Treasury bills which mature on that date. The customary invitation for tenders to these bills will be issued early in April.

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D-57

TREASURY DEPARTMENT

WASHINGTON, D.C.

March 23, 1961.

FOR IMMEDIATE RELEASE

TREASURY TO RAISE $1-1/2 BILLION CASH IN TAX BILLS

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D-57

an important part of our over-all debt management program. To the extent that we are able to encourage millions of Savings Bonds owners to retain their matured bonds and purchase new ones, to that extent will individual citizens help strengthen the economy of our country and prepare themselves and their children for a brighter future. The more than $43 billion now outstanding IN Series E and H Bonds is a magnificent testament of our people's deep concern and interest in their country's future welfare, as well as their own."

The new rate of interest on Series E bonds bearing issue dates from May, 1941 through May, 1949 is comparable to the yield on outstanding marketable obligations of the United States that have ten years to run to maturity. These bonds originally earned 2.90 per cent if held to maturity. In their first extension period they have been earning from 2.90 to 3.47 per cent if held to extended maturity. During the second extended maturity beginning May, 1961 and running through May, 1979, they will all earn a straight 3 3/4 per cent per year, compounded semi-annually.

# # #

"By retaining their matured bonds and purchasing new ones, individual citizens will not only prepare themselves and their children for a more secure future, but will help strengthe the economy of our country. The more than forty-three billi dollars now outstanding in Series E and H bonds testifies to ~~the~~ to the foresighted thrift of our people and to their faith in the future of America."

Under the new regulations, these bonds -- the first of which will be twenty years old on May 1 -- [redacted] WILL earn a full three and three-quarters percent interest a year. [redacted] They may now be held for an additional ten years. About [redacted] fifteen billion of the forty-three billion dollars [redacted] currently outstanding in Series E and H Savings Bonds will be affected by this action.

For Inquiries:
Mr. Reese – NO 4-4132

DRAFT

224

FOR IMMEDIATE RELEASE March 24, 1961

The Secretary of the Treasury issued the following statement today that will benefit some 10 million Americans who own Series E savings bonds issued from May, 1941 through May, 1949:

Under new Treasury regulations effective May 1, Series E savings bonds issued from May, 1941 through May, 1949 may henceforth be held for an additional 10 years and earn a full 3 3/4% per year. The first of these bonds ~~were~~ will be 20 years old on May 1, which is the 20th anniversary of the Savings Bond Program. About 15 billion dollars of the 43 billion dollars in Series E and H bonds currently outstanding will be affected by this action.

"In addition to benefiting the bond holder," SECRETARY DILLON SAID, "this action to encourage him to retain his bonds will diminish the Treasury's problem of refinancing the public debt and will contribute to the country's stability by keeping a sizeable portion of it in the hands of the average citizen."

~~Secretary Dillon stated,~~ "The Savings Bonds program represents

Series E Savings Bonds by selected issue dates outstanding at September 30, 1960, their original maturity values, their current redemption values at said date and their redemption values at their respective extended maturity dates

	Original maturity value outstanding Sept. 30, 1960	Current redemption value as of Sept. 30, 1960	Redemption value at end of first extended maturity
May 1941	$ 24,158,900	$ 30,952,382.68	$ 32,498,552.28
June-Nov. 1941	153,405,850	195,450,455.58	206,975,172.82
Dec. 1941-Apr. 1942	481,523,900	602,851,628.52	651,598,141.48
May 1942	87,214,475	110,483,296.93	118,925,658.11
June-Nov. 1942	588,943,200	742,671,584.85	804,967,565.76
Dec. 1942-May 1943	959,007,750	1,190,591,748.72	1,314,224,220.60
June-Nov. 1943	992,042,125	1,217,270,838.91	1,362,669,062.90
Dec. 1943-May 1944	1,065,032,225	1,288,633,313.81	1,466,762,380.27
June-Nov. 1944	1,107,226,935	1,317,408,534.39	1,528,416,061.07
Dec. 1944-May 1945	1,206,970,360	1,412,075,869.63	1,669,964,190.10
June-Nov. 1945	1,064,518,860	1,226,700,179.78	1,476,700,562.59
Dec. 1945-May 1946	740,343,305	841,609,520.79	1,029,669,468.59
June-Nov. 1946	573,031,935	641,460,790.29	798,806,517.39
Dec. 1946-May 1947	769,306,550	849,714,949.92	1,075,182,834.28
June-Nov. 1947	599,924,915	652,436,301.82	840,374,820.93
Dec. 1947-May 1948	819,311,240	878,476,311.93	1,150,640,705.46
June-Nov. 1948	728,197,450	769,021,365.44	1,025,156,370.11
Dec. 1948-May 1949	932,833,915	971,463,123.92	1,316,415,220.85
Total	12,892,993,890	14,939,272,197.91	17,869,947,505.59

REDEMPTION VALUES

SERIES E SAVINGS BONDS (PER $100 FACE AMOUNT)

Issue dates	Issue price	Value at maturity (10 years from issue)	Value at first extended maturity (20 years from issue)	Value at second extended maturity (30 years from issue)
May 1941	$75.	$100.	$134.52	$195.04
June to Nov. 1941	"	"	134.92	195.64
Dec.1941 to Apr.1942	"	"	135.32	196.20
May 1942	"	"	136.36	197.72
June to Nov. 1942	"	"	136.68	198.16
Dec.1942 to May 1943	"	"	137.04	198.72
June to Nov. 1943	"	"	137.36	199.16
Dec.1943 to May 1944	"	"	137.72	199.68
June to Nov. 1944	"	"	138.04	200.16
Dec.1944 to May 1945	"	"	138.36	200.60
June to Nov. 1945	"	"	138.72	201.12
Dec.1945 to May 1946	"	"	139.08	201.64
June to Nov. 1946	"	"	139.40	202.12
Dec.1946 to May 1947	"	"	139.76	202.64
June to Nov. 1947	"	"	140.08	203.12
Dec.1947 to May 1948	"	"	140.44	203.64
June to Nov. 1948	"	"	140.78	204.12
Dec. 1948 to May 1949	"	"	141.12	204.60

TREASURY DEPARTMENT

For Inquiries:
Mr. Reese - WO 4-4133

WASHINGTON, D.C.

March 24, 1961

FOR RELEASE:
Sunday, A.M. Newspapers, March 26, 1961.

TREASURY ANNOUNCES HIGHER INTEREST RATE
FOR LONG-TERM HOLDERS OF SAVINGS BONDS

Treasury Secretary Douglas Dillon today announced new regulations that will benefit some ten million Americans who own Series E Savings Bonds issued from May, 1941, through May, 1949.

Under the new regulations, these bonds -- the first of which will be twenty years old on May 1 -- will earn a full three and three-quarters percent interest a year. They may now be held for an additional ten years. About fifteen billion of the forty-three billion dollars currently outstanding in Series E and H Savings Bonds will be affected by this action.

"In addition to benefiting the bond holder," Secretary Dillon said, "this action to encourage him to retain his bonds will diminish the Treasury's problem of refinancing the public debt and will contribute to the country's stability by keeping a sizeable portion of it in the hands of the average citizen.

"By retaining their matured bonds and purchasing new ones, individual citizens will not only prepare themselves and their children for a more secure future, but will help strengthen the economy of our country. The more than forty-three billion dollars now outstanding in Series E and H bonds testifies to the foresighted thrift of our people and to their faith in the future of America."

The new rate of interest on Series E bonds bearing issue dates from May, 1941 through May, 1949 is comparable to the yield on outstanding marketable obligations of the United States that have ten years to run to maturity. These bonds originally earned 2.90 per cent if held to maturity. In their first extension period they have been earning from 2.90 to 3.47 per cent if held to extended maturity. During the second extended maturity they will all earn a straight 3-3/4 per cent per year, compounded semi-annually.

Attachments: Series E Bonds -
Redemption Values
Series E Bonds Outstanding

D-58

TREASURY DEPARTMENT

For Inquiries:
Mr. Reese - WO 4-4133

WASHINGTON, D.C.

March 24, 1961

FOR RELEASE:
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Attachments: Series E Bonds -
Redemption Values

Series E Bonds Outstanding

D-58

REDEMPTION VALUES

SERIES E SAVINGS BONDS (PER $100 FACE AMOUNT)

Issue dates	Issue price	Value at maturity (10 years from issue)	Value at first extended maturity (20 years from issue)	Value at second extended maturity (30 years from issue)
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June to Nov. 1946	"	"	139.40	202.12
Dec.1946 to May 1947	"	"	139.76	202.64
June to Nov. 1947	"	"	140.08	203.12
Dec.1947 to May 1948	"	"	140.44	203.64
June to Nov. 1948	"	"	140.78	204.12
Dec. 1948 to May 1949	"	"	141.12	204.60

Series E Savings Bonds by selected issue dates outstanding at September 30, 1960, their original maturity values, their current redemption values at said date and their redemption values at their respective extended maturity dates

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FOR IMMEDIATE RELEASE

March 24, 1961

DILLON TERMS LATEST TREASURY REFUNDING A SUCCESS

Treasury Secretary Douglas Dillon today announced that more than six billion dollars has been subscribed to the Department's latest advance refunding operation, which he described as "a gratifying success." Subscription books for the offering were opened March 20-22. Holders of 31% of the outstanding issues exchanged them for new securities.

"The Treasury has accomplished a significant reduction in the debt coming due in 1962 and 1963," Secretary Dillon said. "Consequently, we will be in a much stronger position to conduct the necessary financing operations facing the Treasury in those years. The operation is a gratifying success. It illustrates the fact that the Treasury can obtain an extension of the debt without disturbance in the market for outstanding issues."

Preliminary reports from the Federal Reserve Banks show that total subscriptions received amount to $6,017 million. These subscriptions (including $5,438 million from public holders and $579 million from the Federal Reserve Banks and Government Investment Accounts) have been received to the two issues of 3-3/8% and 3-5/8% intermediate-term Treasury Bonds included in the current offering of the Treasury to the holders of outstanding issues of 2-1/4% Treasury Bonds of June 15, 1959-62, and December 15, 1959-62, 2-5/8% Treasury Notes of February 15 1963, and 2-1/2% Treasury Bonds of August 15, 1963, aggregating $19.5 billion. All subscriptions will be allotted in full. The new 3-3/8% and 3-5/8% bonds will be dated March 15, 1961, with delivery to be made on March 30, 1961.

Subscriptions are as follows (in millions of dollars):

New Issue	From Public Holders	From Fed. Res. Banks & Govt. Inv. Accts.	Total
3-3/8% Bonds of 1966 ----	$2,375	$39	$2,414
3-5/8% Bonds of 1967 ----	3,063	540	3,603
Total ---------	$5,438	$579	$6,017

Details by Federal Reserve Banks as to subscriptions will be announced when final reports are received.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR IMMEDIATE RELEASE   March 24, 1961

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D-59

RELEASE A. M. NEWSPAPERS, Tuesday, March 28, 1961.

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated December 29, 1960, and the other series to be dated March 30, 1961, which were offered on March 22 were opened at the Federal Reserve Banks on March 27. Tenders were invited for $1,100,000,000, or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing June 29, 1961		182-day Treasury bills maturing September 28, 1961	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.405	2.354%	98.716	2.540%
Low	99.390	2.413%	98.694	2.583%
Average	99.395	2.392% 1/	98.698	2.576% 1/

73 percent of the amount of 91-day bills bid for at the low price was accepted
40 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
Boston	$ 35,599,000	$ 23,559,000	$ 968,000	$ 818,000
New York	1,416,132,000	738,462,000	878,848,000	409,348,000
Philadelphia	25,293,000	10,212,000	7,287,000	2,269,000
Cleveland	49,053,000	24,053,000	19,820,000	14,739,000
Richmond	18,666,000	18,666,000	11,214,000	7,164,000
Atlanta	20,577,000	20,096,000	4,954,000	3,393,000
Chicago	178,801,000	112,951,000	68,037,000	27,342,000
St. Louis	21,573,000	19,073,000	3,754,000	3,254,000
Minneapolis	14,640,000	10,890,000	5,067,000	1,067,000
Kansas City	41,550,000	38,550,000	12,624,000	5,979,000
Dallas	11,374,000	11,374,000	3,832,000	2,632,000
San Francisco	90,766,000	72,135,000	29,990,000	22,080,000
TOTALS	$1,924,024,000	$1,100,021,000 a/	$1,046,395,000	$500,085,000 b/

a/ Includes $176,908,000 noncompetitive tenders accepted at the average price of 99.39
b/ Includes $35,959,000 noncompetitive tenders accepted at the average price of 98.698
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.44%, for the 91-day bills, and 2.65%, for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

TREASURY DEPARTMENT

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WASHINGTON, D.C.

March 27, 1961.

RELEASE A. M. NEWSPAPERS, Tuesday, March 28, 1961.

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated December 29, 1960, and the other series to be dated March 30, 1961, which were offered on March 22, were opened at the Federal Reserve Banks on March 27. Tenders were invited for $1,100,000,000, or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing June 29, 1961		182-day Treasury bills maturing September 28, 1961	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.405	2.354%	98.716	2.540%
Low	99.390	2.413%	98.694	2.583%
Average	99.395	2.392% 1/	98.698	2.576% 1/

73 percent of the amount of 91-day bills bid for at the low price was accepted
40 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
Boston	$ 35,599,000	$ 23,559,000	$ 968,000	$ 818,000
New York	1,416,132,000	738,462,000	878,848,000	409,348,000
Philadelphia	25,293,000	10,212,000	7,287,000	2,269,000
Cleveland	49,053,000	24,053,000	19,820,000	14,739,000
Richmond	18,666,000	18,666,000	11,214,000	7,164,000
Atlanta	20,577,000	20,096,000	4,954,000	3,393,000
Chicago	178,801,000	112,951,000	68,037,000	27,342,000
St. Louis	21,573,000	19,073,000	3,754,000	3,254,000
Minneapolis	14,640,000	10,890,000	5,067,000	1,067,000
Kansas City	41,550,000	38,550,000	12,624,000	5,979,000
Dallas	11,374,000	11,374,000	3,832,000	2,632,000
San Francisco	90,766,000	72,135,000	29,990,000	22,080,000
TOTALS	$1,924,024,000	$1,100,021,000 a/	$1,046,395,000	$500,085,000 b/

a/ Includes $176,908,000 noncompetitive tenders accepted at the average price of 99.395
b/ Includes $35,959,000 noncompetitive tenders accepted at the average price of 98.698
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.44%, for the 91-day bills, and 2.65%, for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

D-60

RELEASE A. M. NEWSPAPERS,
Wednesday, March 29, 1961.

235 D-61

— Tay Activity Division

The Treasury Department announced last evening that the tenders for $1,500,000,00 or thereabouts, of 1/ 172-day Treasury bills to be dated April 3 and to mature September 1961, which were offered on March 23, were opened at the Federal Reserve Banks on March 28.

The details of this issue are as follows:

Total applied for - $3,894,635,000
Total accepted - 1,501,150,000 (includes $218,935,000 entered on a noncompetitive basis and accepted in full at the average price shown below)

Range of accepted competitive bids: (Excepting three tenders totaling $1,900,00

High	- 98.863	Equivalent rate of discount approx. 2.380% per annum
Low	- 98.810	" " " " " 2.491% " "
Average	- 98.818	" " " " " 2.473% " "

(47 percent of the amount bid for at the low price was accepted)

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 213,880,000	$ 106,080,000
New York	1,689,980,000	416,785,000
Philadelphia	186,190,000	75,878,000
Cleveland	379,695,000	177,675,000
Richmond	69,930,000	37,498,000
Atlanta	121,975,000	70,103,000
Chicago	431,415,000	215,984,000
St. Louis	114,265,000	41,702,000
Minneapolis	97,480,000	58,055,000
Kansas City	88,900,000	39,730,000
Dallas	245,500,000	169,850,000
San Francisco	255,425,000	91,810,000
TOTAL	$3,894,635,000	$1,501,150,000

1/ On a coupon issue of the same length and for the same amount invested, the return o these bills would provide a yield of 2.54%. Interest rates on bills are quoted i terms of bank discount with the return related to the face amount of the bills pa able at maturity rather than the amount invested and their length in actual numbe of days related to a 360-day year. In contrast, yields on certificates, notes, a bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of da in the period, with semiannual compounding if more than one coupon period is inv

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TREASURY DEPARTMENT

WASHINGTON, D.C.

March 28, 1961

LEASE A. M. NEWSPAPERS,
dnesday, March 29, 1961.

The Treasury Department announced last evening that the tenders for $1,500,000,000, thereabouts, of Tax Anticipation Series 172-day Treasury bills to be dated April 3 id to mature September 22, 1961, which were offered on March 23, were opened at the deral Reserve Banks on March 28.

The details of this issue are as follows:

Total applied for - $3,894,635,000
Total accepted - 1,501,150,000 (includes $218,935,000 entered on a noncompetitive basis and accepted in full at the average price shown below)

Range of accepted competitive bids: (Excepting three tenders totaling $1,900,000)

High	- 98.863	Equivalent rate of discount approx.	2.380% per annum
Low	- 98.810	" " " " "	2.491% " "
Average	- 98.818	" " " " "	2.473% " " 1/

(47 percent of the amount bid for at the low price was accepted)

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 213,880,000	$ 106,080,000
New York	1,689,980,000	416,785,000
Philadelphia	186,190,000	75,878,000
Cleveland	379,695,000	177,675,000
Richmond	69,930,000	37,498,000
Atlanta	121,975,000	70,103,000
Chicago	431,415,000	215,984,000
St. Louis	114,265,000	41,702,000
Minneapolis	97,480,000	58,055,000
Kansas City	88,900,000	39,730,000
Dallas	245,500,000	169,850,000
San Francisco	255,425,000	91,810,000
TOTAL	$3,894,635,000	$1,501,150,000

On a coupon issue of the same length and for the same amount invested, the return on these bills would provide a yield of 2.54%. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated January 5, 1961, (91 days remaining until maturity date on July 6, 1961) and noncompetitive tenders for $100,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on April 6, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 6, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss

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TREASURY DEPARTMENT
Washington

2-62

IMMEDIATE RELEASE, 4:00 P.M.,
Wednesday, March 29, 1961 .

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $ 1,600,000,000 , or thereabouts, for cash and in exchange for Treasury bills maturing April 6, 1961 , in the amount of $ 1,501,013,000 , as follows:

91 -day bills (to maturity date) to be issued April 6, 1961 , in the amount of $ 1,100,000,000 , or thereabouts, representing an additional amount of bills dated January 5, 1961 , and to mature July 6, 1961 , originally issued in the amount of $ 500,236,000 , the additional and original bills to be freely interchangeable.

182 -day bills, for $ 500,000,000 , or thereabouts, to be dated April 6, 1961 , and to mature October 5, 1961 .

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amou will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturi value).

Tenders will be received at Federal Reserve Banks and Branches up to the closi hour, one-thirty o'clock p.m., Eastern Standard time, Monday, April 3, 1961 Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

TREASURY DEPARTMENT

WASHINGTON, D.C.
March 29, 1961

FOR IMMEDIATE RELEASE

TREASURY'S WEEKLY BILL OFFERING

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $1,600,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing April 6, 1961, in the amount of $1,501,013,000, as follows:

91-day bills (to maturity date) to be issued April 6, 1961, in the amount of $1,100,000,000, or thereabouts, representing an additional amount of bills dated January 5, 1961, and to mature July 6, 1961, originally issued in the amount of $500,236,000, the additional and original bills to be freely interchangeable.

182-day bills, for $500,000,000, or thereabouts, to be dated April 6, 1961, and to mature October 5, 1961.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Standard time, Monday, April 3, 1961. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Departmment of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated January 5, 1961, (91 days remaining until maturity date on July 6, 1961) and noncompetitive tenders for $100,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on April 6, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 6, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

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Comparison of principal items of assets and liabilities of active national banks - Continued

(In thousands of dollars)

	Dec. 31, 1960	Oct. 3, 1960	Dec. 31, 1959	Increase or decrease since Oct. 3, 1960		Increase or decrease since Dec. 31, 1959	
				Amount	Percent	Amount	Percent
LIABILITIES							
Deposits of individuals, partnerships, and corporations:							
Demand	63,131,263	59,025,547	62,496,399	4,105,716	6.96	634,864	1.02
Time	36,761,292	35,972,754	34,385,356	788,538	2.19	2,375,936	6.91
Deposits of U. S. Government	3,448,244	4,087,800	2,936,037	-639,556	-15.65	512,207	17.45
Postal savings deposits	8,300	8,297	9,042	3	.04	-742	-8.21
Deposits of States and political subdivisions	9,297,327	8,473,965	8,469,237	823,362	9.72	828,090	9.78
Deposits of banks	10,439,491	8,885,686	9,460,445	1,553,805	17.49	979,046	10.35
Other deposits (certified and cashiers' checks, etc.)	1,824,934	1,509,134	1,881,161	315,800	20.93	-56,227	-2.99
Total deposits	124,910,851	117,963,183	119,637,677	6,947,668	5.89	5,273,174	4.41
Bills payable, rediscounts, and other liabilities for borrowed money	110,590	1,013,323	340,362	-902,733	-89.09	-229,772	-67.51
Other liabilities	3,141,088	3,254,378	2,355,957	-113,290	-3.48	785,131	33.33
Total liabilities, excluding capital accounts	128,162,529	122,230,884	122,333,996	5,931,645	4.85	5,828,533	4.76
CAPITAL ACCOUNTS							
Capital stock:							
Common	3,341,320	3,306,547	3,166,651	34,773	1.05	174,669	5.52
Preferred	1,530	1,530	3,091	---	--	-1,561	-50.50
Total	3,342,850	3,308,077	3,169,742	34,773	1.05	173,108	5.46
Surplus	5,446,143	5,250,859	5,062,084	195,284	3.72	384,059	7.59
Undivided profits	2,030,052	2,201,129	1,814,637	-171,077	-7.77	215,415	11.87
Reserves	279,293	249,388	255,654	29,905	11.99	23,639	9.25
Total surplus, profits and reserves	7,755,488	7,701,376	7,132,375	54,112	.70	623,113	8.74
Total capital accounts	11,098,338	11,009,453	10,302,117	88,885	.81	796,221	7.73
Total liabilities and capital accounts	139,260,867	133,240,337	132,636,113	6,020,530	4.52	6,624,754	4.99
RATIOS:	Percent	Percent	Percent				
U.S.Gov't securities to total assets	23.49	22.97	23.95				
Loans & discounts to total assets	45.74	47.39	45.21				
Capital accounts to total deposits	8.89	9.33	8.61				

NOTE: Minus sign denotes decrease.

Statement showing comparison of principal items of assets and liabilities of active national banks as of Dec. 31, 1960, Oct. 3, 1960, and Dec. 31, 1959

(In thousands of dollars)

	Dec. 31, 1960	Oct. 3, 1960	Dec. 31, 1959	Increase or decrease since Oct. 3, 1960		Increase or decrease since Dec. 31, 1959	
				Amount	Percent	Amount	Percent
Number of banks	4,530	4,535	4,542	-5		-12	
ASSETS							
Commercial and industrial loans	23,979,387	23,414,546	22,309,563	564,841	2.41	1,669,824	7.48
Loans on real estate	15,534,206	15,416,351	15,169,786	117,855	.76	364,420	2.40
Loans to financial institutions	4,279,954	4,911,095	4,249,564	-631,141	-12.85	30,390	.72
All other loans	21,206,658	20,629,765	19,434,937	576,893	2.80	1,771,721	9.12
Total gross loans	65,000,205	64,371,757	61,163,850	628,448	.98	3,836,355	6.27
Less valuation reserves	1,306,537	1,234,579	1,201,861	71,958	5.83	104,676	8.71
Net loans	63,693,668	63,137,178	59,961,989	556,490	.88	3,731,679	6.22
U. S. Government securities:							
Direct obligations	32,615,321	30,507,592	31,723,878	2,107,729	6.91	891,443	2.81
Obligations fully guaranteed	96,402	91,209	37,092	5,193	5.69	59,310	159.90
Total U. S. securities	32,711,723	30,598,801	31,760,970	2,112,922	6.91	950,753	2.99
Obligations of States and political subdivisions	9,408,711	9,123,621	9,036,149	285,090	3.12	372,562	4.12
Other bonds, notes, and debentures	1,407,576	1,245,349	1,553,557	162,227	13.03	-145,981	-9.40
Corporate stocks, including stocks of Federal Reserve banks	324,184	316,748	302,179	7,436	2.35	22,005	7.28
Total securities	43,852,194	41,284,519	42,652,855	2,567,675	6.22	1,199,339	2.81
Total loans and securities	107,545,862	104,421,697	102,614,844	3,124,165	2.99	4,931,018	4.81
Currency and coin	1,721,492	1,546,553	1,521,334	174,939	11.31	200,158	13.16
Reserve with Federal Reserve banks	10,641,581	10,833,627	11,247,162	-192,046	-1.77	-605,581	-5.38
Balances with other banks	16,311,433	13,466,182	14,695,749	2,845,251	21.13	1,615,684	10.99
Total cash, balances with other banks, including reserve balances and cash items in process of collection	28,674,506	25,846,362	27,464,245	2,828,144	10.94	1,210,261	4.41
Other assets	3,040,499	2,972,278	2,557,024	68,221	2.30	483,475	18.91
Total assets	139,260,867	133,240,337	132,636,113	6,020,530	4.52	6,624,754	4.99

for the purpose of purchasing or carrying stocks, bonds, and other securities of $2,115,000,000 increased $164,000,000. Other loans, including loans to farmers and other loans to individuals (repair and modernization and installment cash loans, and single-payment loans) amounted to $12,461,000,000. The percentage of net loans and discounts (after deduction of valuation reserves of $1,306,537,000) to total assets on December 31, 1960 was 45.74 in comparison with 45.21 in December 1959.

Total investments of the banks in bonds, stocks, and other securities aggregated $43,852,000,000. Included in the investments were obligations of the United States Government of $32,712,000,000 ($96,402,000 of which were guaranteed obligations). These investments, representing 23.49 percent of total assets, showed an increase of $951,000,000 during the year. Other bonds, stocks, and securities of $11,140,000,000, including $9,409,000,000 of obligations of States and other political subdivisions, showed an increase of $249,000,000.

Cash of $1,721,000,000, reserves with Federal Reserve banks of $10,642,000,000, and balances with other banks (including cash items in process of collection) of $16,311,000,000, a total of $28,674,000,000, showed an increase of $1,210,000,000.

Bills payable and other liabilities for borrowed money of $110,600,000 showed a decrease of $230,000,000 in the year.

Total capital funds of the banks on December 31, 1960 of $11,098,000,000, equal to 8.89 percent of total deposits, were $796,000,000 more than in December 1959 when they were 8.61 percent of total deposits. Included in the capital funds were capital stock of $3,343,000,000, of which $1,530,000 was preferred stock; surplus of $5,446,000,000; undivided profits of $2,030,000,000 and capital reserves of $279,000,000.

TREASURY DEPARTMENT
Comptroller of the Currency
Washington

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March 30, 1961.

RELEASE A.M. NEWSPAPERS,
FRIDAY, MARCH 31, 1961.

COMPTROLLER OF THE CURRENCY REPORTS TOTAL ASSETS AND LIABILITIES OF ACTIVE NATIONAL BANKS ON DECEMBER 31, 1960.

The total assets of the 4,530 active national banks in the United States and possessions on December 31, 1960 amounted to $139,300,000,000, it was announced today by Comptroller of the Currency Ray M. Gidney. The total assets showed an increase of $6,600,000,000 over the amount reported by the 4,542 banks on December 31, 1959.

The deposits of the banks on December 31, 1960 were nearly $125,000,000,000, an increase of $5,273,000,000 during the year. Included in the deposit figures were demand deposits of individuals, partnerships, and corporations of $63,000,000,000, an increase of $635,000,000, and time deposits of individuals, partnerships, and corporations of $37,000,000,000, an increase of $2,376,000,000. Deposits of the United States Government of $3,448,000,000 increased $512,000,000; deposits of States and political subdivisions of nearly $9,300,000,000 increased $828,000,000; and deposits of banks of $10,400,000,000 showed an increase of $979,000,000. Postal savings deposits were $8,300,000 and certified and cashiers' checks, etc. were $1,825,000,000.

Gross loans and discounts on December 31, 1960 of $65,000,000,000 showed an increase of $3,836,000,000 during the year. Commercial and industrial loans amounted to nearly $24,000,000,000 and increased $1,670,000,000 during the year, while loans on real estate of $15,534,000,000 increased $364,000,000. Loans to financial institutions amounted to $4,280,000,000, an increase of $30,000,000. Retail automobile installment loans of $5,000,000,000 showed an increase of $479,000,000. Other types of retail installment loans of $1,630,000,000 showed an increase of $47,500,000. Loans to brokers and dealers in securities and to others

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TREASURY DEPARTMENT
Comptroller of the Currency
Washington

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March 30, 1961.

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for the purpose of purchasing or carrying stocks, bonds, and other securities of $2,115,000,000 increased $164,000,000. Other loans, including loans to farmers and other loans to individuals (repair and modernization and installment cash loans, and single-payment loans) amounted to $12,461,000,000. The percentage of net loans and discounts (after deduction of valuation reserves of $1,306,537,000) to total assets on December 31, 1960 was 45.74 in comparison with 45.21 in December 1959.

Total investments of the banks in bonds, stocks, and other securities aggregated $43,852,000,000. Included in the investments were obligations of the United States Government of $32,712,000,000 ($96,402,000 of which were guaranteed obligations). These investments, representing 23.49 percent of total assets, showed an increase of $951,000,000 during the year. Other bonds, stocks, and securities of $11,140,000,000 including $9,409,000,000 of obligations of States and other political subdivisions, showed an increase of $249,000,000.

Cash of $1,721,000,000, reserves with Federal Reserve banks of $10,642,000,000, and balances with other banks (including cash items in process of collection) of $16,311,000,000, a total of $28,674,000,000, showed an increase of $1,210,000,000.

Bills payable and other liabilities for borrowed money of $110,600,000 showed a decrease of $230,000,000 in the year.

Total capital funds of the banks on December 31, 1960 of $11,098,000,000, equal to 8.89 percent of total deposits, were $796,000,000 more than in December 1959 when they were 8.61 percent of total deposits. Included in the capital funds were capital stock of $3,343,000,000, of which $1,530,000 was preferred stock; surplus of $5,446,000,000; undivided profits of $2,030,000,000 and capital reserves of $279,000,000.

Statement showing comparison of principal items of assets and liabilities of active national banks as of Dec. 31, 1960, Oct. 3, 1960, and Dec. 31, 1959

(In thousands of dollars)

	Dec. 31, 1960	Oct. 3, 1960	Dec. 31, 1959	Increase or decrease since Oct. 3, 1960		Increase or decrease since Dec. 31, 1959	
				Amount	Percent	Amount	Percent
Number of banks	4,530	4,535	4,542	-5		-12	
ASSETS							
Commercial and industrial loans	23,979,387	23,414,546	22,309,563	564,841	2.41	1,669,824	7.48
Loans on real estate	15,534,206	15,416,351	15,169,786	117,855	.76	364,420	2.40
Loans to financial institutions	4,279,954	4,911,095	4,249,564	-631,141	-12.85	30,390	.72
All other loans	21,206,658	20,629,765	19,434,937	576,893	2.80	1,771,721	9.12
Total gross loans	65,000,205	64,371,757	61,163,850	628,448	.98	3,836,355	6.27
Less valuation reserves	1,306,537	1,234,579	1,201,861	71,958	5.83	104,676	8.71
Net loans	63,693,668	63,137,178	59,961,989	556,490	.88	3,731,679	6.22
U. S. Government securities:							
Direct obligations	32,615,321	30,507,592	31,723,878	2,107,729	6.91	891,443	2.81
Obligations fully guaranteed	96,402	91,209	37,092	5,193	5.69	59,310	159.90
Total U. S. securities	32,711,723	30,598,801	31,760,970	2,112,922	6.91	950,753	2.99
Obligations of States and political subdivisions	9,408,711	9,123,621	9,036,149	285,090	3.12	372,562	4.12
Other bonds, notes, and debentures	1,407,576	1,245,349	1,553,557	162,227	13.03	-145,981	-9.40
Corporate stocks, including stocks of Federal Reserve banks	324,184	316,748	302,179	7,436	2.35	22,005	7.28
Total securities	43,852,194	41,284,519	42,652,855	2,567,675	6.22	1,199,339	2.81
Total loans and securities	107,545,862	104,421,697	102,614,844	3,124,165	2.99	4,931,018	4.81
Currency and coin	1,721,492	1,546,553	1,521,334	174,939	11.31	200,158	13.16
Reserve with Federal Reserve banks	10,641,581	10,833,627	11,247,162	-192,046	-1.77	-605,581	-5.38
Balances with other banks	16,311,433	13,466,182	14,695,749	2,845,251	21.13	1,615,684	10.99
Total cash, balances with other banks, including reserve balances and cash items in process of collection	28,674,506	25,846,362	27,464,245	2,828,144	10.94	1,210,261	4.41
Other assets	3,040,499	2,972,278	2,557,024	68,221	2.30	483,475	18.91
Total assets	139,260,867	133,240,337	132,636,113	6,020,530	4.52	6,624,754	4.99

(In thousands of dollars)

	Dec. 31, 1960	Oct. 3, 1960	Dec. 31, 1959	Increase or decrease since Oct. 3, 1960: Amount	Increase or decrease since Oct. 3, 1960: Percent	Increase or decrease since Dec. 31, 1959: Amount	Increase or decrease since Dec. 31, 1959: Percent
LIABILITIES							
Deposits of individuals, partnerships, and corporations:							
Demand	63,131,263	59,025,547	62,496,399	4,105,716	6.96	634,864	1.02
Time	36,761,292	35,972,754	34,385,356	788,538	2.19	2,375,936	6.91
Deposits of U. S. Government	3,448,244	4,087,800	2,936,037	-639,556	-15.65	512,207	17.45
Postal savings deposits	8,300	8,297	9,042	3	.04	-742	-8.21
Deposits of States and political subdivisions	9,297,327	8,473,965	8,469,237	823,362	9.72	828,090	9.78
Deposits of banks	10,439,491	8,885,686	9,460,445	1,553,805	17.49	979,046	10.35
Other deposits (certified and cashiers' checks, etc.)	1,824,934	1,509,134	1,881,161	315,800	20.93	-56,227	-2.99
Total deposits	124,910,851	117,963,183	119,637,677	6,947,668	5.89	5,273,174	4.41
Bills payable, rediscounts, and other liabilities for borrowed money	110,590	1,013,323	340,362	-902,733	-89.09	-229,772	-67.51
Other liabilities	3,141,088	3,254,378	2,355,957	-113,290	-3.48	785,131	33.33
Total liabilities, excluding capital accounts	128,162,529	122,230,884	122,333,996	5,931,645	4.85	5,828,533	4.76
CAPITAL ACCOUNTS							
Capital stock:							
Common	3,341,320	3,306,547	3,166,651	34,773	1.05	174,669	5.52
Preferred	1,530	1,530	3,091	---	--	-1,561	-50.50
Total	3,342,850	3,308,077	3,169,742	34,773	1.05	173,108	5.46
Surplus	5,446,143	5,250,859	5,062,084	195,284	3.72	384,059	7.59
Undivided profits	2,030,052	2,201,129	1,814,637	-171,077	-7.77	215,415	11.87
Reserves	279,293	249,388	255,654	29,905	11.99	23,639	9.25
Total surplus, profits and reserves	7,755,488	7,701,376	7,132,375	54,112	.70	623,113	8.74
Total capital accounts	11,098,338	11,009,453	10,302,117	88,885	.81	796,221	7.73
Total liabilities and capital accounts	139,260,867	133,240,337	132,636,113	6,020,530	4.52	6,624,754	4.99

RATIOS:	Percent	Percent	Percent
U.S.Gov't securities to total assets	23.49	22.97	23.95
Loans & discounts to total assets	45.74	47.39	45.21
Capital accounts to total deposits	8.89	9.33	8.61

NOTE: Minus sign denotes decrease.

FOR IMMEDIATE RELEASE

April 3, 1961

BREAKDOWN OF FINAL REPORTS OF SUBSCRIPTIONS TO MARCH ADVANCE REFUNDING

The Treasury Department announced today the results of the current advance refunding offer of:

3-3/8% Treasury Bonds of 1966, due November 15, 1966, in exchange for 2-1/2% Treasury Bonds of 1963, due August 15, 1963; and

3-5/8% Treasury Bonds of 1967, due November 15, 1967, in exchange for 2-1/4% Treasury Bonds of 1959-62, due June 15, 1962; 2-1/4% Treasury Bonds of 1959-62, due December 15, 1962; and 2-5/8% Treasury Notes of Series A-1963, due February 15, 1963.

Subscriptions, all of which were allotted in full, were divided among the several Federal Reserve Districts and the Treasury as follows:

FEDERAL RESERVE DISTRICT	3-3/8% BONDS OF 1966	3-5/8% BONDS OF 1967
Boston	$ 69,184,000	$ 128,881,500
New York	777,602,000	1,231,668,500
Philadelphia	126,402,000	124,019,500
Cleveland	193,776,500	171,900,000
Richmond	54,662,500	88,722,500
Atlanta	79,435,500	112,840,500
Chicago	488,676,000	547,691,000
St. Louis	108,574,500	125,941,500
Minneapolis	76,302,500	76,309,500
Kansas City	121,100,000	123,025,000
Dallas	130,458,000	140,265,500
San Francisco	165,906,000	182,507,500
Treasury	10,765,500	11,709,500
Govt. Inv. Accts. and Federal Reserve Banks	38,989,500	540,039,000
Totals	$2,441,834,500	$3,605,521,000

Total subscriptions amount to $6,047 million as compared to $6,017 million of subscriptions reported in the preliminary announcement of March 24.

TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR IMMEDIATE RELEASE

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Atlanta	79,435,500	112,840,500
Chicago	488,676,000	547,691,000
St. Louis	108,574,500	125,941,500
Minneapolis	76,302,500	76,309,500
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Total subscriptions amount to $6,047 million as compared to $6,017 million of subscriptions reported in the preliminary announcement of March 24.

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April 3, 1961.

FOR RELEASE A. M. NEWSPAPERS, Tuesday, April 4, 1961.

RESULTS OF TREASURY'S WEEKLY BILL OFFERING

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated January 5, 19[illegible] and the other series to be dated April 6, 1961, which were offered on March 29, were opened at the Federal Reserve Banks on April 3. Tenders were invited for $1,100,000,[illegible] or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 182-day bills The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing July 6, 1961		182-day Treasury bills maturing October 5, 1961	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.384	2.437%	98.666 a/	2.639%
Low	99.371	2.488%	98.650	2.670%
Average	99.376	2.470% 1/	98.656	2.658% 1/

a/ Excepting two tenders totaling $565,000
73 percent of the amount of 91-day bills bid for at the low price was accepted
16 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
Boston	$ 24,234,000	$ 13,694,000	$ 1,747,000	$ 1,747,000
New York	1,436,869,000	742,403,000	897,160,000	418,560,000
Philadelphia	22,079,000	7,079,000	8,347,000	1,063,000
Cleveland	28,410,000	28,410,000	14,604,000	9,604,000
Richmond	8,535,000	8,535,000	748,000	748,000
Atlanta	21,609,000	20,001,000	6,013,000	4,868,000
Chicago	214,955,000	158,145,000	66,056,000	32,238,000
St. Louis	19,743,000	18,743,000	5,424,000	4,964,000
Minneapolis	11,573,000	8,303,000	4,683,000	2,183,000
Kansas City	32,992,000	20,492,000	12,671,000	4,735,000
Dallas	9,868,000	9,868,000	2,977,000	2,977,000
San Francisco	84,985,000	64,433,000	27,716,000	16,448,000
TOTALS	$1,915,852,000	$1,100,106,000 b/	$1,048,146,000	$500,135,000 c/

b/ Includes $176,841,000 noncompetitive tenders accepted at the average price of 99.37[illegible]
c/ Includes $37,151,000 noncompetitive tenders accepted at the average price of 98.656
1/ On a coupon issue of the same length and for the same amount invested, the return [illegible] these bills would provide yields of 2.52%, for the 91-day bills, and 2.73%, for th[illegible] 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannua[illegible] compounding if more than one coupon period is involved.

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TREASURY DEPARTMENT

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WASHINGTON, D.C.

April 3, 1961.

FOR RELEASE A. M. NEWSPAPERS, Tuesday, April 4, 1961.

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a/ Excepting two tenders totaling $565,000
73 percent of the amount of 91-day bills bid for at the low price was accepted
16 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
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New York	1,436,869,000	742,403,000	897,160,000	418,560,000
Philadelphia	22,079,000	7,079,000	8,347,000	1,063,000
Cleveland	28,410,000	28,410,000	14,604,000	9,604,000
Richmond	8,535,000	8,535,000	748,000	748,000
Atlanta	21,609,000	20,001,000	6,013,000	4,868,000
Chicago	214,955,000	158,145,000	66,056,000	32,238,000
St. Louis	19,743,000	18,743,000	5,424,000	4,964,000
Minneapolis	11,573,000	8,303,000	4,683,000	2,183,000
Kansas City	32,992,000	20,492,000	12,671,000	4,735,000
Dallas	9,868,000	9,868,000	2,977,000	2,977,000
San Francisco	84,985,000	64,433,000	27,716,000	16,448,000
TOTALS	$1,915,852,000	$1,100,106,000 b/	$1,048,146,000	$500,135,000 c/

/ Includes $176,841,000 noncompetitive tenders accepted at the average price of 99.376
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The Under Secretary cited developments in the automotive competition between United States and foreign cars, at home and in export markets, as an example of the interacting benefits of competition. He asserted that new United States policies to preserve the strength of the dollar and strengthen the economies of the Free World without a resort to protectionism, deserved the cooperative support of other nations.

He welcomed the visit of Prime Minister Harold Macmillan to confer with President Kennedy as an opportunity for the United States and Great Britain to concert their efforts and influence for a dynamic Atlantic economic community, with far-reaching benefits throughout the Free World.

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April 4, 1961

FOR IMMEDIATE RELEASE
AFTER 12:00 NOON, APRIL 4, 1961.

FUTURE HOLDS PROMISE FOR BUSINESS IN
FREE WORLD, TREASURY OFFICIAL SAYS

Under Secretary of the Treasury Henry H. Fowler today said that businessmen throughout the Free World have a vital stake in programs advanced by President Kennedy to strengthen the Atlantic economic community and provide more effective aid to the newly developing areas of Asia, Africa and Latin America.

He told members of the British Automobile Manufacturers Associatio attending the New York Automobile Show, at a luncheon meeting at the Plaza Hotel in New York:

"The future holds great promise for all within the structure of the Free World if programs advanced by President Kennedy are fully supported."

Under Secretary Fowler called attention to three new or improved Kennedy programs for:

1. Stimulating economic recovery and growth in the United States.

2. Harmonizing the financial and economic policies of the industrialized nations of the Free World to achieve greater growth and stability through the new Organization for Economic Cooperation and Development and related institutions.

3. Coordinating increased development assistance to the emerging economies of Asia, Africa and Latin America by a cooperative Free World effort, based upon national development programs forged by the developing countries themselves.

Concerning the role and stake of all Free World businessmen in these programs, Under Secretary Fowler said:

"Responsive action by businessmen to the Kennedy programs and complimentary ones in other nations of the Free World will be a decisive element in their achievement. By supporting them, businessmer will help create a climate for developing markets and new opportunities By participating in the economic processes that are made possible by these programs, businessmen can contribute to progress as well as profit."

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(TREASURY INFORMATION SERVICE LETTERHEAD)

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April 4, 1961

FOR IMMEDIATE RELEASE UPON DELIVERY
EXPECTED ABOUT NOON, APRIL 4, 1961.

Future Holds Promise for Business in Free World, Treasury Official Says

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TREASURY DEPARTMENT

WASHINGTON, D.C.

April 4, 1961

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Under Secretary Fowler called attention to three new or improved Kennedy programs for:

1. Stimulating economic recovery and growth in the United States.

2. Harmonizing the financial and economic policies of the industrialized nations of the Free World to achieve greater growth and stability through the new Organization for Economic Cooperation and Development and related institutions.

3. Coordinating increased development assistance to the emerging economies of Asia, Africa and Latin America by a cooperative Free World effort, based upon national development programs forged by the developing countries themselves.

Concerning the role and stake of all Free World businessmen in these programs, Under Secretary Fowler said:

"Responsive action by businessmen to the Kennedy programs and complimentary ones in other nations of the Free World will be a decisive element in their achievement. By supporting them, businessmen will help create a climate for developing markets and new opportunities. By participating in the economic processes that are made possible by these programs, businessmen can contribute to progress as well as profit."

The Under Secretary cited developments in the automotive competition between United States and foreign cars, at home and in export markets, as an example of the interacting benefits of competition. He asserted that new United States policies to preserve the strength of the dollar and strengthen the economies of the Free World without a resort to protectionism, deserved the cooperative support of other nations.

He welcomed the visit of Prime Minister Harold Macmillan to confer with President Kennedy as an opportunity for the United States and Great Britain to concert their efforts and influence for a dynamic Atlantic economic community, with far-reaching benefits throughout the Free World.

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~~Proposed photo caption~~

[redacted]

Treasury Secretary Douglas Dillon welcomes Dr. Samuel Z. Westerfield, Jr., [redacted] Dean of the School of Business Administration of Atlanta University, to the

DEPARTMENT.

Treasury [redacted] On June 1, Dr. Westerfield will become Associate Director of the Debt Analysis Staff of the Treasury. Until then he will serve as a

TO THE SECRETARY

[redacted] consultant on domestic and international monetary affairs.

from Dunbar High School. He was the recipient of an Anson Phelps Stokes Scholarship and of fellowships from the Rosenwald Foundation and the Social Science Research Council in the years from 1940 to 1944.

Dr. Westerfield was married to Helene Bryant in 1946. They have two children, Samuel III, aged 14, and Sheila Helene,9~~8~~.

oOo

OF ECONOMICS

Dr. Westerfield has been an instructor and professor of economics at Howard University, West Virginia State College, Lincoln University, and Atlanta University, as well as guest Lecturer at University College, Addis Ababa, Ethiopia, and University College, Ibadan, Nigeria. In 1959-1960 he was visiting professor at the Graduate School of Business Administration of Harvard University.

Dr. Westerfield has also served as an economist during summer recesses, with the Bureau of Labor Statistics of the U. S. Department of Labor, the TVA, and the War Labor Board ~~and the United Automobile Workers Union~~. He is a member of the Board of Directors of the Atlanta Urban League, Chairman of the Research Committee of the National Business League, ~~and~~ and former Treasurer of the All-Citizens Registration Committee.

Born in Chicago, Illinois, November 15, 1919, Dr. Westerfield received his early education in Washington, D. C. where he graduated

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Draft - 4/4/61

For Release:

Dr. Samuel Westerfield, Atlanta University Dean,
to Become Treasury Department Adviser

Treasury Secretary Douglas Dillon today announced that he has named Dr. Samuel Z. Westerfield, Jr., Dean of the School of Business Administration at Atlanta University, as a consultant on domestic and international monetary affairs.

Dr. Westerfield will join the Treasury staff ~~after~~ FOLLOWING the close of the academic year on June 1 as Associate Director of the Debt Analysis Staff in the Office of the Secretary of the Treasury.

Dr. Westerfield has been Dean of the School of Business Administration and Professor of Economics at Atlanta University, Atlanta, Georgia, since 1952. He received his Ph.D. from Harvard University in 1950 and his Master's degree a year earlier from the same University. In 1939 he was awarded an A.B., Magna Cum Laude from Howard University in Washington, D. C.

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"The Treasury is fortunate in obtaining the services of Dr. Westerfield. As one of the nation's leading economists, Dr. Westerfield will be extremely helpful ~~to the Treasury~~ in ~~its~~ the formulation of both domestic and international financial policy."

FOR RELEASE: [redacted] AM's, Thursday,
April 6, 1961

[redacted]

DR. SAMUEL WESTERFIELD, ATLANTA UNIVERSITY DEAN,
NAMED TO KEY POST IN TREASURY DEPARTMENT

Treasury Secretary Douglas Dillon today announced [redacted] that Dr. Samuel Z. Westerfield, Jr., Dean of the School of Business Administration at Atlanta University, will join the Treasury staff on June 1 as Associate~~d~~ Director of the Debt Analysis Staff in the Office of the Secretary.

Until he takes over his new [redacted] POST at the close of the current academic year, Dr. Westerfiedl will act as a consultant to the Secretary on domestic and international monetary affairs.

In announcing the appointment, Mr. D...

~~"The Tkkkkkkkk Treasury is fortunate in obtaining the services of Dr. Westerfield, wkgkkkgkgkgkgkgkgkgkgkkkgkgkgkkkkgkgkgkgkk wgkgkgkgkgkgkk who is certainly one of the outstanding nation's economists in lbhlhbhlhl our country.lllllll~~

TREASURY DEPARTMENT

WASHINGTON, D.C.

April 4, 1961

FOR RELEASE A.M. NEWSPAPERS,
THURSDAY, APRIL 6, 1961.

DR. SAMUEL WESTERFIELD, ATLANTA UNIVERSITY DEAN,
NAMED TO KEY POST IN TREASURY DEPARTMENT

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Until he takes over his new post at the close of the current academic year, Dr. Westerfield will act as a consultant to the Secretary on domestic and international monetary affairs.

In announcing the appointment, Mr. Dillon said: "The Treasury is fortunate in obtaining the services of Dr. Westerfield. As one of the Nation's leading economists, Dr. Westerfield will be extremely helpful in the formulation of both domestic and international financial policy."

Dr. Westerfield has been Dean of the School of Business Administration and Professor of Economics at Atlanta University, Atlanta, Georgia, since 1952. He received his Ph.D. from Harvard University in 1950 and his Master's degree a year earlier from the same University. In 1939 he was awarded an A.B., Magna Cum Laude from Howard University in Washington, D. C.

Dr. Westerfield has been an instructor of economics at Howard University, and a professor of economics at West Virginia State College, Lincoln University, and Atlanta University, as well as guest Lecturer at University College, Addis Ababa, Ethiopia, and University College, Ibadan, Nigeria. In 1959-1960 he was visiting professor at the Graduate School of Business Administration of Harvard University.

Dr. Westerfield has also served as an economist during summer recesses, with the Bureau of Labor Statistics of the U.S. Department of Labor, the TVA, and the War Labor Board. He is a member of the Board of Directors of the Atlanta Urban League, Chairman of the Research Committee of the National Business League, and former Treasurer of the All-Citizens Registration Committee.

Born in Chicago, Illinois, November 15, 1919, Dr. Westerfield received his early education in Washington, D. C. where he graduated from Dunbar High School. He was the recipient of an Anson Phelps Stokes Scholarship and of fellowships from the Rosenwald Foundation and the Social Science Research Council in the years from 1940 to 1944.

Dr. Westerfield was married to Helene Bryant in 1946. They have two children, Samuel III, aged 14, and Sheila Helene, 9.

oOo

from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated January 12, 1961, (91 days remaining until maturity date on July 13, 1961) and noncompetitive tenders for $100,000 or less for the 183 -day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on April 13, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 13, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE

April 5, 1961

TREASURY'S WEEKLY BILL OFFERING

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $1,600,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing April 13, 1961, in the amount of $ 1,500,921,000, as follows:

91 -day bills (to maturity date) to be issued April 13, 1961, in the amount of $1,100,000,000, or thereabouts, representing an additional amount of bills dated January 12, 1961, and to mature July 13, 1961, originally issued in the amount of $500,112,000, the additional and original bills to be freely interchangeable.

183 -day bills, for $500,000,000, or thereabouts, to be dated April 13, 1961, and to mature October 13, 1961.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amoun will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturit value).

Tenders will be received at Federal Reserve Banks and Branches up to the closin hour, one-thirty o'clock p.m., Eastern Standard time, Monday, April 10, 1961. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

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TREASURY DEPARTMENT

WASHINGTON, D.C.

April 5, 1961

FOR IMMEDIATE RELEASE

TREASURY'S WEEKLY BILL OFFERING

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $1,600,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing April 13, 1961, in the amount of $1,500,921,000, as follows:

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Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

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Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Departmment of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated January 12, 1961, (91 days remaining until maturity date on July 13, 1961) and noncompetitive tenders for $100,000 or less for the 183-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on April 13, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 13, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

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April 5, 1961

IMMEDIATE RELEASE

TREASURY DECISION ON PORTLAND CEMENT
UNDER ANTIDUMPING ACT

The Treasury Department has determined that Portland cement, other than white, nonstaining Portland cement, from West Germany is not being, nor likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act. Notice of the finding will be published in the Federal Register.

Appraising officers are being instructed to proceed with the appraisement of this merchandise from West Germany without regard to any question of dumping.

The dollar value of imports of the involved merchandise received during 1959 was approximately $1,225,000.

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Mr. Sagalyn is married to the former Louise Edelman London, of New York City. They have three children and reside in Alexandria, Virginia.

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He helped reorganize that city's police department and participated in major criminal and racketeering investigations. He came to Washington in 1942 to help organize a nation-wide law enforcement program against prostitution for the Office of Defense Health and Welfare Services. Later, as an aide to the Chief of the Public Safety Division of the Office of Military Government in Germany, Mr. Sagalyn helped direct the reorganization of the German police system and the administration of the Denazification program.

Born in Springfield, Mass. in 1918, Mr. Sagalyn was graduated from Oberlin College and the Graduate Institute of International Studies at Geneva, Switzerland. He enlisted as a private during World War II and rose to the rank of Captain in the Infantry, winning four battle stars for service in the European Theatre of Operations. He has worked on the staff of the "New York Times" and "Life" Magazine. Since 1957, he has been Assistant Publisher of the "Northern Virginia Sun."

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April 5, 1961

FOR RELEASE: P.M. NEWSPAPERS
THURSDAY, APRIL 6, 1961

ARNOLD SAGALYN NAMED DIRECTOR OF
TREASURY LAW ENFORCEMENT COORDINATION

Arnold Sagalyn, former Assistant Publisher of the "Northern Virginia Sun", was today appointed Director of Treasury's Office of Law Enforcement Coordination by Secretary Douglas Dillon. Mr. Sagalyn has been associated with law enforcement since 1939.

Mr. Sagalyn will advise the Secretary on law enforcement policy and coordinate the operations of Treasury's enforcement agencies. These include the U.S. Secret Service, the Bureau of Narcotics, the Investigations and Enforcement Division of the Bureau of Customs Intelligence, Inspection, and Alcohol and Tobacco Tax Divisions of the Internal Revenue Service, and the Intelligence Division of the U.S. Coast Guard.

Mr. Sagalyn's background includes service in Cleveland, Ohio, where he was special assistant to the Director of Public Safety.

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April 5, 1961

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CONGRESSIONAL ADVISERS

J. W. Fulbright, United States Senate
Chairman, Committee on Foreign Relations
Bourke B. Hickenlooper, United States Senate
Member Committee on Foreign Relations
Clarence E. Kilburn, United States House of Representatives
Member Committee on Banking and Currency
Albert Rains, United States House of Representatives
Member Committee on Banking and Currency

ASSISTANT: Pat M. Holt, Consultant to the Senate Foreign Relations Committee, United States Senate

SENIOR ADVISERS

John M. Cabot, American Ambassador to Brazil
Lincoln Gordon, Consultant, President's Task Force on Latin America, Department of State
Robert H. Knight, General Counsel, Treasury Department
Harold F. Linder, President, Export-Import Bank of Washington

ADVISERS

Dixon Donnelley, Assistant to the Secretary of the Treasury for Public Affairs
Theodore L. Eliot, Special Assistant to the Secretary of the Treasury
Charles R. Harley, Chief, Latin American Division, Office of International Division, Treasury Department
Ralph V. Korp, Office of International Finance, Treasury Dept.
Herbert K. May, Treasury Attache, American Embassy, Rio de Janeiro
Edwin C. Rendall, Economic Development Division, Department of State
Alexander M. Rosenson, Deputy Director, Office of Inter-American Regional Affairs, Department of Stat
Leonard J. Saccio, Minister, Counselor for Economic Affairs American Embassy, Rio de Janeiro
Norman M. Ward, Chief, Program Office, Office of Latin America Operations, International Cooperation Administration.

The President, who regards the Bank as a major instrument for accelerating economic development and social advancement in the Americas, has proposed to the Congress that the new institution administer $394 of the $500 million requested for the Inter-American Fund for Social Progress.

The Bank WOULD apply most of these funds on a loan basis with flexible terms, including low interest rates or repayment in local currency. The Bank's major fields of social development activity WOULD be land settlement and improved land use, housing, water supply and sanitation. It WOULD also provide technical assistance related to THESE PROJECTS AND TO the mobilization of domestic resources.

Members of the U. S. Delegation to the Rio meeting include:

GOVERNOR

Douglas Dillon, Secretary of the Treasury

TEMPORARY ALTERNATE GOVERNORS

John M. Leddy, Assistant Secretary of the Treasury
Edwin M. Martin, Assistant Secretary of State for Economic Affairs
Robert Cutler, United States Executive Director, Inter-American Development Bank

IMMEDIATE

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FOR RELEASE:

DILLON LEAVING FRIDAY TO HEAD U. S. DELEGATION TO INTER-AMERICAN BANK MEETING IN BRAZIL

Treasury Secretary Douglas Dillon will leave Washington Friday for Rio de Janeiro, Brazil, where he will head the United States delegation to the Second Meeting of the Board of Governors of the Inter-American Development Bank, from April 10-14.

The delegation will include key members of the Congress and ranking officials of the Departments of State and Treasury, the Export-Import Bank, and the International Cooperation Administration.

The Rio meeting of the Board of Governors -- on which the United States and the Bank's nineteen Latin American member nations are represented -- will provide an opportunity to review the Bank's policies and operations during the year since it was organized last February in San Salvador, El Salvador.

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Chairman, Committee on Foreign Relations
Bourke B. Hickenlooper, United States Senate
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Clarence E. Kilburn, United States House of Representatives
Member Committee on Banking and Currency
Albert Rains, United States House of Representatives
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Treasury Department Circular No. 418, Revised, and this notice, prescribe th terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

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face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $ 400,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on April 17, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 15, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE

April 6, 1961

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TREASURY TO REFUND $2 BILLION OF ONE-YEAR BILLS

The Treasury Department, by this public notice, invites tenders for $2,000,000,000, or thereabouts, of 365 -day Treasury bills, for cash and in exchange for Treasury bills maturing April 15, 1961, in the amount of $2,000,780,000, to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be dated April 15, 1961, and will mature April 15, 1962, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Standard time, Wednesday, April 12, 1961. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. (Notwithstanding the fact that these bills will run for 365 days, the discount rate will be computed on a bank discount basis of 360 days, as is currently the practice on all issues of Treasury bills.) It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the

TREASURY DEPARTMENT

WASHINGTON, D.C.

April 6, 1961

FOR IMMEDIATE RELEASE

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Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Standard time, Wednesday, April 12, 1961. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. (Notwithstanding the fact that these bills will run for 365 days, the discount rate will be computed on a bank discount basis of 360 days, as is currently the practice on all issues of Treasury bills.) It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $400,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on April 17, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 15, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

April 10, 1961

FOR RELEASE A. M. NEWSPAPERS, Tuesday, April 11, 1961.

RESULTS OF TREASURY'S WEEKLY BILL OFFERING

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated January 12, 1961 and the other series to be dated April 13, 1961, which were offered on April 5, were opened at the Federal Reserve Banks on April 10. Tenders were invited for $1,100,000,000 or thereabouts, of 91-day bills and for $500,000,000, or thereabouts, of 183-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing July 13, 1961		183-day Treasury bills maturing October 13, 1961	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.410	2.334%	98.708	2.542%
Low	99.399	2.378%	98.698	2.561%
Average	99.403	2.360% 1/	98.701	2.556% 1/

30 percent of the amount of 91-day bills bid for at the low price was accepted
41 percent of the amount of 183-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
Boston	$ 28,276,000	$ 13,576,000	$ 5,430,000	$ 4,130,000
New York	1,447,184,000	703,524,000	926,736,000	400,104,000
Philadelphia	31,450,000	16,450,000	6,835,000	1,776,000
Cleveland	32,415,000	32,415,000	19,903,000	16,940,000
Richmond	14,948,000	14,009,000	5,881,000	1,681,000
Atlanta	26,481,000	24,081,000	5,193,000	3,943,000
Chicago	213,802,000	126,902,000	87,791,000	41,341,000
St. Louis	26,652,000	24,800,000	4,772,000	3,677,000
Minneapolis	20,129,000	15,179,000	4,569,000	1,469,000
Kansas City	41,445,000	41,445,000	14,308,000	5,018,000
Dallas	23,916,000	18,916,000	9,082,000	4,507,000
San Francisco	92,836,000	68,936,000	27,515,000	15,460,000
TOTALS	$1,999,534,000	$1,100,233,000 a/	$1,118,015,000	$500,046,000 b/

a/ Includes $231,959,000 noncompetitive tenders accepted at the average price of 99.403
b/ Includes $49,363,000 noncompetitive tenders accepted at the average price of 98.701
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.41%, for the 91-day bills, and 2.63%, for the 183-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

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HAVE PARTICIPATED WITH THE BANK IN ITS OPERATIONS. THIS, TOO, IS SOMETHING OF A RECORD FOR AN INTERNATIONAL BANK STILL IN ITS INFANCY. THE BANK HAS ALSO MOVED QUICKLY INTO AREAS WHERE ECONOMIC FRUSTRATION HAS RETARDED THE MARCH OF PROGRESS. IT HAS FACED UP TO HARD PROBLEMS. LOANS TO BREAK THE GRIP OF STAGNATION HAVE BEEN EXTENDED TO BOLIVIA, HAITI, PARAGUAY, AND TO THE NORTHEAST REGION OF OUR HOST COUNTRY, BRAZIL. THERE IS A QUALITY IN THE BANK'S GROWTH WHICH HAS A SPECIAL SIGNIFICANCE -- THE PERVADING SPIRIT OF UNANIMITY AND BROTHERHOOD IN WHAT THE BANK DOES~~S~~ AFTER THOROUGHGOING EXAMINATION AND DISCUSSION OF COMPLEX ISSUES, THE MANAGEMENT AND DIRECTORS HAVE NOT ONCE FAILED TO ARRIVE AT A DECISION WHICH ALL COULD CONSIDER A WISE AND FORWARD STEP.

THIS IS A HAPPY AUGURY FOR THE FUTURE SUCCESS OF OUR ALLIANCE FOR PROGRESS. EARLIER IN MY REMARKS, I SAID THAT WE OF THE UNITED STATES DO NOT ACCEPT ECONOMIC STAGNATION AS A TOLERABLE CONDITION FOR THE AMERICAS. WE REGARD BOTH ECONOMIC STAGNATION AND SOCIAL INJUSTICE AS TOTALLY INTOLERABLE. TO US, THEREFORE, ECONOMIC AND SOCIAL PROGRESS IN THE HEMISPHERE IS NOT MERELY A DREAM IT IS AN ESSENTIAL STEP IN THE ATTAINMENT OF THE POSSIBLE. WE HAVE THE ESSENTIAL INSTRUMENTS IN OUR GRASP. LET US HERE RESOLVE TO USE THEM WISELY AND WELL.

ITEM

GOAL WHICH WE ARE HAPPY TO NOTE IS WELL ON ITS WAY TO FULFILLMENT UNDER THE ABLE LEADERSHIP OF SR. JORGÉ SOL. THE INTER-AMERICAN BANK IS DESTINED TO PLAY A VITAL ROLE IN BOTH THE ECONOMIC AND SOCIAL DEVELOPMENT SECTORS OF THIS GREAT NEW EFFORT, NOT ONLY AS A LENDER OF FUNDS, BUT ALSO AS A PROVIDER OF TECHNICAL ASSISTANCE, AS A POLICY COORDINATOR WITH OTHER INTERNATIONAL AGENCIES, AND AS A SOURCE OF INFORMATION AND ASSISTANCE TO THE UNITED STATES IN THE OPERATION OF ITS FOREIGN AID PROGRAMS. 285

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THE INTER-AMERICAN BANK HAS BEEN CHOSEN BY OUR GOVERNMENTS TO CARRY THE PRINCIPAL RESPONSIBILITY FOR ADMINISTERING THE FUND FOR SOCIAL DEVELOPMENT. WE BELIEVE IN THE MULTILATERAL, COOPERATIVE CONCEPT WHICH INSPIRED ITS ORGANIZATION. THE DISTINGUISHED PRESIDENT OF THE BANK, FELIPE HERRERA, WHOSE ELOQUENT SPEECH WE HAVE JUST HEARD, WAS IDEALLY CHOSEN TO DIRECT THE BANK'S EFFORTS IN FULFILLING THIS RESPONSBILITY. HE, TOGETHER WITH THE EXECUTIVE DIRECTORS AND THE PROFESSIONAL STAFF, ARE MEN OF BROAD EXPERIENCE, INTELLECTUAL STAMINA, OBJECTIVITY, AND PERSONAL INTEGRITY -- MEN WELL DESERVING OF THE TRUST REPOSED IN THEM.

OUR TRUST HAS BEEN SUSTAINED BY THE BANK'S PERFORMANCE. IN THE SHORT PERIOD OF ITS EXISTENCE THE BANK HAS ALREADY APPROVED 50 MILLION DOLLARS IN LOANS TO PRIVATE AND PUBLIC ENTERPRISES IN EIGHT LATIN AMERICAN COUNTRIES: SIX LOANS FOR $23,750,000 FROM ITS ORDINARY CAPITAL RESOURCES, AND FOUR LOANS FOR $26,500,000 FROM ITS FUNDS FOR SPECIAL OPERATIONS. IT HAS ALSO PROVIDED TECHNICAL ASSISTANCE TO SEVERAL COUNTRIES ~~COUNTRIES~~ THROUGH ITS WIDERANGING MISSIONS. ITS RECORD OF ACCOMPLISHMENT IS OUTSTANDING. IT HAS GIVEN HIGH PRIORITY TO PROVIDING URGENTLY NEEDED FUNDS FOR THE ECONOMIC DEVELOPMENT OF SMALL AND MIDDLE-SIZE PRIVATE ENTERPRISES. TWO OF ITS LOANS MET A NEED WHICH IS BASIC IN MANY LATIN AMERICAN COUNTRIES: INCREASED SUPPLIES OF POTABLE WATER AND EXPANDED SANITATION. THESE LOANS PROVIDE GRAPHIC EXAMPLES OF HOW ECONOMIC AND SOCIAL PROGRESS CAN BE COMBINED IN SOUND LOANS.

AS TESTIMONY TO THE SOUNDNESS OF THE BANK'S OPERATIONS FIFTEEN PRIVATE FINANCIAL INSTITUTIONS OF MY COUNTRY

FOR DISCIPLINE AND SACRIFICE. ~~8-6-3~~ THESE BURDENS WILL BEAR MOST HEAVILY UPON THE MORE FAVORED CLASSES OF SOCIETY. GREAT AS THESE SACRIFICES MAY BE, I AM CONFIDENT THAT THEY WILL BE MADE. FOR THE CHALLENGE WHICH THE AMERICAS FACE, IS CLEAR AND UNMISTAKABLE. WE CAN NOT, WE DARE NOT, LET IT GO UNANSWERED. 286

THE VAST EFFORT REQUIRED IN PLANNING, IN SELF-HELP, AND IN THE CHANELLING OF EXTERNAL RESOURCES INTO DEVELOPMENT, MAKES IT MANDATORY THAT WE MAKE FULL USE OF OUR INTER-AMERICAN MACHINERY. THE BANK, Inter-American Economic and Social Council, and Economic Commis[sion] for Latin Ameri[ca] IA-ECOSOC AND ECLA; EACH MUST PLAY ITS PART. AN EXCELLENT BEGINNING HAS ALREADY BEEN MADE WITH THE CREATION OF THE NEW COMMITTEE ON COOPERATION BY OUR PRESIDENT, SENOR FELIPE HERRERA, AND HIS COLLEAGUES, DR. RAUL PREBISH OF ECLA, AND DR. JOSE MORA OF THE OAS.

THE OPPORTUNITY TO ORGANIZE IN CONCRETE TERMS, THE NEW SUBSTANTIVE PROGRAMS ENVISAGED IN THE ALLIANCE FOR PROGRESS, WILL BE PROVIDED BY THE FORTHCOMING SPECIAL MINISTERIAL MEETING OF IA-ECOSOC. THE UNITED STATES WILL HAVE SPECIFIC SUGGESTIONS TO PRESENT AT THAT MEETING, AND WE WILL WARMLY WELCOME THE SUGGESTIONS OF OTHERS.

MEANWHILE, I SHOULD LIKE TO OUTLINE SOME OF OUR THINKING: IT MAY, FOR EXAMPLE, BE DESIRABLE TO MAKE USE OF A LIMITED NUMBER OF SPECIAL WORKING GROUPS IN AREAS WHERE INDIVIDUAL COUNTRY EXPERIENCE CAN BE BENEFICALLY EXCHANGED, OR WHERE MULTILATERAL CONSULTATIONS MAY BE NEEDED, AS IN THE FORMULATION OF METHODS FOR EMPLOYING SURPLUS FOOD IN SOCIAL DEVELOPMENT PROJECTS.

WE ATTACH GREAT IMPORTANCE TO THE ANNUAL REVIEW OF ECONOMIC AND SOCIAL PROBLEMS AND PROGRESS AS ENVISAGED BY THE ACT OF BOGOTA. THESE REVIEWS SHOULD PROVIDE BOTH A CONTINUING SENSE OF DIRECTION AND A STIMULUS FOR EVEN GREATER EFFORTS. THE ALL IMPORTANT THING IS THAT THERE BE CONTINUOUS AND PRODUCTIVE WORK FROM WHICH THE MEMBER NATIONS CAN REALLY BENEFIT. SURVEYS AND REPORTS SERVE NO USEFUL PURPOSE UNLESS THEY PRODUCE CONCRETE RESULTS.

WE ARE ALSO CONVINCED THAT THE STAFF OF IA-ECOSOC MUST BE BUILT INTO AN OUTSTANDINGLY COMPETeNT AND CREATIVE SECRETARIAT -- A

WILL STRIVE TO BRING THIS ABOUT. WE DO NOT FORESEE ANY DIFFICULTY, FOR I UNDERSTAND THAT MR. THORKIL KRISTENSEN, THE DISTINGUISHED EUROPEAN STATESMAN, WHO WILL BE THE SECRETARY GENERAL OF THE OECD, SHARES THIS VIEW. (6) 287

I HAVE SPOKEN OF THE NEED FOR SELF-HELP AND EFFECTIVE NATIONAL PLANNING IN CARRYING FORWARD THE ALLIANCE FOR PROGRESS. THE PHRASE "SELF-HELP" SHOULD NOT BE INTERPRETED TO MEAN CONDITIONS IMPOSED UPON A COUNTRY AS THE PRICE OF EXTERNAL ASSISTANCE. QUITE THE CONTRARY. SELF-HELP IS THE KEY TO THE ENTIRE DEVELOPMENT PROCESS. WITHOUT IT, OUTSIDE ASSISTANCE WOULD BE TOTALLY INEFFECTIVE. THE GREAT BULK OF RESOURCES FOR DEVELOPMENT, HUMAN AND MATERIAL, MUST COME FROM WITHIN THE DEVELOPING COUNTRIES. EXTERNAL ASSISTANCE CAN BE A CRITICALLY IMPORTANT SUPPLEMENT TO THEIR OWN EFFORTS. BUT IT CAN BE EFFECTIVE ONLY WHEN THE DEVELOPING COUNTRIES MAKE FULL USE OF THEIR OWN RESOURCES ON THEIR OWN BEHALF. IT IS FOR THIS REASON THAT LONG-RANGE PLANNING AND PROGRAMMING FOR ECONOMIC AND SOCIAL DEVELOPMENT ARE SO IMPORTANT TO THE CONCEPT OF THE ALLIANCE FOR PROGRESS.

AS WE SEE IT, DEVELOPMENT PLANNING DOES NOT IMPLY REGIMENTATION OF ECONOMIES THROUGH GOVERNMENTAL CONTROLS. IT DOES MEAN CONSISTENT PROGRAMMING OF PUBLIC INVESTMENT AIMED AT BROAD DEVELOPMENT TARGETS -- PROGRAMMING SUPPLEMENTED BY ECONOMIC AND SOCIAL POLICIES DESIGNED TO ACTIVATE A NATION'S ENERGIES AND RESOURCES, INCLUDING THE INDISPENSABLE PRIVATE SECTOR. IT MEANS GOOD MONETARY MANAGEMENT. IT MEANS THE MOBILIZATION OF EACH COUNTRY'S RESOURCES IN A MANNER BEST CALCULATED TO BRING INTO THE COMMON ENDEAVOR THE SAVINGS AND EARNINGS OF ALL THE PEOPLE. IT MEANS THE ENCOURAGEMENT OF PRIVATE ENTERPRISE THROUGH TAX AND OTHER POLICIES. IT MEANS THE BUILDING OF ROADS AND DAMS. IT MEANS THE EXTENSION OF MARKETING, DISTRIBUTION AND BANKING SYSTEMS. IT MEANS THE OPENING UP OF AGRICULTURAL LANDS AND THE REFORMATION OF OUTDATED SYSTEMS OF LAND TENURE.

LET US NOT DECEIVE OURSELVES. THE ADOPTION AND EXECUTION OF WELL-PLANNED PROGRAMS BASED UPON SELF-HELP WILL CALL

ABOVE THE PRESENT FLOW OF PUBLIC AND PRIVATE CAPITAL, TO BASIC ECONOMIC DEVELOPMENT AS A PART OF THE ALLIANCE FOR PROGRESS. PRESIDENT KENNEDY HAS SUBMITTED TO THE CONGRESS A NEW OVERALL PROGRAM OF FOREIGN ECONOMIC ASSISTANCE TO ASSURE THE AVAILABILITY OF UNITED STATES PUBLIC CAPITAL FOR THESE PURPOSES IN LATIN AMERICA AS WELL AS IN OTHER DEVELOPING COUNTRIES. THIS ASSISTANCE WILL BE AVAILABLE, ON A LONG RANGE BASIS, BOTH FOR SPECIFIC PROJECTS AND FOR ~~FOR~~ GENERAL ECONOMIC SUPPORT OF WELL-CONCEIVED DEVELOPMENT PROGRAMS. TERMS OF REPAYMENT ARE TO BE ADJUSTED TO NATIONAL ABILITY TO REPAY, AND WILL INCLUDE THE USE OF

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LONG-TERM, INTEREST-FREE LOANS. WE ALSO HOPE THAT THE ALLIANCE FOR PROGRESS WILL LEAD TO AN INCREASE IN DEVELOPMENT ASSISTANCE TO LATIN AMERICA FROM THE OTHER INDUSTRIALIZED COUNTRIES OF THE FREE WORLD. TWO WEEKS AGO, IN LONDON, the Members of the Development Assistance GROUP AGREED UPON A SIGNIFICANT DECLARATION OF POLICY. THEY CALLED FOR AN EXPANSION OF THE AGGREGATE VOLUME OF THE RESOURCES PRESENTLY FLOWING TO THE DEVELOPING COUNTRIES, FOR AID ON AN ASSURED AND CONTINUING BASIS, AND FOR GREATER ASSISTANCE IN THE FORM OF GRANTS AND LOANS ON FAVORABLE TERMS. A LARGER SUPPLY OF EXTERNAL PUBLIC CAPITAL AND ITS MORE SYSTEMATIC APPLICATION FOR DEVELOPMENT PROGRAMS SHOULD BRING ABOUT A GREATER FLOW OF FOREIGN PRIVATE INVESTMENT, PARTICULARLY INVESTMENT IN THE PRODUCTION AND DISTRIBUTION OF GOODS AND SERVICES FOR EXPANDING DOMESTIC MARKETS. WHEN THE NEW ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT IS ESTABLISHED SOMETIME LATER THIS YEAR, THE DEVELOPMENT ASSISTANCE GROUP WILL BECOME A SUBSIDIARY BODY OF THE OECD.

THROUGH THE ORGANIZATION OF AMERICAN STATES, LATIN AMERICA SHOULD HAVE A CLOSE WORKING RELATIONSHIP WITH THE OECD. THE UNITED STATES

INDIVIDUAL, OUR THIRD GOAL, IS IN MANYWAYS THE MOST IMPORTANT. DEVELOPMENT WILL NOT PRODUCE TRUE ECONOMIC PROGRESS IF ITS BENEFITS ARE RESTRICTED TO THE PRIVILEGED FEW AND DENIED TO THE MANY WHO TODAY ARE SADLY UNDER PRIVILEGED. SOCIAL EQUITY FOR THE INDIVIDUAL MUST BE A PRIME TARGET OF OUR ENDEAVOR. OUR SPIRITUAL TRADITIONS DEMAND NO LESS. MOREOVER, PEOPLE ARE THE SINGLE MOST POWERFUL FACTOR IN ECONOMIC DEVELOPMENT. WITHOUT SOCIAL EQUITY FOR THE INDIVIDUAL, DEMOCRACY WILL LANGUISH AND FREE GOVERNMENT WILL DISAPPEAR. THE MOVE 289 RAPIDLY TOWARDS THESE INTER-RELATED GOALS, THE ALLIANCE FOR PROGRESS PROPOSED BY PRESIDENT KENNEDY, CALLS FOR A CONCERTED MAXIMUM EFFORT OVER THE NEXT DECADE. THIS WOULD INVOLVE THE FORMULATION BY EACH LATIN AMERICAN COUNTRY OF ITS OWN LONG-TERM PLANS FOR DEVELOPMENT, AS WELL AS THE ESTABLISHMENT OF SPECIFIC TARGETS AND PRIORITIES. THESE PLANS WOULD NOT ONLY INSPIRE SURGING NATIONAL EFFORTS, THEY WOULD ALSO PROVIDE SOLID FOUNDATIONS FOR THE EFFECTIVE USE OF EXTERNAL ASSISTANCE -- FROM THE INTER-AMERICAN BANK, FROM THE UNITED STATES AND OTHER INDUSTRIALIZED COUNTRIES, AND FROM THE INTERNATIONAL INSTITUTIONS OF THE FREE WORLD.

THE NEW SOCIAL DEVELOPMENT PROGRAM EMBODIED IN THE ACT OF BOGOTA WILL BE AN IMPORTANT PART OF THE ALLIANCE FOR PROGRESS. WE ARE CONFIDENT THAT THIS PROGRAM CAN BE STARTED QUICKLY, WITH THE INTER-AMERICAN BANK TAKING A LEADING ROLE. AS YOU KNOW, PRESIDENT KENNEDY HAS PROPOSED TO OUR CONGRESS THAT, OF THE 500 MILLION DOLARS TO BE PROVIDED AS A FIRST STEP IN IMPLEMENTING SOCIAL DEVELOPMENT UNDER THE ACT OF BOGOTA, 394 MILLION dollars BE ADMINISTERED BY THE BANK AND SIX MILLION dollars BY THE OAS. IN THE NORMAL COURSE OF OUR LEGISLATIVE PROCESS THESE FUNDS SHOULD BECOME AVAILABLE WITHIN THE NEXT TWO MONTHS. SOCIAL DEVELOPMENT, WE ARE ALL AGREED, MUST BE ACCOMPANIED BY ECONOMIC DEVELOPMENT.

~~PLANNING AND~~ RESOURCES, BOTH NATIONAL AND INTERNATIONAL, MUST BE DEVOTED TO THE EXPANSION OF INDUSTRY, AGRICULTURE AND MINING, TRANSPORT AND POWER, AND COMMERCIAL ENTERPRISE. THE UNITED STATES IS, THEREFORE, PREPARED TO ~~PROVIDE~~ Devote SUBSTANTIAL RESOURCES OVER AND

PURPOSE OF GOVERNMENT -- THEY MUST FORM AN INDISSOLUBLE TRINITY. ECONOMIC STABILITY IS NOT AN END IN ITSELF. IT IS A MEANS TO PROMOTE STEADY AND WIDELY-SHARED ECONOMIC GROWTH. TO INDUCE AN ADEQUATE RATE OF SAVINGS, TO CHANNEL INVESTMENT INTO TRULY PROD-UTIVE UNDERTAKINGS, TO STRENGTHEN POPULAR CONFIDENCE IN DEMOCRATIC PROCESSES, TO ATTRACT FOREIGN ENTERPRISE, IN SHORT TO PROMOTE A BALANCED DEVELOPMENT OF THE ECONOMY, THERE MUST BE REASONABLE PRICE STABILITY. THIS IN TURN REQUIRES EFFECTIVE BUDGET MANAGEMENT AND TAX ADMINISTRATION. CREDIT POLICIES SHOULD BE DESIGNED TO FOSTER GROWTH. THEY SHOULD ALSO BE DESIGNED TO AVOID SPECULATIVE EXCESS. FOREIGN EXCHANGE POLICIES SHOULD REALISTICALLY RELATE INTERNAL PRICES AND COST TO WORLD MARKETS. THESE VIEWS, I BELIEVE, ARE NOW WELL SETTLED IN THE THINKING OF THOSE RESPONSIBLE FOR ECONOMIC AND FINANCIAL POLICY IN THE DEVELOPING COUNTRIES. THE HEAVY LONG-RUN COSTS OF SEVERE INFLATION HAVE BEEN WIDELY RECOGNIZED. THE ILLUSION THAT SUCH INFLATION CAN PROVIDE A QUICK AND EASY WAY TO BETTER LIVING STANDARDS HAS BEEN DISPELLED. OF COURSE ECONOMIC STABILITY BY ITSELF WILL NOT GUARANTEE ECONOMIC GROWTH. THIS IS ESPECIALLY TRUE IN THE DEVELOPING COUNTRIES, WHERE BOLD AND POSITIVE EFFORTS MUST BE MADE IN BOTH THE GOVERN-MENTAL AND PRIVATE SECTORS TO HELP CREATE THE CONDITIONS FOR GROWTH.

I HAVE HEARD IT SAID THAT SOME LATIN AMERICANS BELIEVE THE UNITED STATES IS CONCERNED ONLY WITH FINANCIAL STABILIZATION PROGRAMS IN LATIN AMERICA. IF THERE ARE ANY DOUBTS ON THIS SCORE, LET ME DISPEL THEM HERE AND NOW: THE UNITED STATES IS CONCERNED, AND DEEPLY CONCERNED, WITH MUCH MORE THAN STABILITY. WE DO NOT ACCEPT ECONOMIC STAGNATION AS A TOLERABLE CONDITION FOR THE AMERICAS. DEVELOPMENT ... GROWTH ...PROGRESS -- BROADLY BASED AND WIDELY SHARED -- THESE MUST BE OUR PRIMARY OBJECTIVES. STABILIZATION AND GROWTH ARE NOT ALTERNATIVES IN CONFLICT WITH EACH OTHER.

ON THE CONTRARY, THEY ARE MUTUALLY REINFORCING OBJECTIVES WHICH, WHEN PURSUED SIMULTANEOUSLY, PROMOTE IMPROVEMENT IN LIVING STANDARDS AT THE MOST RAPID AND CONTINUOUS RATE POSSIBLE. SOCIAL EQUITY FOR THE

AT BOGOTA, LAST FALL, WE JOINED IN LAUNCHING AN UNPRECEDENTED SOCIAL DEVELOPMENT PROGRAM FOR LATIN AMERICA, A PROGRAM WHICH SUBSTANTIALLY ENLARGED THE RESPONSIBILITIES OF THE BANK. THE STAGE IS NOW SET FOR US TO JOIN TOGETHER AGAIN IN A VAST, EXPANDED EFFORT TO ACHIEVE OUR GOALS THROUGH PRACTICAL AND CONCRETE MEASURES AFFECTING ALL ASPECTS OF ECONOMIC AND SOCIAL LIFE. 29

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PRESIDENT JANIO QUADROS IN HIS MESSAGE LAST MONTH TO THE NATIONAL CONGRESS STATED: "AS WAS RECOGNIZED BY THE ACT OF BOGOTA, IN WHICH THE MAJOR PRACTICAL AND THEORETICAL POINTS OF OPERATION PAN AMERICA WERE CONSECRATED, THE SOLUTION OF THE PROBLEMS WHICH AFFLICT THE CONTINENT WILL DEPEND SUBSTANTIALLY ON ECONOMIC PROGRESS. THAT ECONOMIC PROGRESS WILL NOT BE STIMULATED UNTIL THE GOVERNMENTS OF AMERICA DECIDE TO PASS FROM THE PLANE OF THEORETICAL FORMULATIONS TO THE TERRAIN OF THE PRACTICAL EXECUTION OF ADEQUATE MEASURES." TO "PASS FROM THE PLANE OF THEORETICAL FORMULATIONS TO THE TERRAIN OF THE PRACTICAL EXECUTION OF ADEQUATE MEASURES" -- AND TO DO SO ON A COMPREHENSIVE SCALE: THIS IS THE VERY PURPOSE OF THE ALIANZA PARA EL PROGRESO PROPOSED BY PRESIDENT KENNEDY. IN PRESIDENT KENNEDY'S WORDS: "IF WE ARE TO MEET A PROBLEM SO STAGGERING IN ITS DIMENSION, OUR APPROACH MUST ITSELF BE EQUALLY BOLD -- AN APPROACH CONSISTENT WITH THE MAJESTIC CONCEPT OF OPERATION PAN AMERICA. THEREFORE, I HAVE CALLED ON ALL THE PEOPLE OF THE HEMISPHERE TO JOIN IN A NEW ALLIANCE FOR PROGRESS -- A VAST COOPERATIVE EFFORT, UNPARALLELED IN MAGNITUDE AND NOBILITY OF PURPOSE, TO SATISFY THE BASIC NEEDS OF THE AMERICAN PEOPLE FOR HOMES, WORK AND LAND, HEALTH AND SCHOOLS -- TECHO, TRABAJO Y TIERRA, SALUD Y ESCUELA".

WHAT ARE THE ECONOMIC AND SOCIAL GOALS WE MUST PURSUE IN CARRYING FORWARD AN ALLIANCE FOR PROGRESS?

I THINK THESE GOALS ~~CAN~~ BE DEFINED AS GROWTH, STABILITY, AND SOCIAL EQUITY FOR THE INDIVIDUAL. THESE THREE GOALS GO HAND IN HAND. THEY ARE NOT ISOLATED OBJECTIVES. INDEED, IF THEY ARE TO SERVE THE PEOPLE -- AND IN OUR HEMISPHERE THE WELL-BEING OF THE PEOPLE IS THE SUPREME

TEXT FOLLOWS) MR. CHAIRMAN, PRESIDENT HERRERA, FELLOW GOVERNORS: IT IS A SPECIAL PLEASURE FOR ME TO MEET WITH YOU IN MY NEW CAPACITY AS A GOVERNOR OF THE INTER-AMERICAN DEVELOPMENT BANK. 29
THE CONCEPT OF THE BANK AS A VITAL INSTRUMENT OF INTER-AMERICAN COOPERATION HAS BEEN CLOSE TO MY HEART SINCE 1958, WHEN I HAD THE HIGH PRIVILEGE OF INFORMING THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL OF UNITED STATES SUPPORT FOR THIS NEW AND LONG DREAMED-OF JOINT VENTURE.

WE ARE ALL GRATEFUL TO THE GOVERNMENT AND THE PEOPLE OF BRAZIL FOR INVITING US TO THIS GRACIOUS AND HOSPITABLE CITY OF RIO DE JANEIRO. THE FAME OF RIO AS A WORLD METROPOLIS IS TOO WELL ESTABLISHED FOR US TO ENRICH IT FURTHER BY OUR REMARKS. BUT WE CAN AND DO EXTEND OUR WARM THANKS TO THE FRIENDLY PEOPLE OF THIS LOVELY CITY FOR MAKING OUR STAY SO VERY PLEASANT.

I ALSO CANNOT FAIL TO CONGRATULATE OUR CHAIRMAN, THE DISTINGUISHED MINISTER OF FINANCE OF BRAZIL, FOR THE INSPIRATION WHICH HE HAS GIVEN TO OUR DELIBERATIONS BY THE WISDOM OF HIS WORDS. IT IS FITTING THAT THE FIRST BIRTHDAY OF THE BANK IS BEING CELEBRATED HERE IN BRAZIL, WHOSE GENIUS GAVE US THE NOBLE CONCEPT OF OPERACAO PANAMERICANA. OPERATION PAN AMERICA, BORN OF ONRUSHING SOCIAL CHANGE AND THE AWAKENING ASPIRATIONS OF THE PEOPLE, SPEAKS TO THE HEARTS OF THE MEN AND WOMEN OF THE AMERICAS. IT IS A SPIRITUAL CALL TO ACTION -- ACTION TO RAISE THE LIVING STANDARDS OF THE MANY MILLIONS WHO NOW STRUGGLE IN POVERTY AND TO GIVE THEIR LIVES REAL MEANING IN TERMS OF PERSONAL FREEDOM AND INDIVIDUAL DIGNITY. MORE THAN A CENTURY AGO, DEMOCRACY RAISED ITS VOICE THROUGHOUT LATIN AMERICA IN A REVOLUTIONARY GRITO FOR LIBERTY. OPERATION PAN AMERICA IS THE GRITO OF THE 20TH CENTURY -- AN INSISTENT AND INEXORABLE DEMAND FOR LIBERATION FROM THE HUMAN MISERY CREATED BY CRUSHING ECONOMIC AND SOCIAL CONDITIONS. THE GOVERNMENTS AND THE PEOPLES OF THE HEMISPHERE ARE RESPONDING TO THE CALL. AT SAN SALVADOR, A YEAR AGO, WE JOINED IN INAUGURATING THE INTER-AMERICAN BANK.

"grito" [illegible] Portug[illegible]

HAVE PARTICIPATED WITH THE BANK IN ITS OPERATIONS. THIS, TOO, IS SOMETHING OF A RECORD FOR AN INTERNATIONAL BANK STILL IN ITS INFANCY. THE BANK HAS ALSO MOVED QUICKLY INTO AREAS WHERE ECONOMIC FRUSTRATION HAS RETARDED THE MARCH OF PROGRESS. IT HAS FACED UP TO HARD PROBLEMS. LOANS TO BREAK THE GRIP OF STAGNATION HAVE BEEN EXTENDED TO BOLIVIA, HAITI, PARAGUAY, AND TO THE NORTHEAST REGION OF OUR HOST COUNTRY, BRAZIL. THERE IS A QUALITY IN THE BANK'S GROWTH WHICH HAS A SPECIAL SIGNIFICANCE -- THE PERVADING SPIRIT OF UNANIMITY AND BROTHERHOOD IN WHAT THE BANK DOES9 AFTER THOROUGHGOING EXAMINATION AND DISCUSSION OF COMPLEX ISSUES, THE MANAGEMENT AND DIRECTORS HAVE NOT ONCE FAILED TO ARRIVE AT A DECISION WHICH ALL COULD CONSIDER A WISE AND FORWARD STEP.

THIS IS A HAPPY AUGURY FOR THE FUTURE SUCCESS OF OUR ALLIANCE FOR PROGRESS. EARLIER IN MY REMARKS, I SAID THAT WE OF THE UNITED STATES DO NOT ACCEPT ECONOMIC STAGNATION AS A TOLERABLE CONDITION FOR THE AMERICAS. WE REGARD BOTH ECONOMIC STAGNATION AND SOCIAL INJUSTICE AS TOTALLY INTOLERABLE. TO US, THEREFORE, ECONOMIC AND SOCIAL PROGRESS IN THE HEMISPHERE IS NOT MERELY A DREAM IT IS AN ESSENTIAL STEP IN THE ATTAINMENT OF THE POSSIBLE. WE HAVE THE ESSENTIAL INSTRUMENTS IN OUR GRASP. LET US HERE RESOLVE TO USE THEM WISELY AND WELL.

ITEM

GOAL WHICH WE ARE HAPPY TO NOTE IS WELL ON ITS WAY TO FULFILLMENT UNDER THE ABLE LEADERSHIP OF SR. JORGE SOL. THE INTER-AMERICAN BANK IS DESTINED TO PLAY A VITAL ROLE IN BOTH THE ECONOMIC AND SOCIAL DEVELOPMENT SECTORS OF THIS GREAT NEW EFFORT, NOT ONLY AS A LENDER OF FUNDS, BUT ALSO AS A PROVIDER OF TECHNICAL ASSISTANCE, AS A POLICY COORDINATOR WITH OTHER INTERNATIONAL AGENCIES, AND AS A SOURCE OF INFORMATION AND ASSISTANCE TO THE UNITED STATES IN THE OPERATION OF ITS FOREIGN AID PROGRAMS. THE INTER-AMERICAN BANK HAS BEEN CHOSEN BY OUR GOVERNMENTS TO CARRY THE PRINCIPAL RESPONSIBILITY FOR ADMINISTERING THE FUND FOR SOCIAL DEVELOPMENT.

WE BELIEVE IN THE MULTILATERAL, COOPERATIVE CONCEPT WHICH INSPIRED ITS ORGANIZATION. THE DISTINGUISHED PRESIDENT OF THE BANK, FELIPE HERRERA, WHOSE ELOQUENT SPEECH WE HAVE JUST HEARD, WAS IDEALLY CHOSEN TO DIRECT THE BANK'S EFFORTS IN FULFILLING THIS RESPONSBILITY. HE, TOGETHER WITH THE EXECUTIVE DIRECTORS AND THE PROFESSIONAL STAFF, ARE MEN OF BROAD EXPERIENCE, INTELLECTUAL STAMINA, OBJECTIVITY, AND PERSONAL INTEGRITY -- MEN WELL DESERVING OF THE TRUST REPOSED IN THEM. OUR TRUST HAS BEEN SUSTAINED BY THE BANK'S PERFORMANCE. IN THE SHORT PERIOD OF ITS EXISTENCE THE BANK HAS ALREADY APPROVED 50 MILLION DOLLARS IN LOANS TO PRIVATE AND PUBLIC ENTERPRISES IN EIGHT LATIN AMERICAN COUNTRIES: SIX LOANS FOR $23,750,000 FROM ITS ORDINARY CAPITAL RESOURCES, AND FOUR LOANS FOR $26,500,000 FROM ITS FUNDS FOR SPECIAL OPERATIONS. IT HAS ALSO PROVIDED TECHNICAL ASSISTANCE TO SEVERAL COUNTRIES COUNTRIES THROUGH ITS WIDERANGING MISSIONS. ITS RECORD OF ACCOMPLISHMENT IS OUTSTANDING. IT HAS GIVEN HIGH PRIORITY TO PROVIDING URGENTLY NEEDED FUNDS FOR THE ECONOMIC DEVELOPMENT OF SMALL AND MIDDLE-SIZE PRIVATE ENTERPRISES. TWO OF ITS LOANS MET A NEED WHICH IS BASIC IN MANY LATIN AMERICAN COUNTRIES: INCREASED SUPPLIES OF POTABLE WATER AND EXPANDED SANITATION. THESE LOANS PROVIDE GRAPHIC EXAMPLES OF HOW ECONOMIC AND SOCIAL PROGRESS CAN BE COMBINED IN SOUND LOANS. AS TESTIMONY TO THE SOUNDNESS OF THE BANK'SS OPERATIONS FIFTEEN PRIVATE FINANCIAL INSTITUTIONS OF MY COUNTRY

FOR DISCIPLINE AND SACRIFICE. 8, .-,6 :-3, THESE BURDENS WILL BEAR MOST HEAVILY UPON THE MORE FAVORED CLASSES OF SOCIETY. GREAT AS THESE SACRIFICES MAY BE, I AM CONFIDENT THAT THEY WILL BE MADE. FOR THE CHALLENGE WHICH THE AMERICAS FACE IS CLEAR AND UNMISTAKABLE. WE CAN NOT, WE DARE NOT, LET IT GO UNANSWERED.

THE VAST EFFORT REQUIRED IN PLANNING, IN SELF-HELP, AND IN THE CHANELLING OF EXTERNAL RESOURCES INTO DEVELOPMENT, MAKES IT MANDATORY THAT WE MAKE FULL USE OF OUR INTER-AMERICAN MACHINERY. THE BANK, IA-ECOSOC AND ECLA; EACH MUST PLAY ITS PART. AN EXCELLENT BEGINNING HAS ALREADY BEEN MADE WITH THE CREATION OF THE NEW COMMITTEE ON COOPERATION BY OUR PRESIDENT, SENOR FELIPE HERRERA, AND HIS COLLEAGUES, DR. RAUL PREBISH OF ECLA, AND DR. JOSE MORA OF THE OAS. THE OPPORTUNITY TO ORGANIZE IN CONCRETE TERMS, THE NEW SUBSTANTIVE PROGRAMS ENVISAGED IN THE ALLIANCE FOR PROGRESS, WILL BE PROVIDED BY THE FORTHCOMING SPECIAL MINISTERIAL MEETING OF IA-ECOSOC. THE UNITED STATES WILL HAVE SPECIFIC SUGGESTIONS TO PRESENT AT THAT MEETING, AND WE WILL WARMLY WELCOME THE SUGGESTIONS OF OTHERS. MEANWHILE, I SHOULD LIKE TO OUTLINE SOME OF OUR THINKING: IT MAY, FOR EXAMPLE, BE DESIRABLE TO MAKE USE OF A LIMITED NUMBER OF SPECIAL WORKING GROUPS IN AREAS WHERE INDIVIDUAL COUNTRY EXPER-IENCE CAN BE BENEFICALLY EXCHANGED, OR WHERE MULTILATERAL CON-SULTATIONS MAY BE NEEDED, AS IN THE FORMULATION OF METHODS FOR EMPLOYING SURPLUS FOOD IN SOCIAL DEVELOPMENT PROJECTS.

WE ATTACH GREAT IMPORTANCE TO THE ANNUAL REVIEW OF ECONOMIC AND SOCIAL PROBLEMS AND PROGRESS AS ENVISAGED BY THE ACT OF BOGOTA. THESE REVIEWS SHOULD PROVIDE BOTH A CONTINUING SENSE OF DIRECTION AND A STIMULUS FOR EVEN GREATER EFFORTS. THE ALL IMPORTANT THING IS THAT THERE BE CONTINUOUS AND PRODUCTIVE WORK FROM WHICH THE MEMBER NATIONS CAN REALLY BENEFIT. SURVEYS AND REPORTS SERVE NO USEFUL PURPOSE UNLESS THEY PRODUCE CONCRETE RESULTS. WE ARE ALSO CONVINCED THAT THE STAFF OF IA-ECOSOC MUST BE BUILT INTO AN OUTSTANDINGLY COMPETANT AND CREATIVE

ILL STRIVE TO BRING THIS ABOUT. WE DO NOT FORESEE ANY DIFFICULTY, FOR I UNDERSTAND THAT MR. THORKIL KRISTENSEN, THE DISTINGUISHED EUROPEAN STATESMAN, WHO WILL BE THE SECRETARY GENERAL OF THE OECD, SHARES THIS VIEW. I HAVE SPOKE OF THE NEED FOR SELF-HELP AND EFFECTIVE NATIONAL PLANNING IN CARRYING FORWARD THE ALLIANCE FOR PROGRESS. THE PHRASE "SELF-HELP" SHOULD NOT BE INTERPRETED TO MEAN CONDITIONS IMPOSED UPON A COUNTRY AS THE PRICE OF EXTERNAL ASSISTANCE. QUITE THE CONTRARY. SELF-HELP IS THE KEY TO THE ENTIRE DEVELOPMENT PROCESS. WITHOUT IT,

OUTSIDE ASSISTANCE WOULD BE TOTALLY INEFFECTIVE. THE GREAT BULK OF RESOURCES FOR DEVELOPMENT, HUMAN AND MATERIAL, MUST COME FROM WITHIN THE DEVELOPING COUNTRIES. EXTERNAL ASSISTANCE CAN BE A CRITICALLY IMPORTANT SUPPLEMENT TO THEIR OWN EFFORTS. BUT IT CAN BE EFFECTIVE ONLY WHEN THE DEVELOPING COUNTRIES MAKE FULL USE OF THEIR OWN RESOURCES ON THEIR OWN BEHALF. IT IS FOR THIS REASON THAT LONG-RANGE PLANNING AND PROGRAMMING FOR ECONOMIC AND SOCIAL DEVELOPMENT ARE SO IMPORTANT TO THE CONCEPT OF THE ALLIANCE FOR PROGRESS.

AS WE SEE IT, DEVELOPMENT PLANNING DOES NOT IMPLY REGIMENTATION OF ECONOMIES THROUGH GOVERNMENTAL CONTROLS. IT DOES MEAN CONSISTENT PROGRAMMING OF PUBLIC INVESTMENT AIMED AT

BROAD DEVELOPMENT TARGETS -- PROGRAMMING SUPPLEMENTED BY ECONOMIC AND SOCIAL POLICIES DESIGNED TO ACTIVATE A NATION'S

ENERGIES AND RESOURCES, INCLUDING THE INDISPENSABLE PRIVATE SECTOR. IT MEANS GOOD MONETARY MANAGEMENT. IT MEANS THE MOBILIZATION OF EACH COUNTRY'S RESOURCES IN A MANNER BEST CALCULATED TO

BRING INTO THE COMMON ENDEAVOR THE SAVINGS AND EARNINGS OF ALL THE PEOPLE. IT MEANS THE ENCOURAGEMENT OF PRIVATE ENTERPRISE THROUGH TAX AND OTHER POLICIES.

IT MEANS THE BUILDING OF ROADS AND DAMS. IT MEANS THE EXTENSION OF MARKETING, DISTRIBUTION AND BANKING SYSTEMS. IT MEANS THE OPENING UP OF AGRICULTURAL LANDS AND THE REFORMATION OF OUTDATED SYSTEMS OF LAND TENURE. LET US NOT DECEIVE OURSELVES. THE ADOPTION AND EXECUTION OF WELL-PLANNED PROGRAMS BASED UPON SELF-HELP WILL CALL

ABOVE THE PRESENT FLOW OF PUBLIC AND

PRIVATE CAPITAL, TO BASIC ECONOMIC DEVELOPMENT AS A PART OF THE ALLIANCE FOR PROGRESS. PRESIDENT KENNEDY HAS SUBMITTED TO THE CONGRESS A NEW OVERALL PROGRAM OF FOREIGN ECONOMIC ASSISTANCE TO ASSURE THE AVAILABILITY OF UNITED STATES PUBLIC CAPITAL FOR THESE PURPOSES IN LATIN AMERICA AS WELL AS IN OTHER DEVELOPING COUNTRIES. THIS ASSISTANCE WILL BE AVAILABLE, ON A LONG RANGE BASIS, BOTH FOR SPECIFIC PROJECTS FOR FOR GENERAL ECONOMIC SUPPORT OF WELL-CONCEIVED DEVELOPMENT PROGRAMS. TERMS OF REPAYMENT ARE TO BE ADJUSTED TO NATIONAL ABILITY TO REPAY, AND WILL INCLUDE THE USE OF LONG-TERM, INTEREST-'

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LONG-TERM, INTEREST-FREE LOANS. WE ALSO HOPE THAT THE ALLIANCE FOR PROGRESS WILL LEAD TO AN INCREASE IN DEVELOPMENT ASSISTANCE TO LATIN AMERICA FROM THE OTHER INDUSTRIALIZED COUNTRIES OF THE FREE WORLD.

the members of the Development Assistance Grp

TWO WEEKS AGO, IN LONDON, 5#3 .3.?34 9! 5#3 $3;3)90.3,5 -85-,:3 GROUP AGREED UPON A SIGNIFICANT DECLARATION OF POLICY. THEY CALLED FOR AN EXPANSION OF THE AGGREGATE VOLUME OF THE RESOURCES PRESENTLY FLOWING TO THE DEVELOPING COUNTRIES, FOR AID ON AN ASSURED AND CONTINUING BASIS, AND FOR GREATER ASSISTANCE IN THE FORM OF GRANTS AND LOANS ONFAVORABLE TERMS. A LARGER SUPPLY OF EXTERNAL PUBLIC CAPITAL AND ITS MORE SYSTEMATIC APPLICATION FOR DEVELOPMENT PROGRAMS SHOULD BRING ABOUT A GREATER FLOW OF FOREIGN PRIVATE INVESTMENT, PARTICULARLY INVESTMENT IN THE PRODUCTION AND DISTRIBUT-ION OF GOODS AND SERVICES FOR EXPANDING DOMESTIC MARKETS. WHEN THE NEW ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT IS ESTABLISHED SOMETIME LATER THIS YEAR, THE DEVELOPMENT ASS-ISTANCE GROUP WILL BECOME A SUBSIDIARY BODY OF THE OECD. THROUGH THEORGANIZATION OF AMERICAN STATES, LATIN AMERICA SHOULD HAVE A CLOSE WORKING RELATIONSHIP WITH THE OECD. THE UNITED STATES

DIVIDUAL, OUR THIRD GOAL, IS IN MANYWAYS THE MOST IMPORTANT. DEVELOPMENT WILL NOT PRODUCE TRUE ECONOMIC PROGRESS IF ITS BENEFITS ARE RESTRICTED TO THE PRIVILEGED FEW AND DENIED TO THE MANY WHO TODAY ARE SADLY UNDER PRIVILEGED. SOCIAL EQUITY FOR THE INDIVIDUAL MUST BE A PRIME TARGET OF OUR ENDEAVOR. OUR SPIRITUAL TRADITIONS DEMAND NO LESS. MOREOVER, PEOPLE ARE THE SINGLE MOST POWERFUL FACTOR IN ECONOMIC DEVELOPMENT. WITHOUT SOCIAL EQUITY FOR THE INDIVIDUAL, DEMOCRACY WILL LANGUISH AND FREE GOVERNMENT WILL DISAPPEAR. THE MOVE RAPIDLY TOWARDS THESE INTER-RELATED GOALS, THE ALLIANCE FOR PROGRESS PROPOSED BY PRESIDENT KENNEDY CALLS FOR A CONCERTED MAXIMUM EFFORT OVER THE NEXT DECADE. THIS WOULD INVOLVE THE FORMULATION BY EACH LATIN AMERICAN COUNTRY OF ITS OWN LONG-TERM PLANS FOR DEVELOPMENT, AS WELL AS THE ESTABLISHMENT OF SPECIFIC TARGETS AND PRIORITIES. THESE PLANS WOULD NOT ONLY INSPIRE SURGING NATIONAL EFFORTS, THEY WOULD ALSO PROVIDE SOLID FOUNDATIONS FOR THE EFFECTIVE USE OF EXTERNAL ASSISTANCE -- FROM THE INTER-AMERICAN BANK, FROM THE UNITED STATES AND OTHER INDUSTRIALIZED COUNTRIES, AND FROM THE INTERNATIONAL INSTITUTIONS OF THE FREE WORLD. THE NEW SOCIAL DEVELOPMENT PROGRAM EMBODIED IN THE ACT OF BOGOTA WILL BE AN IMPORTANT PART OF THE ALLIANCE FOR PROGRESS. WE ARE CONFIDENT THAT THIS PROGRAM CAN BE STARTED QUICKLY, WITH THE INTER-AMERICAN BANK TAKING A LEADING ROLE. AS YOU KNOW, PRESIDENT KENNEDY HAS PROPOSED TO OUR CONGRESS THAT, OF THE 500 MILLION DOLARS TO BE PROVIDED AS A FIRST STEP IN IMPLEMENTING SOCIAL DEVELOPMENT UNDER THE ACT OF BOGOTA, 394 MILLION BE ADMINISTERED BY THE BANK AND SIX MILLION BY THE OAS. IN THE NORMAL COURSE OF OUR LEGISLATIVE PROCESS THESE FUNDS SHOULD BECOME AVAILABLE WITHIN THE NEXT TWO MONTHS. SOCIAL DEVELOPMENT, WE ARE ALL AGREED, MUST BE ACCOMPANIED BY ECONOMIC DEVELOPMENT.

PLANNING AND RESOURCES, BOTH NATIONAL AND INTERNATIONAL, MUST BE DEVOTED TO THE EXPANSION OF INDUSTRY, AGRICULTURE AND MINING, TRANSPORT AND POWER, AND COMMERCIAL ENTERPRISE. THE UNITED STATES IS, THEREFORE, PREPARED TO ~~PROVIDE~~ DEVOTE SUBSTANTIAL RESOURCES OVER AND

PURPOSE OF GOVERNMENT -- THEY MUST FORM AN INDISSOLUBLE TRINITY. ECONOMIC STABILITY IS NOT AN END IN ITSELF. IT IS A MEANS TO PROMOTE STEADY AND WIDELY-SHARED ECONOMIC GROWTH. TO INDUCE AN ADEQUATE RATE OF SAVINGS, TO CHANNEL INVESTMENT INTO TRULY PRODUTIVE UNDERTAKINGS, TO STRENGTHEN POPULAR CONFIDENCE IN DEMOCRATIC PROCESSES, TO ATTRACT FOREIGN ENTERPRISE, IN SHORT TO PROMOTE A BALANCED DEVELOPMENT OF THE ECONOMY, THERE MUST BE REASONABLE PRICE STABILITY. THIS IN TURN REQUIRES EFFECTIVE BUDGET MANAGEMENT AND TAX ADMINISTRATION. CREDIT POLICIES SHOULD BE DESIGNED TO FOSTER GROWTH. THEY SHOULD ALSO BE DESIGNED TO AVOID SPECULATIVE EXCESS. FOREIGN EXCHANGE POLICIES SHOULD REALISTICALLY RELATE INTERNAL PRICES AND COST TO WORLD MARKETS. THESE VIEWS, I BELIEVE, ARE NOW WELL SETTLED IN THE THINKING OF THOSE RESPONSIBLE FOR ECONOMIC AND FINANCIAL POLICY IN THE DEVELOPING COUNTRIES. THE HEAVY LONG-RUN COSTS OF SEVERE INFLATION HAVE BEEN WIDELY RECOGNIZED. THE ILLUSION THAT SUCH INFLATION CAN PROVIDE A QUICK AND EASY WAY TO BETTER LIVING STANDARDS HAS BEEN DISPELLED. OF COURSE ECONOMIC STABILITY BY ITSELF WILL NOT GUARANTEE ECONOMIC GROWTH. THIS IS ESPECIALLY TRUE IN THE DEVELOPING COUNTRIES, WHERE BOLD AND POSITIVE EFFORTS MUST BE MADE IN BOTH THE GOVERNMENTAL AND PRIVATE SECTORS TO HELP CREATE THE CONDITIONS FOR GROWTH.

I HAVE HEARD IT SAID THAT SOME LATIN AMERICANS BELIEVE THE UNITED STATES IS CONCERNED ONLY WITH FINANCIAL STABILIZATION PROGRAMS IN LATIN AMERICA. IF THERE ARE ANY DOUBTS ON THIS SCORE, LET ME DISPEL THEM HERE AND NOW: THE UNITED STATES IS CONCERNED, AND DEEPLY CONCERNED, WITH MUCH MORE THAN STABILITY. WE DO NOT ACCEPT ECONOMIC STAGNATION AS A TOLERABLE CONDITION FOR THE AMERICAS. DEVELOPMENT ... GROWTH ...PROGRESS -- BROADLY BASED AND WIDELY SHARED -- THESE MUST BE OUR PRIMARY OBJECTIVES. STABILIZATION AND GROWTH ARE NOT ALTERNATIVES IN CONFLICT WITH EACH OTHER.

ON THE CONTRARY, THEY ARE MUTUALLY REINFORCING OBJECTIVES WHICH, WHEN PURSUED SIMULTANEOUSLY, PROMOTE IMPROVEMENT IN LIVING STANDARDS AT THE MOST RAPID AND CONTINUOUS RATE POSSIBLE. SOCIAL EQUITY FOR THE

AT BOGOTA, LAST FALL, WE JOINED IN LAUNCHING AN UNPRECEDENTED SOCIAL DEVELOPMENT PROGRAM FOR LATIN AMERICA, A PROGRAM WHICH SUBSTANTIALLY ENLARGED THE RESPONSIBILITIES OF THE BANK. THE STATE IS NOW SET FOR US TO JOIN TOGETHER AGAIN IN A VAST, EXPANDED EFFORT TO ACHIEVE OUR GOALS THROUGH PRACTICAL AND CONCRETE MEASURES AFFECTING ALL ASPECTS OF ECONOMIC AND SOCIAL LIFE. PRESIDENT JANIO QUADROS IN HIS MESSAGE LAST MONTH TO THE NATIONAL CONGRESS STATED: "AS WAS RECOGNIZED BY THE ACT OF BOGOTA, IN WHICH THE MAJOR PRACTICAL AND THEORETICAL POINTS OF OPERATION PAN AMERICA WERE CONSECRATED, THE SOLUTION OF THE PROBLEMS WHICH AFFLICT THE CONTINENT WILL DEPEND SUBSTANTIALLY ON ECONOMIC PROGRESS. THAT ECONMIC PROGRESS WILL NOT BE STIMULATED UNTIL THE GOVERNMENTS OF AMERICA DECIDE TO PASS FROM THE PLANE OF THEORETICAL FORMULATIONS TO THE TERRAIN OF THE PRACTICAL EXECUTION OF ADEQUATE MEASURES." TO "PASS FROM THE PLANE OF THEORETICAL FORMULATIONS TO THE TERRAIN OF THE PRACTICAL EXECUTION OF ADEAUATE MEASURES" -- AND TO DO SO ON A COMPREHENSIVE SCALE: THIS IS THE VERY PURPOSE OF THE ALIANZA PARA EL PROGRESO PROPOSED BY PRESIDENT KENNEDY. IN PRESIDENT KENNEDY'S WORDS: "IF WE ARE TO MEET A PROBLEM SO STAGGERING IN ITS DIMENSION, OUR APPROACH MUST ITSELF BE EQUALLY BOLD -- AN APPROACH CONSISTENT WITH THE MAJESTIC CONCEPT OF OPERATION PAN AMERICA. THEREFORE I HAVE CALLED ON ALL THE PEOPLE OF THE HEMISPHERE TO JOIN IN A NEW ALLIANCE FOR PROGRESS -- A VAST COOPERATIVE EFFORT, UNAPARLLELED IN MAGNITUDE AND NOBILITY OF PURPOSE, TO SATISFY THE BASIC NEEDS OF THE AMERICAN PEOPLE FOR HOMES, WORK AND LAND, HEALTH AND SCHOOLS -- TECHO, TRABAJO Y TIERRA, SALUD Y ESCUELA". WHAT ARE THE ECONOMIC AND SOCIAL GOALS WE MUST PURSUE IN CARRYING FORWARD AN ALLIANCE FOR PROGRESS? I THINK THESE GOALS CAN BE DEFINED AS GROWTH, STABILITY, AND SOCIAL EQUITY FOR THE INDIVIDUAL. THESE THREE GOALS GO HAND IN HAND. THEY ARE NOT ISOLATED OBJECTIVES. INDEED, IF THEY ARE TO SERVE THE PEOPLE -- AND IN OUR HEMISPHERE THE WELL-BEING OF THE PEOPLE IS THE SUPREME

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PRESS USINFO

WASHINGTON

RIO DE JANEIRO, APRIL 10 -- (HEREWITH FULL TEXT OF TREASURY SECRETARY DOUGLAS DILLON'S SPEECH BEFORE SECOND ANNUAL MEETING OF BOARD OF GOVERNORS OF INTER-AMERICAN DEVELOPMENT BANK. TEXT MUST NOT II NOT BE RELEASED UNTIL TUESDAY, APRIL 11, AT NOON EST. PLEASE PASS TO TREASURY DEPARTMENT FOR STEVE MANNING.

TEXT FOLLOWS) MR. CHAIRMAN, PRESIDENT HERRERA, FELLOW GOVERNORS: IT IS A SPECIAL PLEASURE FOR ME TO MEET WITH YOU IN MY NEW CAPACITY AS A GOVERNOR OF THE INTER-AMERICAN DEVELOPMENT BANK. THE CONCEPT OF THE BANK AS A VITAL INSTRUMENT OF INTER-AMERICAN COOPERATION HAS BEEN CLOSE TO MY HEART SINCE 1958, WHEN I HAD THE HIGH PRIVILEGE OF INFORMING THE INTER-AMERICAN ECONOMIC AND SOCIAL COUNCIL OF UNITED STATES SUPPORT FOR THIS NEW AND LONG DREAMED-OF JOINT VENTURE.

WE ARE ALL GRATEFUL TO THE GOVERNMENT AND THE PEOPLE OF BRAZIL FORINVITING US TO THIS GRACIOUS AND HOSPITABLE CITY OF RIO DE JANEIRO. THE FAME OF RIO AS A WORLD METROPOLIS IS TOO WELL ESTABLISHED FOR US TO ENRICH IT FURTHER BY OUR REMARKS. BUT WE CAN AND DO EXTEND OUR WARM THANKS TO THE FRIENDLY PEOPLE OF THIS LOVELY CITY FOR MAKING OUR STAY SO VERY PLEASANT.

I ALSO CANNOT FAIL TO CONGRATULATE OUR CHAIRMAN, THE DISTINGUISHED MINISTER OF FINANCE OF BRAZIL, FOR THE INSPIRATION WHICH HE HAS GIVEN TO OUR DELIBERATIONS BY THE WISDOM OF HIS WORDS. IT IS FITTING THAT THE FIRST BIRTHDAY OF THE BANK IS BEING CELEBRATED HERE IN BRAZIL, WHOSE GENIUS GAVE US THE NOBLE CONCEPT OF OPERACAO PANAMERICANA. OPERATION PAN AMERICA, BORN OF ONRUSHING SOCIAL CHANGE AND THE AWAKENING ASPIRATIONS OF THE PEOPLE, SPEAKS TO THE HEARTS OF THE MEN AND WOMEN OF THE AMERICAS. IT IS A SPIRITUAL CALL TO ACTION -- ACTION TO RAISE THE LIVING STANDARDS OF THE MANY MILLIONS WHO NOW STRUGGLE IN POVERTY AND TO GIVE THEIR LIVES REAL MEANING IN

TERMS OF PERSONAL FREEDOM AND INDIVIDUAL DIGNITY. MORE THAN A CENTURY AGO, DEMOCRACY RAISED ITS VOICE THROUGHOUT LATIN AMERICA IN A REVOLUTIONARY GRITO FOR LIBERTY. OPERATION PAN AMERICA IS THE GRITO OF THE 20TH CENTURY -- AN INSISTENT AND INEXORABLE DEMAND FOR LIBERATION FROM THE HUMAN MISERY CREATED BY CRUSHING ECONOMIC AND SOCIAL CONDITIONS. THE GOVERNMENTS AND THE PEOPLES OF THE HEMISPHERE ARE RESPONDING TO THE CALL. AT SAN SALVADOR, A YEAR AGO. WE JOINED IN INAUGURATING THE INTER-AMERICAN BANK.

TREASURY DEPARTMENT
Washington

April 11, 1961

FOR RELEASE: AFTER 12:00 NOON

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REMARKS OF THE HONORABLE DOUGLAS DILLON
SECRETARY OF THE TREASURY
AT THE
SECOND MEETING OF THE BOARD OF GOVERNORS OF THE
INTER-AMERICAN DEVELOPMENT BANK
RIO de JANEIRO, BRAZIL, TUESDAY, APRIL 11, 1961

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The Inter-American Bank has been chosen by our Governments to carry the principal responsibility for administering the Fund for Social Development. We believe in the multilateral, cooperative concept which inspired its organization. The distinguished President of the Bank, Felipe Herrera, whose eloquent speech we have just heard, was ideally chosen to direct the Bank's efforts in fulfilling this responsibility. He, together with the Executive Directors and the professional staff, are men of broad experience, intellectual stamina, objectivity, and personal integrity -- men well deserving of the trust reposed in them.

Our trust has been sustained by the Bank's performance. In the short period of its existence the Bank has already approved 50 million dollars in loans to private and public enterprises in eight Latin American countries: Six loans for $23,750,000 from its ordinary capital resources, and four loans for $26,500,000 from its funds for special operations. It has also provided technical assistance to several countries countries through its wide-ranging missions. Its record of accomplishment is outstanding. It has given high priority to providing urgently needed funds for the economic development of small and middle-size private enterprises. Two of its loans met a need which is basic in many Latin American countries: increased supplies to potable water and expanded sanitation. These loans provide graphic examples of how economic and social progress can be combined in sound loans.

As testimony to the soundness of the Bank's operations fifteen private financial institutions of my country have participated with the Bank in its operations. This, too, is something of a record for an international bank still in its infancy. The Bank has also moved quickly into areas where economic frustration has retarded the march of progress. It has faced up to hard problems. Loans to break the grip of stagnation have been extended to Bolivia, Haiti, Paraguay, and to the Northeast Region of our host country, Brazil. There is a quality in the Bank's growth which has a special significance -- the pervading spirit of unanimity and brotherhood in what the Bank does after thoroughgoing examination and discussion of complex issues. The management and directors have not once failed to arrive at a decision which all could consider a wise and foward step.

This is a happy augury for the future success of our Alliance For Progress. Earlier in my remarks, I said that we of the United States do not accept economic stagnation as a tolerable condition for the Americas. We regard both economic stagnation and social injustice as totally intolerable. To us, therefore, economic and social progress in the Hemisphere is not merely a dream it is an essential step in the attainment of the possible. We have the essential instruments in our grasp. Let us here resolve to use them wisely and well.

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earnings of all the people. It means the encouragement of private enterprise through tax and other policies. It means the building of roads and dams. It means the extension of marketing, distribution and banking systems. It means the opening up of agricultural lands and the reformation of outdated systems of land tenure.

Let us not deceive outselves. The adoption and execution of well-planned programs based upon self-help will call for discipline and sacrifice. These burdens will bear most heavily upon the more favored classes of society. Great as these sacrifices may be, I am confident that they will be made. For the challenge which the Americas face, is clear and unmistakable. We can not, we dare not, let it go unanswered.

The vast effort required in planning, in self-help, and in the channelling of external resources into development, makes it mandatory that we make full use of our Inter-American machinery. The Bank, Inter-American Economic and Social Council, and Economic Commission for Latin America; each must play its part. An excellent beginning has already been made with the creation of the new Committee on Cooperation by our President, Senor Felipe Herrera, and his colleagues, Dr. Raul Prebish of ECLA, and Dr. Jose Mora of the OAS. The opportunity to organize in concrete terms, the new substantive programs envisaged in the Alliance For Progress, will be provided by the forthcoming Special Ministerial Meeting of IA-ECOSOC. The United States will have specific suggestions to present at that Meeting, and we will warmly welcome the suggestions of others.

Meanwhile, I should like to outline some of our thinking: It may, for example, be desirable to make use of a limited number of special working groups in areas where individual country experience can be beneficially exchanged, or where multilateral consultations may be needed, as in the formulation of methods for employing surplus food in social development projects.

We attach great importance to the annual review of economic and social problems and progress as envisaged by the Act of Bogota. These reviews should provide both a continuing sense of direction and a stimulus for even greater efforts. The all important thing is that there be continuous and productive work from which the member nations can really benefit. Surveys and reports serve no useful purpose unless they produce concrete results. We are also convinced that the staff of IA-ECOSOC must be built into an outstandingly competent and creative secretariat -- a goal which we are happy to note is well on its way to fulfillment under the able leadership of Sr. Jorge Sol. The Inter-American Bank is destined to play a vital role in both the economic and social development sectors of this great new effort, not only as a lender of funds, but also as a provider of technical assistance, as a policy coordinator with other international agencies, and as a source of information and assistance to the United States in the operation of its foreign aid programs.

available, on a long range basis, both for specific projects and for general economic support of well-conceived development programs. Terms of repayment are to be adjusted to national ability to repay, and will include the use of long-term, interest-free loans.

We also hope that the Alliance For Progress will lead to an increase in development assistance to Latin America from the other industrialized countries of the Free World. Two weeks ago, in London, the members of the Development Assistance Group agreed upon a significant declaration of policy. They called for an expansion of the aggregate volume of the resources presently flowing to the developing countries, for aid on an assured and continuing basis, and for greater assistance in the form of grants and loans on favorable terms. A larger supply of external public capital and its more systematic application for development programs should bring about a greater flow of foreign private investment, particularly investment in the production and distribution of goods and services for expanding domestic markets. When the new Organization for Economic Cooperation and Development is established sometime later this year, the Development Assistance Group will become a subsidiary body of the OECD.

Through the Organization of American States, Latin America should have a close working relationship with the OECD. The United States will strive to bring this about. We do not foresee any difficulty, for I understand that Mr. Thorkil Kristensen, the distinguished European statesman, who will be the Secretary General of the OECD, shares this view.

I have spoken of the need for self-help and effective national planning in carrying forward the Alliance For Progress. The phrase "self-help" should not be interpreted to mean conditions imposed upon a country as the price of external assistance. Quite the contrary, self-help is the key to the entire development process. Without it, outside assistance would be totally ineffective. The great bulk of resources for development, human and material, must come from within the developing countries. External assitance can be a critically important supplement to their own efforts. But it can be effective only when the developing countries make full use of their own resources on their own behalf.

It is for this reason that long-range planning and programming for economic and social development are so important to the concept of the Alliance For Progress.

As we see it, development planning does not imply regimentation of economies through governmental controls. It does mean consistent programming of public investment aimed at broad development targets -- programming supplemented by economic and social policies designed to activate a nation's energies and resources, including the indispensable private sector. It means good monetary management. It means the mobilization of each country's resources in a manner best calculated to bring into the common endeavor the savings and

I have heard it said that some Latin Americans believe the United States is concerned only with financial stabilization programs in Latin America. If there are any doubts on this score, let me dispel them here and now: The United States is concerned, and deeply concerned, with much more than stability. We do not accept economic stagnation as a tolerable condition for the Americas. Development ... growth ... progress ... broadly based and widely shared -- these must be our primary objectives. Stabilization and growth are not alternatives in conflict with each other.

On the contrary, they are mutually reinforcing objectives which, when pursued simultaneously, promote improvement in living standards at the most rapid and continuous rate possible. Social equity for the individual, our third goal, is in many ways the most important. Development will not produce true economic progress if its benefits are restricted to the privileged few and denied to the many who today are sadly underprivileged. Social equity for the individual must be a prime target of our endeavor. Our spiritual traditions demand no less. Moreover, people are the single most powerful factor in economic development. Without social equity for the individual, democracy will languish and free government will disappear The move rapidly towards these inter-related goals, the Alliance for Progress proposed by President Kennedy, calls for a concerted maximum effort over the next decade. This would involve the formulation by each Latin American country of its own long-term plans for development as well as the establishment of specific targets and priorities. These plans would not only inspire surging national efforts, they would also provide solid foundations for the effective use of external assistance -- from the Inter-American Bank, from the United States and other industrialized countries, and from the international institutions of the Free World.

The new Social Development Program embodied in the Act of Bogota will be an important part of the Alliance for Progress. We are confident that this program can be started quickly, with the Inter-American Bank taking a leading role. As you know, President Kennedy has proposed to our Congress that, of the 500 million dollars to be provided as a first step in implementing social development under the Act of Bogota, 394 million dollars be administered by the Bank and six million dollars by the Organization of American States. In the normal course of our legislative process these funds should become available within the next two months. Social development, we are all agreed, must be accompanied by economic development.

Planning and resources, both national and international, must be devoted to the expansion of industry, agriculture and mining, transport and power, and commercial enterprise. The United States is, therefore, prepared to devote substantial resources over and above the present flow of public and private capital, to basic economic development as a part of the Alliance for Progress. President Kennedy has submitted to the Congress a new over-all program of Foreign Economic Assistance to assure the availability of United States public capital for these purposes in Latin America, as well as in other developing countries. This assistance will be

President Janio Quadros in his message last month to the National Congress stated: "As was recognized by the Act of Bogota, in which the major practical and theoretical points of Operation Pan America were consecrated, the solution of the problems which afflict the Continent will depend substantially on economic progress. That economic progress will not be stimulated until the Governments of America decide to pass from the plane of theoretical formulations to the terrain of the practical execution of adequate measures." To "pass from the plane of theoretical formulations to the terrain of the practical execution of adequate measures" -- and to do so on a comprehensive scale: this is the very purpose of the Alianza Para El Progreso proposed by President Kennedy. In President Kennedy's words: "If we are to meet a problem so staggering in its dimension, our approach must itself be equally bold -- an approach consistent with the majestic concept of Operation Pan America. Therefore, I have called on all the people of the Hemisphere to join in a new alliance for progress -- a vast cooperative effort, unparalleled in magnitude and nobility of purpose, to satisfy the basic needs of the American people for homes, work and land, health and schools -- techo, trabajo y tierra, salud y escuela".

What are the economic and social goals we must pursue in carrying forward an alliance for progress?

I think these goals can be defined as growth, stability, and social equity for the individual. These three goals go hand in hand. They are not isolated objectives. Indeed, if they are to serve the people -- and in our Hemisphere the well-being of the people is the supreme purpose of government -- they must form an indissoluble trinity.

Economic stability is not an end in itself. It is a means to promote steady and widely-shared economic growth. To induce an adequate rate of savings, to channel investment into truly productive undertakings, to strengthen popular confidence in democratic processes, to attract foreign enterprise, in short to promote a balanced development of the economy, there must be reasonable price stability. This in turn requires effective budget management and tax administration. Credit policies should be designed to foster growth. They should also be designed to avoid speculative excess. Foreign exchange policies should realistically relate internal prices and cost to world markets. These views, I believe, are now well settled in the thinking of those responsible for economic and financial policy in the developing countries. The heavy long-run costs of severe inflation have been widely recognized. The illusion that such inflation can provide a quick and easy way to better living standards has been dispelled. Of course economic stability by itself will not guarantee economic growth. This is especially true in the developing countries, where bold and positive efforts must be made in both the governmental and private sectors to help create the conditions for growth.

TREASURY DEPARTMENT
Washington

April 11, 1961

FOR RELEASE: AFTER 12:00 NOON

REMARKS OF THE HONORABLE DOUGLAS DILLON
SECRETARY OF THE TREASURY
AT THE
SECOND MEETING OF THE BOARD OF GOVERNORS OF THE
INTER-AMERICAN DEVELOPMENT BANK
RIO DE JANEIRO, BRAZIL, TUESDAY, APRIL 11, 1961

Mr. Chairman, President Herrera, Fellow Governors:

It is a special pleasure for me to meet with you in my new capacity as a Governor of the Inter-American Development Bank. The concept of the Bank as a vital instrument of Inter-American Cooperation has been close to my heart since 1958, when I had the high privilege of informing the Inter-American Economic and Social Council of United States support for this new and long dreamed-of joint venture.

We are all grateful to the Government and the people of Brazil for inviting us to this gracious and hospitable city of Rio de Janeiro. The fame of Rio as a world metropolis is too well established for us to enrich it further by our remarks. But we can and do extend our warm thanks to the friendly people of this lovely city for making our stay so very pleasant.

I also cannot fail to congratulate our Chairman, the distinguished Minister of Finance of Brazil, for the inspiration which he has given to our deliberations by the wisdom of his words. It is fitting that the first birthday of the Bank is being celebrated here in Brazil, whose genius gave us the noble concept of Operacao Panamericana. Operation Pan America, born of onrushing social change and the awakening aspirations of the people, speaks to the hearts of the men and women of the Americas. It is a spiritual call to action -- action to raise the living standards of the many millions who now struggle in poverty and to give their lives real meaning in terms of personal freedom and individual dignity. More than a century ago, democracy raised its voice throughout Latin America in a revolutionary "grito" for liberty. Operation Pan America is the "grito" of the 20th century -- an insistent and inexorable demand for liberation from the human misery created by crushing economic and social conditions. The governments and the peoples of the Hemisphere are responding to the call. At San Salvador, a year ago, we joined in inaugurating the Inter-American Bank. At Bogota, last fall, we joined in launching an unprecedented social development program for Latin America, a program which substantially enlarged the responsibilities of the Bank. The stage is now set for us to join together again in a vast, expanded effort to achieve our goals through practical and concrete measures affecting all aspects of economic and social life.

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We also hope that the Alliance For Progress will lead to an increase in development assistance to Latin America from the other industrialized countries of the Free World. Two weeks ago, in London, the members of the Development Assistance Group agreed upon a significant declaration of policy. They called for an expansion of the aggregate volume of the resources presently flowing to the developing countries, for aid on an assured and continuing basis, and for greater assistance in the form of grants and loans on favorable terms. A larger supply of external public capital and its more systematic application for development programs should bring about a greater flow of foreign private investment, particularly investment in the production and distribution of goods and services for expanding domestic markets. When the new Organization for Economic Cooperation and Development is established sometime later this year, the Development Assistance Group will become a subsidiary body of the OECD.

Through the Organization of American States, Latin America should have a close working relationship with the OECD. The United States will strive to bring this about. We do not foresee any difficulty, for I understand that Mr. Thorkil Kristensen, the distinguished European statesman, who will be the Secretary General of the OECD, shares this view.

I have spoken of the need for self-help and effective national planning in carrying forward the Alliance For Progress. The phrase "self-help" should not be interpreted to mean conditions imposed upon a country as the price of external assistance. Quite the contrary, self-help is the key to the entire development process. Without it, outside assistance would be totally ineffective. The great bulk of resources for development, human and material, must come from within the developing countries. External assitance can be a critically important supplement to their own efforts. But it can be effective only when the developing countries make full use of their own resources on their own behalf.

It is for this reason that long-range planning and programming for economic and social development are so important to the concept of the Alliance For Progress.

As we see it, development planning does not imply regimentation of economies through governmental controls. It does mean consistent programming of public investment aimed at broad development targets -- programming supplemented by economic and social policies designed to activate a nation's energies and resources, including the indispensable private sector. It means good monetary management. It means the mobilization of each country's resources in a manner best calculated to bring into the common endeavor the savings and earnings of all the people. It means the encouragement of private enterprise through tax and other policies. It means the building of roads and dams. It means the extension of marketing, distribution and banking systems. It means the opening up of agricultural lands and the reformation of outdated systems of land tenure.

Let us not deceive outselves. The adoption and execution of well-planned programs based upon self-help will call for discipline and sacrifice. These burdens will bear most heavily upon the more favored classes of society. Great as these sacrifices may be, I am confident that they will be made. For the challenge which the Americas face, is clear and unmistakable. We can not, we dare not, let it go unanswered.

The vast effort required in planning, in self-help, and in the channelling of external resources into development, makes it mandatory that we make full use of our Inter-American machinery. The Bank, Inter-American Economic and Social Council, and Economic Commission for Latin America; each must play its part. An excellent beginning has already been made with the creation of the new Committee on Cooperation by our President, Senor Felipe Herrera, and his colleagues, Dr. Raul Prebish of ECLA, and Dr. Jose Mora of the OAS. The opportunity to organize in concrete terms, the new substantive programs envisaged in the Alliance For Progress, will be provided by the forthcoming Special Ministerial Meeting of IA-ECOSOC. The United States will have specific suggestions to present at that Meeting, and we will warmly welcome the suggestions of others.

Meanwhile, I should like to outline some of our thinking: It may, for example, be desirable to make use of a limited number of special working groups in areas where individual country experience can be beneficially exchanged, or where multilateral consultations may be needed, as in the formulation of methods for employing surplus food in social development projects.

We attach great importance to the annual review of economic and social problems and progress as envisaged by the Act of Bogota. These reviews should provide both a continuing sense of direction and a stimulus for even greater efforts. The all important thing is that there be continuous and productive work from which the member nations can really benefit. Surveys and reports serve no useful purpose unless they produce concrete results. We are also convinced that the staff of IA-ECOSOC must be built into an outstandingly competent and creative secretariat -- a goal which we are happy to note is well on its way to fulfillment under the able leadership of Sr. Jorge Sol. The Inter-American Bank is destined to play a vital role in both the economic and social development sectors of this great new effort, not only as a lender of funds, but also as a provider of technical assistance, as a policy coordinator with other international agencies, and as a source of information and assistance to the United States in the operation of its foreign aid programs.

The Inter-American Bank has been chosen by our Governments to carry the principal responsibility for administering the Fund for Social Development. We believe in the multilateral, cooperative concept which inspired its organization. The distinguished President of the Bank, Felipe Herrera, whose eloquent speech we have just heard, was ideally chosen to direct the Bank's efforts in fulfilling this responsibility. He, together with the Executive Directors and the professional staff, are men of broad experience, intellectual stamina, objectivity, and personal integrity -- men well deserving of the trust reposed in them.

Our trust has been sustained by the Bank's performance. In the short period of its existence the Bank has already approved 50 million dollars in loans to private and public enterprises in eight Latin American countries: Six loans for $23,750,000 from its ordinary capital resources, and four loans for $26,500,000 from its funds for special operations. It has also provided technical assistance to several countries countries through its wide-ranging missions. Its record of accomplishment is outstanding. It has given high priority to providing urgently needed funds for the economic development of small and middle-size private enterprises. Two of its loans met a need which is basic in many Latin American countries: increased supplies to potable water and expanded sanitation. These loans provide graphic examples of how economic and social progress can be combined in sound loans.

As testimony to the soundness of the Bank's operations fifteen private financial institutions of my country have participated with the Bank in its operations. This, too, is something of a record for an international bank still in its infancy. The Bank has also moved quickly into areas where economic frustration has retarded the march of progress. It has faced up to hard problems. Loans to break the grip of stagnation have been extended to Bolivia, Haiti, Paraguay, and to the Northeast Region of our host country, Brazil. There is a quality in the Bank's growth which has a special significance -- the pervading spirit of unanimity and brotherhood in what the Bank does after thoroughgoing examination and discussion of complex issues. The management and directors have not once failed to arrive at a decision which all could consider a wise and foward step.

This is a happy augury for the future success of our Alliance For Progress. Earlier in my remarks, I said that we of the United States do not accept economic stagnation as a tolerable condition for the Americas. We regard both economic stagnation and social injustice as totally intolerable. To us, therefore, economic and social progress in the Hemisphere is not merely a dream it is an essential step in the attainment of the possible. We have the essential instruments in our grasp. Let us here resolve to use them wisely and well.

oOo

STATUTORY DEBT LIMITATION

AS OF March 31, 1961

Washington, April 12, 1961

Section 21 of Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of that Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), "shall not exceed in the aggregate $285,000,000,000 (Act of June 30, 1959; U.S.C., title 31, sec. 757b), outstanding at any one time. For purposes of this section the current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder shall be considered as its face amount." The Act of June 30, 1960 (P.L. 86-564 86th Congress) provides that during the period beginning on July 1, 1960 and ending June 30, 1961, the above limitation ($285,000,000,000) shall be temporarily increased by $8,000,000,000.

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time			$293,000,000,000
Outstanding-			
Obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing:			
Treasury bills	$36,511,237,000		
Certificates of indebtedness	11,503,147,000		
Treasury notes	57,833,160,000	$105,847,544,000	
Bonds-			
Treasury	80,622,954,250		
* Savings (current redemp. value)	47,395,144,010		
Depositary	121,211,000		
R.E.A. series	15,506,000		
Investment series	6,005,131,000	134,159,946,260	
Special Funds-			
Certificates of indebtedness	7,686,008,000		
Treasury notes	8,777,172,000		
Treasury bonds	27,537,385,000	44,000,565,000	
Total interest-bearing		284,008,055,260	
Matured, interest-ceased		417,698,350	
Bearing no interest:			
United States Savings Stamps	52,975,205		
Excess profits tax refund bonds	754,834		
Special notes of the United States:			
Internat'l Monetary Fund series	2,536,000,000		
Int'l Devel.Ass'n.	57,652,200	2,647,382,239	
Total		287,073,135,849	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A. & DC Stad.Bds.	209,942,250		
Matured, interest-ceased	902,175	210,844,425	
Grand total outstanding			287,283,980,274
Balance face amount of obligations issuable under above authority			5,716,019,726

Reconcilement with Statement of the Public Debt March 31, 1961
(Date)

(Daily Statement of the United States Treasury, March 31, 1961)
(Date)

Outstanding-	
Total gross public debt	287,471,401,433
Guaranteed obligations not owned by the Treasury	210,844,425
Total gross public debt and guaranteed obligations	287,682,245,858
Deduct - other outstanding public debt obligations not subject to debt limitation	398,265,584
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from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

~~Exhibit 2-A~~

~~BETA - MODIFIED~~

TREASURY DEPARTMENT
Washington

R IMMEDIATE RELEASE

April 12, 1961

TREASURY'S WEEKLY BILL OFFERING

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $ 1,500,000,000 (2), or thereabouts, for cash and in exchange for Treasury bills maturing April 20, 1961 (3), in the amount of $1,501,608,000 (4), as follows:

91 (5) -day bills (to maturity date) to be issued April 20, 1961 (6), in the amount of $1,100,000,000 (7), or thereabouts, representing an additional amount of bills dated January 19, 1961 (8), and to mature July 20, 1961 (9), originally issued in the amount of $400,172,000 (10), the additional and original bills to be freely interchangeable.

182 (11) -day bills, for $ 400,000,000 (12), or thereabouts, to be dated April 20, 1961 (13), and to mature October 19, 1961 (14).

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Standard time, Monday, April 17, 1961 (15). Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

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TREASURY DEPARTMENT 313

WASHINGTON, D.C.

April 12, 1961

FOR IMMEDIATE RELEASE

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91-day bills (to maturity date) to be issued April 20, 1961, in the amount of $1,100,000,000, or thereabouts, representing an additional amount of bills dated January 19, 1961, and to mature July 20, 1961, originally issued in the amount of $400,172,000, the additional and original bills to be freely interchangeable.

182-day bills, for $400,000,000, or thereabouts, to be dated April 20, 1961, and to mature October 19, 1961.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Standard time, Monday, April 17, 1961. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Departmment of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated January 19, 1961, (91 days remaining until maturity date on July 20, 1961) and noncompetitive tenders for $100,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on April 20, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 20, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

OR RELEASE A. M. NEWSPAPERS,
hursday, April 13, 1961.

April 12, 1961

RESULTS OF REFUNDING OF $2 BILLION OF ONE-YEAR BILLS

The Treasury Department announced last evening that the tenders for $2,000,000,000, r thereabouts, of 365-day Treasury bills to be dated April 15, 1961, and to mature pril 15, 1962, which were offered on April 6, were opened at the Federal Reserve Banks n April 12.

The details of this issue are as follows:

Total applied for - $4,116,451,000
Total accepted - 2,000,367,000 (includes $178,894,000 entered on a noncompetitive basis and accepted in full at the average price shown below)

Range of accepted competitive bids: (Excepting one tender of $1,500,000)

High	- 97.171	Equivalent rate of discount approx.	2.790% per annum
Low	- 97.117	" " " " "	2.844% " "
Average	- 97.134	" " " " "	2.827% " " 1/

(81 percent of the amount bid for at the low price was accepted)

Federal Reserve District	Total Applied For	Total Accepted
Boston	$ 86,818,000	$ 31,818,000
New York	2,682,215,000	1,344,345,000
Philadelphia	57,591,000	20,191,000
Cleveland	225,551,000	72,491,000
Richmond	37,904,000	17,804,000
Atlanta	74,745,000	35,495,000
Chicago	522,032,000	230,793,000
St. Louis	24,797,000	13,247,000
Minneapolis	27,570,000	7,370,000
Kansas City	52,284,000	27,169,000
Dallas	39,021,000	22,921,000
San Francisco	285,923,000	176,723,000
TOTAL	$4,116,451,000	$2,000,367,000

On a coupon issue of the same length and for the same amount invested, the return on these bills would provide a yield of 2.93%. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

D-76

Commodity	Period and Quantity		Unit of Quantity	Imports as of April 1, 1961
Absolute Quotas				
Peanuts, shelled, unshelled, blanched, salted, prepared or preserved (incl. roasted peanuts but not peanut butter).....	12 mos. from Aug. 1, 1960	1,709,000	Pound	36,753*
Rye, rye flour, and rye meal.....	July 1, 1960- June 30, 1961			
	Canada	140,733,957	Pound	122,967,888*
	Other Countries	2,872,122	Pound	-
Butter substitutes, including butter oil, containing 45% or more butterfat..................	Calendar Year 1961	1,200,000	Pound	Quota Filled
Tung Oil........................	Feb. 1, 1961- Oct. 31, 1961			
	Argentina	18,770,577	Pound	4,909,007*
	Paraguay	2,230,313	Pound	Quota Filled
	Other Countries	711,188	Pound	-

* Imports through April 10, 1961.

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
THURSDAY, APRIL 13, 1961

D-77

The Bureau of Customs announced today preliminary figures showing the imports for consumption of the commodities listed below within quota limitations from the beginning of the quota periods to April 1, 1961, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of April 1, 1961
Tariff-Rate Quotas:				
Cream, fresh or sour............	Calendar Year	1,500,000	Gallon	241
Whole milk, fresh or sour.......	Calendar Year	3,000,000	Gallon	30
Cattle, 700 lbs. or more each (other than dairy cows)........	Jan. 1, 1961-March 31, 1961	120,000	Head	17,710 1/
Cattle less than 200 lbs. each..	12 mos. from April 1, 1960	200,000	Head	39,543 1/
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish........	Calendar Year	32,600,645	Pound	Quota Filled 2/
Tuna fish.......................	Calendar Year	57,114,714	Pound	11,822,619
White or Irish potatoes:				
Certified seed.................	12 mos. from	114,000,000	Pound	47,542,220
Other..........................	Sept. 15, 1960	36,000,000	Pound	5,866,643
Peanut oil......................	12 mos. from July 1, 1960	80,000,000	Pound	1,440
Walnuts.........................	Calendar Year	5,000,000	Pound	3,819,556
Stainless steel table flatware (table knives, table forks, table spoons).................	Nov. 1, 1960-Oct. 31, 1961	69,000,000	Pieces	Quota Filled 3/

1/ As of March 31, 1961.

2/ As of March 31, 1961. Imports for consumption at the quota rate are limited to 8,150,161 pounds during the first three months of the calendar year.

3/ Based on preliminary data; subject to adjustment.

(over)

TREASURY DEPARTMENT
Washington, D. C.

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DIATE RELEASE
URSDAY, APRIL 13, 1961

D-77

The Bureau of Customs announced today preliminary figures showing the imports for nsumption of the commodities listed below within quota limitations from the beginning the quota periods to April 1, 1961, inclusive, as follows:

Commodity	Period and Quantity		Unit of Quantity	Imports as of April 1, 1961
riff-Rate Quotas:				
eam, fresh or sour............	Calendar Year	1,500,000	Gallon	241
ole milk, fresh or sour.......	Calendar Year	3,000,000	Gallon	30
ttle, 700 lbs. or more each other than dairy cows)........	Jan. 1, 1961-March 31, 1961	120,000	Head	17,710 1/
ttle less than 200 lbs. each..	12 mos. from April 1, 1960	200,000	Head	39,543 1/
sh, fresh or frozen, filleted, c., cod, haddock, hake, pol-ck, cusk, and rosefish........	Calendar Year	32,600,645	Pound	Quota Filled 2/
na fish......................	Calendar Year	57,114,714	Pound	11,822,619
ite or Irish potatoes:				
ertified seed.................	12 mos. from	114,000,000	Pound	47,542,220
ther.........................	Sept. 15, 1960	36,000,000	Pound	5,866,643
nut oil......................	12 mos. from July 1, 1960	80,000,000	Pound	1,440
nuts.........................	Calendar Year	5,000,000	Pound	3,819,556
inless steel table flatware able knives, table forks, able spoons)................	Nov. 1, 1960-Oct. 31, 1961	69,000,000	Pieces	Quota Filled 3/

As of March 31, 1961.

As of March 31, 1961. Imports for consumption at the quota rate are limited to 50,161 pounds during the first three months of the calendar year.

Based on preliminary data; subject to adjustment.

(over)

Commodity	Period and Quantity		Unit of Quantity	Imports as of April 1, 19
Absolute Quotas				
Peanuts, shelled, unshelled, blanched, salted, prepared or preserved (incl. roasted peanuts but not peanut butter).....	12 mos. from Aug. 1, 1960	1,709,000	Pound	36,753*
Rye, rye flour, and rye meal.....	July 1, 1960-June 30, 1961			
	Canada	140,733,957	Pound	122,967,888*
	Other Countries	2,872,122	Pound	-
Butter substitutes, including butter oil, containing 45% or more butterfat..................	Calendar Year 1961	1,200,000	Pound	Quota Filled
Tung Oil........................	Feb. 1, 1961-Oct. 31, 1961			
	Argentina	18,770,577	Pound	4,909,007*
	Paraguay	2,230,313	Pound	Quota Filled
	Other Countries	711,188	Pound	-

* Imports through April 10, 1961.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
THURSDAY, APRIL 13, 1961 D-78

The Bureau of Customs announced today the following preliminary figures showing the imports for consumption from January 1, 1961, to April 1, 1961, inclusive, of commodities for which quotas were established pursuant to the Philippine Trade Agreement Revision Act of 1955:

Commodity	Established Annual Quota Quantity	Unit of Quantity	Imports as of April 1, 1961
Buttons.............	765,000	Gross	65,511
Cigars..............	180,000,000	Number	1,466,365
Coconut oil.........	403,200,000	Pound	33,025,920
Cordage.............	6,000,000	Pound	678,826
Tobacco.............	5,850,000	Pound	4,533,885

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE

THURSDAY, APRIL 13, 1961

D-78

The Bureau of Customs announced today the following preliminary figures showing the imports for consumption from January 1, 1961, to April 1, 1961, inclusive, of commodities for which quotas were established pursuant to the Philippine Trade Agreement Revision Act of 1955:

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Cordage.............	6,000,000	Pound	678,826
Tobacco.............	5,850,000	Pound	4,533,885

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COTTON WASTES
(In pounds)

COTTON CARD STRIPS made from cotton having a staple of less than 1-3/16 inches in length, COMBER WASTE, LAP WASTE, SLIVER WASTE, AND ROVING WASTE, WHETHER OR NOT MANUFACTURED OR OTHERWISE ADVANCED IN VALUE: Provided, however, that not more than 33-1/3 percent of the quotas shall be filled by cotton wastes other than comber wastes made from cottons of 1-3/16 inches or more in staple length in the case of the following countries: United Kingdom, France, Netherlands, Switzerland, Belgium, Germany, and Italy:

Country of Origin	Established TOTAL QUOTA	Total Imports Sept. 20, 1960, to April 10, 1961	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1960 to April 10, 1961
United Kingdom	4,323,457	1,411,231	1,441,152	1,179,209
Canada	239,690	239,690	-	-
France	227,420	42,782	75,807	42,782
British India	69,627	-	-	-
Netherlands	68,240	21,442	22,747	21,442
Switzerland	44,388	-	14,796	-
Belgium	38,559	3,068	12,853	3,068
Japan	341,535	-	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	21,222	25,443	9,937
Italy	21,263	-	7,088	-
	5,482,509	1,739,435	1,599,886	1,256,438

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
THURSDAY, APRIL 13, 1961

D-79

Preliminary data on imports for consumption of cotton and cotton waste chargeable to the quotas established by the President's Proclamation of September 5, 1939, as amended

COTTON (other than linters) (in pounds)
Cotton under 1-1/8 inches other than rough or harsh under 3/4"
Imports September 20, 1960 - April 10, 1961

Country of Origin	Established Quota	Imports
Egypt and the Anglo-Egyptian Sudan	783,816	-
Peru	247,952	**50,569**
British India	2,003,483	-
China	1,370,791	-
Mexico	8,883,259	**8,883,259**
Brazil	618,723	**618,721**
Union of Soviet Socialist Republics ...	475,124	-
Argentina	5,203	-
Haiti	237	-
Ecuador	9,333	-
Honduras	752	-
Paraguay	871	-
Colombia	124	-
Iraq	195	-
British East Africa ...	2,240	**681**
Netherlands E. Indies .	71,388	-
Barbados	-	-
1/Other British W. Indies	21,321	-
Nigeria	5,377	-
2/Other British W. Africa	16,004	-
3/Other French Africa ...	689	-
Algeria and Tunisia ...	-	-

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.

Cotton 1-1/8" or more
Imports August 1, 1960 - April 10, 1961

Established Quota (Global) - 45,656,420 Lbs.

Staple Length	Allocation	Imports
1-3/8" or more	39,590,778	**39,590,778**
1-5/32" or more and under 1-3/8" (Tanguis)	1,500,000	**609,648**
1-1/8" or more and under 1-3/8"	4,565,642	**4,565,642**

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
THURSDAY, APRIL 13, 1961

D-79

Preliminary data on imports for consumption of cotton and cotton waste chargeable to the quotas established by the President's Proclamation of September 5, 1939, as amended

COTTON (other than linters) (in pounds)
Cotton under 1-1/8 inches other than rough or harsh under 3/4"
Imports September 20, 1960 - April 10, 1961

Country of Origin	Established Quota	Imports
Egypt and the Anglo-Egyptian Sudan	783,816	-
Peru	247,952	50,569
British India	2,003,483	-
China	1,370,791	-
Mexico	8,883,259	8,883,259
Brazil	618,723	618,721
Union of Soviet Socialist Republics	475,124	-
Argentina	5,203	-
Haiti	237	-
Ecuador	9,333	-
Honduras	752	-
Paraguay	871	-
Colombia	124	-
Iraq	195	-
British East Africa	2,240	681
Netherlands E. Indies	71,388	-
Barbados	-	-
1/Other British W. Indies	21,321	-
Nigeria	5,377	-
2/Other British W. Africa	16,004	-
3/Other French Africa	689	-
Algeria and Tunisia	-	-

1/ Other than Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Other than Gold Coast and Nigeria.
3/ Other than Algeria, Tunisia, and Madagascar.

Cotton 1-1/8" or more
Imports August 1, 1960 - April 10, 1961

Established Quota (Global) - 45,656,420 Lbs.

Staple Length	Allocation	Imports
1-3/8" or more	39,590,778	39,590,778
1-5/32" or more and under 1-3/8" (Tanguis)	1,500,000	609,648
1-1/8" or more and under 1-3/8"		

COTTON WASTES
(In pounds)

COTTON CARD STRIPS made from cotton having a staple of less than 1-3/16 inches in length, COMBER WASTE, LAP WASTE, SLIVER WASTE, AND ROVING WASTE, WHETHER OR NOT MANUFACTURED OR OTHERWISE ADVANCED IN VALUE: Provided, however, that not more than 33-1/3 percent of the quotas shall be filled by cotton wastes other than comber wastes made from cottons of 1-3/16 inches or more in staple length in the case of the following countries: United Kingdom, France, Netherlands, Switzerland, Belgium, Germany, and Italy:

Country of Origin	Established TOTAL QUOTA	Total Imports Sept. 20, 1960, to April 10, 1961	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1960 to April 10, 1961
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Canada	239,690	239,690	-	-
France	227,420	42,782	75,807	42,782
British India	69,627	-	-	-
Netherlands	68,240	21,442	22,747	21,442
Switzerland	44,388	-	14,796	-
Belgium	38,559	3,068	12,853	3,068
Japan	341,535	-	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	21,222	25,443	9,937
Italy	21,263	-	7,088	-
	5,482,509	1,739,435	1,599,886	1,256,438

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
THURSDAY, APRIL 13, 1961

D-80

PRELIMINARY DATA ON IMPORTS FOR CONSUMPTION OF UNMANUFACTURED LEAD AND ZINC CHARGEABLE TO THE QUOTAS ESTABLISHED BY PRESIDENTIAL PROCLAMATION NO. 3257 OF SEPTEMBER 22, 1958

QUARTERLY QUOTA PERIOD - January 1, 1961 - March 31, 1961

IMPORTS - January 1, 1961 - March 31, 1961

Country of Production	ITEM 391: Lead-bearing ores, flue dust, and mattes		ITEM 392: Lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, antimonial scrap lead, type metal, all alloys or combinations of lead n.s.p.f.		ITEM 393: Zinc-bearing ores of all kinds, except pyrites containing not over 3% of zinc		ITEM 394: Zinc in blocks, pigs, or slabs; old and worn-out zinc, fit only to be remanufactured, zinc dross, and zinc skimmings	
	Quarterly Quota Dutiable Lead	Imports	Quarterly Quota Dutiable Lead	Imports	Quarterly Quota Dutiable Zinc	Imports	Quarterly Quota By Weight	Imports
	(Pounds)		(Pounds)		(Pounds)		(Pounds)	
Australia	10,080,000	10,080,000	23,680,000	23,680,000	-		-	
Belgian Congo	-		-		-		5,440,000	5,438,847
Belgium and Luxemburg (total)	-		-		-		7,520,000	6,732,621
Bolivia	5,040,000	5,040,000	-		-		-	
Canada	13,440,000	13,440,000	15,920,000	15,920,000	66,480,000	50,547,398	37,840,000	35,738,940
Italy	-		-		-		3,600,000	1,104,072
Mexico	-		36,880,000	36,880,000	70,480,000	70,480,000	6,320,000	3,478,935
Peru	16,160,000	16,160,000	12,880,000	12,877,810	35,120,000	35,120,000	3,760,000	3,759,602
Un. So. Africa	14,880,000	14,880,000	-		-		-	
Yugoslavia	-		15,760,000	15,759,970	-		-	
All other foreign countries (total)	6,560,000	6,560,000	6,080,000	6,080,000	17,840,000	17,840,000	6,080,000	6,080,000

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
THURSDAY, APRIL 13, 1961

D-80

PRELIMINARY DATA ON IMPORTS FOR CONSUMPTION OF UNMANUFACTURED LEAD AND ZINC CHARGEABLE TO THE QUOTAS ESTABLISHED BY PRESIDENTIAL PROCLAMATION NO. 3257 OF SEPTEMBER 22, 1958

QUARTERLY QUOTA PERIOD - January 1, 1961 - March 31, 1961

IMPORTS - January 1, 1961 - March 31, 1961

Country of Production	ITEM 391: Lead-bearing ores, flue dust, and mattes		ITEM 392: Lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, antimonial scrap lead, type metal, all alloys or combinations of lead n.s.p.f.		ITEM 393: Zinc-bearing ores of all kinds, except pyrites containing not over 3% of zinc		ITEM 394: Zinc in blocks, pigs, or slabs; old and worn-out zinc, fit only to be remanufactured, zinc dross, and zinc skimmings	
	Quarterly Quota Dutiable Lead (Pounds)	Imports	Quarterly Quota Dutiable Lead (Pounds)	Imports	Quarterly Quota Dutiable Zinc (Pounds)	Imports	Quarterly Quota By Weight (Pounds)	Imports
Australia	10,080,000	10,080,000	23,680,000	23,680,000	-		-	
Belgian Congo	-		-		-		5,440,000	5,438,847
Belgium and Luxemburg (total)	-		-		-		7,520,000	6,732,621
Bolivia	5,040,000	5,040,000	-		-		-	
Canada	13,440,000	13,440,000	15,920,000	15,920,000	66,480,000	50,547,398	37,840,000	35,736,940
Italy	-		-		-		3,600,000	1,104,072
Mexico	-		36,880,000	36,880,000	70,480,000	70,480,000	6,320,000	3,476,935
Peru	16,160,000	16,160,000	12,880,000	12,877,810	35,120,000	35,120,000	3,760,000	3,759,602
Un. So. Africa	14,880,000	14,880,000	-		-		-	
Yugoslavia	-		15,760,000	15,759,970	-		-	
All other foreign countries (total)	6,560,000	6,560,000	6,080,000	6,080,000	17,840,000	17,840,000	6,080,000	6,080,000

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
THURSDAY, APRIL 13, 1961.

D-81

PRELIMINARY DATA ON IMPORTS FOR CONSUMPTION OF UNMANUFACTURED LEAD AND ZINC CHARGEABLE TO THE QUOTAS ESTABLISHED BY PRESIDENTIAL PROCLAMATION NO. 3257 OF SEPTEMBER 22, 1958

QUARTERLY QUOTA PERIOD - April 1, 1961 - June 30, 1961

IMPORTS - April 1, 1961 - April 11, 1961

Country of Production	ITEM 391 Lead-bearing ores, flue dust, and mattes: Quarterly Quota Dutiable Lead (Pounds)	ITEM 391: Imports (Pounds)	ITEM 392 Lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, antimonial scrap lead, type metal, all alloys or combinations of lead n.s.p.f.: Quarterly Quota Dutiable Lead (Pounds)	ITEM 392: Imports (Pounds)	ITEM 393 Zinc-bearing ores of all kinds, except pyrites containing not over 3% of zinc: Quarterly Quota Dutiable Zinc (Pounds)	ITEM 393: Imports (Pounds)	ITEM 394 Zinc in blocks, pigs, or slabs; old and worn-out zinc, fit only to be remanufactured, zinc dross, and zinc skimmings: Quarterly Quota By Weight (Pounds)	ITEM 394: Imports (Pounds)
Australia	10,080,000	5,632,959	23,680,000	3,970,053	-		-	
Belgian Congo	-		-		-		5,440,000	-
Belgium and Luxemburg (total)	-		-		-		7,520,000	195,925
Bolivia	5,040,000	1,579,147	-		-		-	
Canada	13,440,000	8,144,878	15,920,000	2,122,509	66,480,000	5,011,837	37,840,000	2,603,021
Italy	-		-		-		3,600,000	-
Mexico	-		36,880,000	4,123,075	70,480,000	11,791,501	6,320,000	119,473
Peru	16,160,000	836,469	12,880,000	1,603,278	35,120,000	2,290,072	3,760,000	99,980
Un. So. Africa	14,880,000	14,880,000	-		-		-	
Yugoslavia	-		15,760,000	3,845,419	-		-	
All other foreign countries (total)	6,560,000	6,560,000	6,080,000	6,080,000	17,840,000	17,840,000	6,080,000	6,080,000

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
THURSDAY, APRIL 13, 1961.

D-81

PRELIMINARY DATA ON IMPORTS FOR CONSUMPTION OF UNMANUFACTURED LEAD AND ZINC CHARGEABLE TO THE QUOTAS ESTABLISHED BY PRESIDENTIAL PROCLAMATION NO. 3257 OF SEPTEMBER 22, 1958

QUARTERLY QUOTA PERIOD - April 1, 1961 - June 30, 1961

IMPORTS - April 1, 1961 - April 11, 1961

Country of Production	ITEM 391: Lead-bearing ores, flue dust, and mattes		ITEM 392: Lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, antimonial scrap lead, type metal, all alloys or combinations of lead n.s.p.f.		ITEM 393: Zinc-bearing ores of all kinds, except pyrites containing not over 3% of zinc		ITEM 394: Zinc in blocks, pigs, or slabs; old and worn-out zinc, fit only to be remanufactured, zinc dross, and zinc skimmings	
	Quarterly Quota Dutiable Lead (Pounds)	Imports (Pounds)	Quarterly Quota Dutiable Lead (Pounds)	Imports (Pounds)	Quarterly Quota Dutiable Zinc (Pounds)	Imports (Pounds)	Quarterly Quota By Weight (Pounds)	Imports (Pounds)
Australia	10,080,000	5,632,959	23,680,000	3,970,053	-		-	
Belgian Congo	-		-		-		5,440,000	-
Belgium and Luxemburg (total)	-		-		-		7,520,000	195,925
Bolivia	5,040,000	1,579,147	-		-		-	
Canada	13,440,000	8,144,878	15,920,000	2,122,509	66,480,000	5,011,837	37,840,000	2,603,021
Italy	-		-		-		3,600,000	-
Mexico	-		36,880,000	4,123,075	70,480,000	11,791,501	6,320,000	119,473
Peru	16,160,000	836,469	12,880,000	1,603,278	35,120,000	2,290,072	3,760,000	99,980
Un. So. Africa	14,880,000	14,880,000	-		-		-	
Yugoslavia	-		15,760,000	3,845,419	-		-	
All other foreign countries (total)	6,560,000	6,560,000	6,080,000	6,080,000	17,840,000	17,840,000	6,080,000	6,080,000

April 6, 1961

MEMORANDUM TO MR. MARTIN L. MOORE:

The following transactions were made in direct and guaranteed securities of the government for Treasury Investment and other accounts during the month of March:

Purchases	$157,822,700.00
Sales	101,678,500.00
Net Purchases	$ 56,144,200.00

TREASURY DEPARTMENT

WASHINGTON, D.C.

april 17, 1961

IMMEDIATE RELEASE,
~~Thursday, March 16, 1961~~. ~~D-48~~

TREASURY MARKET TRANSACTIONS IN MARCH

During ~~February~~ 1961, market transactions in direct and guaranteed securities of the government for Treasury investment and other accounts resulted in net ~~sales~~ by the Treasury Department of ~~$21,349,200~~.
$56,144,200.

D-82

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TREASURY DEPARTMENT

WASHINGTON, D.C.

April 17, 1961

IMMEDIATE RELEASE

TREASURY MARKET TRANSACTIONS IN MARCH

During March 1961, market transactions in direct and guaranteed securities of the government for Treasury investment and other accounts resulted in net purchases by the Treasury Department of $56,144,200.

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D-82

TREASURY DEPARTMENT

WASHINGTON, D.C.

April 17, 1961

IMMEDIATE RELEASE

TREASURY DETERMINATION ON ALUMINUM CHLORIDE
UNDER ANTIDUMPING ACT

The Treasury Department has determined that aluminum chloride (anhydrous) manufactured by Welland Chemical Company of Canada, Ltd., Port Colborne, Ontario, Canada, is not being, nor likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act of 1921. Notice of the finding will be published in the Federal Register.

Appraising officers are being instructed to proceed with the appraisement of this merchandise without regard to any question of dumping.

The dollar value of imports of aluminum chloride (anhydrous) received from this manufacturer during the year 1960 was approximately $27,250.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

April 14, 1961

FOR RELEASE: A.M. NEWSPAPERS
TUESDAY, APRIL 18, 1961

NEW APPOINTMENTS IN TREASURY DEPARTMENT

The U. S. Treasury Department today announced the appointment of Mr. Charles A. Dorsey, and Mr. Robert C. Vowels, as economists, and Mr. Jesse Johnson as management analyst.

Their employment brings to a total of four the number of Negroe appointed this year to important positions of this kind in the Treasury Department. They are the first Negroes ever to be appointe to such posts in Treasury.

The appointments resulted from Treasury policies adopted following President Kennedy's executive order establishing the President's Committee on Equal Employment Opportunity.

On April 4 the Treasury announced the appointment of Dr. Samuel Westerfield, Dean of the School of Business Administration at Atlanta University, as Associate Director of the Office of Debt Analysis.

Mr. Johnson will be a management analyst in the Office of the Administrative Assistant Secretary. Mr. Dorsey will be a fiscal economist in the Office of Debt Analysis and Mr. Vowels will be a fiscal economist in the Office of Tax Analysis. Mr. Johnson and Mr. Dorsey assumed their duties Monday, April 17th. Mr. Vowels will enter upon his duties after the close of the school semester at Howard University where he is a member of the faculty.

Mr. Johnson was an employee of Howard University and later became an assistant with the President's Committee on Government Contracts. He holds an LL.B. degree from Howard University and is 41 years of age. He is a former resident of St. Louis, Missouri, but now resides at 4107 Third Street, N. W., Washington, D. C.

Mr. Dorsey, a native of Baltimore, was a research assistant in the Office of Naval Operations, Navy Department. He holds M.A. and B.A. degrees from Howard University and is 39 years old. He resides at 1215 46th Street, S.E., Washington, D. C.

Prior to his service as an instructor in economics at Howard University, Mr. Vowels was with the District of Columbia Public Library. He, too, is a graduate of Howard University and holds degrees of B.A. and M.A. He is a native of Baltimore, Maryland, but resides now in Washington, D. C. at 130 Webster Street, N.W. Mr. Vowels is 35 years old.

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WASHINGTON, D.C.

April 14, 1961

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April 17, 1961

FOR RELEASE A. M. NEWSPAPERS, Tuesday, April 18, 1961.

RESULTS OF TREASURY'S WEEKLY BILL OFFERING

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated January 19, 1[...] and the other series to be dated April 20, 1961, which were offered on April 12, were opened at the Federal Reserve Banks on April 17. Tenders were invited for $1,100,000,[...] or thereabouts, of 91-day bills and for $400,000,000, or thereabouts, of 182-day bill[s]. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing July 20, 1961		:	182-day Treasury bills maturing October 19, 1961	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.427	2.267%	:	98.762	2.449%
Low	99.417	2.306%	:	98.756	2.461%
Average	99.421	2.292% 1/	:	98.758	2.458% 1/

82 percent of the amount of 91-day bills bid for at the low price was accepted
89 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	:	Applied For	Accepted
Boston	$ 47,594,000	$ 22,014,000	:	$ 6,289,000	$ 3,874,000
New York	1,362,207,000	695,239,000	:	908,696,000	279,058,000
Philadelphia	28,820,000	13,820,000	:	7,396,000	2,396,000
Cleveland	37,358,000	34,613,000	:	16,386,000	6,086,000
Richmond	12,649,000	11,849,000	:	1,701,000	1,701,000
Atlanta	31,777,000	24,297,000	:	5,239,000	4,093,000
Chicago	253,223,000	169,503,000	:	106,603,000	41,720,000
St. Louis	34,942,000	29,287,000	:	7,692,000	3,692,000
Minneapolis	15,243,000	9,913,000	:	5,686,000	3,136,000
Kansas City	39,069,000	28,069,000	:	13,076,000	5,875,000
Dallas	17,789,000	16,089,000	:	4,535,000	4,180,000
San Francisco	53,306,000	45,536,000	:	58,739,000	44,375,000
TOTALS	$1,933,977,000	$1,100,229,000 a/		$1,142,038,000	$400,186,000 b/

a/ Includes $244,096,000 noncompetitive tenders accepted at the average price of 99.4[...]
b/ Includes $51,725,000 noncompetitive tenders accepted at the average price of 98.75[...]
1/ On a coupon issue of the same length and for the same amount invested, the return [on] these bills would provide yields of 2.34%, for the 91-day bills, and 2.52%, for th[e] 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather tha[n] the amount invested and their length in actual number of days related to a 360-da[y] year. In contrast, yields on certificates, notes, and bonds are computed in term[s] of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannu[al] compounding if more than one coupon period is involved.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

April 17, 1961

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Average	99.421	2.292% 1/	98.758	2.458% 1/

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Richmond	12,649,000	11,849,000	1,701,000	1,701,000
Atlanta	31,777,000	24,297,000	5,239,000	4,093,000
Chicago	253,223,000	169,503,000	106,603,000	41,720,000
St. Louis	34,942,000	29,287,000	7,692,000	3,692,000
Minneapolis	15,243,000	9,913,000	5,686,000	3,136,000
Kansas City	39,069,000	28,069,000	13,076,000	5,875,000
Dallas	17,789,000	16,089,000	4,535,000	4,180,000
San Francisco	53,306,000	45,536,000	58,739,000	44,375,000
TOTALS	$1,933,977,000	$1,100,229,000 a/	$1,142,038,000	$400,186,000 b/

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TREASURY DEPARTMENT

WASHINGTON, D.C.

April 18, 1961

IMMEDIATE RELEASE

WITHHOLDING OF APPRAISEMENT ON
JALOUSIE-LOUVRE-SIZED SHEET GLASS

The Treasury Department is instructing customs field officers to withhold appraisement of sheet glass from Czechoslovakia, imported in jalousie louvre sizes, pending a determination as to whether this merchandise is being sold in the United States at less than fair value. Notice to this effect is being published in the Federal Register.

Under the Antidumping Act, determination of sales in the United States at less than fair value would require reference of the case to the Tariff Commission, which would consider whether American industry was being injured. Both dumping price and injury must be shown to justify a finding of dumping under the law.

The complaint in this case was received on February 10, 1961. The dollar value of imports received during the last 6 months of 1960 was approximately $219,000.

TREASURY DEPARTMENT

WASHINGTON, D.C.

April 18, 1961

IMMEDIATE RELEASE

TREASURY DECISION ON RAYON STAPLE FIBER
UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that rayon staple fiber from West Germany, except as to importations of "Cuprama" rayon staple fiber manufactured by Farbenfabriken Bayer, is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act.

Accordingly, this case is being referred to the United States Tariff Commission for an injury determination.

Notice of the determination and of the reference of the case to the Tariff Commission will be published in the Federal Register.

The dollar value of imports received during the year 1960 was approximately $5,000,000.

TREASURY DEPARTMENT

WASHINGTON, D.C.

April 18, 1961

IMMEDIATE RELEASE

TREASURY DECISION ON RAYON STAPLE FIBER
UNDER ANTIDUMPING ACT

The Treasury Department has determined that rayon staple fiber from Cuba is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act.

Accordingly, this case is being referred to the United States Tariff Commission for an injury determination.

Notice of the determination and of the reference of the case to the Tariff Commission will be published in the Federal Register.

The dollar value of imports received during the year 1960 was approximately $732,000.

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE

April 18, 1961

The United States Tariff Commission has determined that an industry in the United States is being, or is likely to be, injured by reason of the importation of portland cement, other than white, nonstaining portland cement, from Sweden. Accordingly, the Treasury Department is issuing a finding of dumping with respect to this merchandise imported from Sweden. Treasury Decision 55369 to this effect is being published in the Federal Register and in a weekly issue of Treasury Decisions.

The dollar value of imports of portland cement, other than white, nonstaining portland cement, received from Sweden during 1960 was approximately $577,000.

April 18, 1961

FOR IMMEDIATE RELEASE

TREASURY ANNOUNCES THAT PREEMPTIVE RIGHTS WILL NOT ATTACH TO SECURITIES MATURING MAY 15, 1961

The holders of $3,674 million of 4-3/8% certificates of indebtedness of Series B-1961, dated May 15, 1960, maturing May 15, 1961, and holders of $4,078 million of 3-5/8% Treasury notes of Series B-1961, dated December 1, 1958, maturing May 15, 1961, will not be offered preemptive rights to exchange their holdings for new securities to be offered early next month. The maturing certificates and notes, aggregating $7,752 million, will be paid off in cash. Approximately $4,800 million of the certificates and notes are publicly held.

The necessary funds to pay off the maturing certificates and notes will be provided by another issue, or other issues, of direct Treasury obligations offered for cash subscriptions. Subscribers to such new issue, or issues, who hold the maturing certificates and notes may, if they wish, deposit them at face value in lieu of any cash down payments required with subscriptions. To the extent subscribers are allotted the new securities, the Treasury will accept the maturing securities in lieu of cash in making final payments.

The announcement of the terms of the new issue, or issues, will be made later this month.

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Fis.Asst.Secty: 4/12/61

TREASURY DEPARTMENT

WASHINGTON, D.C.

April 18, 1961

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The announcement of the terms of the new issue, or issues, will be made later this month.

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~~Formerly~~

~~A member of the vestry of St. Paul's Episcopal Church of~~ and of ~~Alexandria, Mr. Hunt also serves as a member of the Board of the Department of Christian Social Relations, Episcopal Diocese of Virginia.~~ ~~Mr. Hunt is a licensed lay reader in the Episcopal Church.~~

Mr. Hunt is a member of the District of Columbia Bar, Bar of the U.S. Court of Appeals for the District of Columbia, and the Bar of the United States Supreme Court. He is also a member of the District of Columbia and American Bar associations.

Married to the former Mary Jane Fairbairn Abdill, Mr. Hunt resides at 3617 Gunston Road, Alexandria. They have four children.

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For the past 10 years, Mr. Hunt has been engaged in law practice with Gardner, Morrison & Rogers, of Washington, D.C. He came to that firm from the Yale Law School, where he received his LL.B. degree in 1951.

Mr. Hunt has been active in civic and political affairs in Alexandria and Washington over the past several years. He has been a member of the Alexandria City Democratic Committee since 1955, having served as its chairman since 1959. He was also Chairman of the Alexandria Delegation to the Virginia State Democratic Convention last year, and from 1956 to 1960 was Vice Chairman of the Committee for Job Opportunities of Washington, D. C.

Prior to attending the Yale Law School, Mr. Hunt received his A.B. degree in 1946 from the University of North Carolina, and was elected to Phi Beta Kappa. He served in the U.S. Army until 1948. ~~While attending Yale Law School during the period 1949-1951, he served as Dormitory~~ on the staff ~~Master of~~ of ~~the Choate School at Wallingford, Conn~~.

April 19, 1961

FOR IMMEDIATE RELEASE

DOUGLASS HUNT NAMED SPECIAL ASSISTANT TO ~~THE~~ UNDER SECRETARY ~~OF TREASURY~~ Fowler

Secretary.

~~Mr. Hunt has been assigned to serve as the principal assistant to Under Secretary Henry H. Fowler in all phases of the latter's responsibilities. Mr. Hunt's appointment becomes effective April .~~

* * *

Treasury Secretary Douglas Dillon announced today the appointment of Mr. Douglass Hunt, ~~of~~ a Washington attorney residing in Alexandria, Va., as Special Assistant to the Under Secretary.

In this capacity, Mr. Hunt will aid Under Secretary Henry H. Fowler in carrying out all phases of the Under Secretary's responsibilities. Mr. Hunt ~~commences his duties April~~ took the oath of office today.

TREASURY DEPARTMENT

WASHINGTON, D.C.

April 19, 1961

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attorneys and agents and, in general, acts as liaison between the Treasury and the bar associations and associations of C.P.A.s in matters relating to Internal Revenue practice.

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~~DRAFT - 4-17-61~~ April 18, 196

Immediate
FOR RELEASE:

TREASURY PROMOTES THOMAS J. REILLY
TO DIRECTOR OF PRACTICE

The Treasury Department today announced the promotion of Mr. Thomas J. Reilly to the position of Director of Practice.

Mr. Reilly, a native of Washington, D.C., has been with the Planning and Research Division of the Internal Revenue Service since 1958. Before joining the Government Mr. Reilly had extensive experience in the practice of law, specializing in tax matters, and as an executive in private business.

Mr. Reilly attended the University of Pennsylvania and studied accounting at Rutgers University. He received his Bachelor of Laws degree from Georgetown University. He is a member of the bar of the District of Columbia, Texas and Oklahoma as well as of the Supreme Court of the United States.

The Director of Practice acts upon applications for enrollment by persons to practice as attorneys or agents before the Internal Revenue Service. He institutes and provides for the conduct of disciplinary proceedings relating to enrolled

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TREASURY DEPARTMENT

WASHINGTON, D.C.

April 18, 1961

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from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

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decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $ 200,000 or less for the additional bills dated January 26, 1961, (91 days remaining until maturity date on July 27, 1961) and noncompetitive tenders for $ 100,000 or less for the 182 -day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on April 27, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 27, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE ~~xxxxxxxx~~ April 19, 1961

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TREASURY'S WEEKLY BILL OFFERING

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $ 1,500,000,000 , or thereabouts, for cash and in exchange for Treasury bills maturing April 27, 1961 , in the amount of $ 1,500,565,000 , as follows:

91 -day bills (to maturity date) to be issued April 27, 1961 , in the amount of $ 1,100,000,000 , or thereabouts, representing an additional amount of bills dated January 26, 1961 , and to mature July 27, 1961 , originally issued in the amount of $ 500,051,000 , the additional and original bills to be freely interchangeable.

182 -day bills, for $ 400,000,000 , or thereabouts, to be dated April 27, 1961 , and to mature October 26, 1961 .

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amoun will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturit value).

Tenders will be received at Federal Reserve Banks and Branches up to the closin hour, one-thirty o'clock p.m., Eastern Standard time, Monday, April 24, 1961 Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

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TREASURY DEPARTMENT

WASHINGTON, D.C.

April 19, 1961

FOR IMMEDIATE RELEASE

TREASURY'S WEEKLY BILL OFFERING

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182-day bills, for $400,000,000, or thereabouts, to be dated April 27, 1961, and to mature October 26, 1961.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

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Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

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Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Departmment of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated January 26, 1961, (91 days remaining until maturity date on July 27, 1961) and noncompetitive tenders for $100,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on April 27, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing April 27, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

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To achieve all these things will not be easy. But with determination and perserverance we should be able to attain our goals. In the process, we can look forward to a period of growth and prosperity during the Sixties such as this Nation has never known.

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For another, President Kennedy has taken direct action in the housing credit field which has helped to lower average mortgage rates by more than a quarter of one percent since the turn of the year.

Far more meaningful than interest rates, however, is the quantity of funds flowing into investments. Here, we see evidence of improvement in the mortgage credit area, where, although rates are still on the high side, availability of credit is no longer an inhibiting factor. We also see increasing evidence of growing municipal and corporate borrowing.

Finally, since the budgetary deficits that are presently envisioned are modest and bear no comparison to the deficit of 1959, monetary policy will remain free to act in support of business recovery. Therefore, the SUB. ~~sharp~~ increases in interest rates that characterized the 1958-59 period are not likely to recur this time.

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These changes will have a needed and favorable impact upon our basic balance of payments deficit. We are not, however, recommending changes in tax inducements for investment in underdeveloped countries which are an essential part of our overall program to help these countries grow.

I have briefly outlined our overall fiscal and budgetary thinking. I have also told you something of our plans for the immediate future as regards taxation.

Now, let me take up monetary policy. This is a field where we face an entirely new situation brought about by the recently achieved convertibility of foreign currencies. Convertibility permits owners of liquid funds to shift them freely from one world financial center to another in search of higher interest rates.

Tighter enforcement of the present law is not an adequate solution, for it would put an unacceptably heavy discretionary burden upon Government tax auditors. What is needed is a new and stricter legislative definition of allowable deductions. This is what we are asking.

Second, we are asking for withholding at the source on interest and dividends. Our best estimate is that about three billion dollars of income from interest and dividends goes unreported every year. This situation is clearly unfair to all wage earners and, indeed, to the majority of taxpayers. We are asking that it be corrected by a workable withholding provision that, as in the case of wages, will collect at the source a substantial portion of the tax on interest and dividend income.

And, as our economy speeds up, increased consumer and business demand will expand the variety and volume of goods produced, thus creating new jobs to replace those eliminated by increased productivity. This is the way of future progress.

The legislation the President has requested is carefully designed to promote increased spending for modernization and expansion. Its enactment is necessary to speed full recovery and promote rapid growth thereafter. Initially, it will result in some loss of revenue. To compensate for this loss, he is asking that a number of serious tax defects be corrected:

First, expense accounts -- an area where abuse has virtually become a national scandal.

An extensive review is now under way and we expect to present concrete recommendations to the Congress next January.

In the meantime, there is one important tax reform that cannot wait: This is legislation to spur the modernization of our plant and equipment. It is an unpleasant fact that our plant equipment is growing older year by year. By contrast, thanks to more liberal investment incentives than are available under our laws, Western Europe and Japan are modernizing at a much faster rate. We must step up our rate of modernization if we are to maintain our nation's competitive position. The installation of new and more efficient equipment is of prime importance in enabling us to meet foreign competition in the drive for export markets which are so essential to improving our balance of payments.

Third, we must supply the ever-growing needs of our municipalities: slum clearance, improved transportation, modern sewage facilities, and increased water supply. These needs are placing an unbearable burden upon our larger cities.

We can and we must fulfill these needs~~, even at the cost of higher taxes~~. Fortunately, if our economy operates at full capacity, our present tax system can yield a surplus of several billion dollars. Our problem is not, therefore, how to raise additional revenues but to get our economy operating at higher levels. Moreover, in setting tax policy, our most difficult task is not obtaining more revenue but strengthening and modernizing our whole tax system so as to stimulate growth and improve equity. One of our major objectives is thorough-going tax reform.

First, after careful reexamination, the President has concluded that we must increase our defense expenditures in the coming fiscal year by one and one-half percent, or about 650 million dollars. Surely, no one can logically question our need or our capacity to spend whatever is required for our Nation's security.

Second, we are confronted by a shameful lag in education. More education will, of course, assure the flowering of our national culture. But, beyond this, we must recognize that education today lies at the very root of a nation's power and well-being. Without adequate education, we cannot hope to achieve the economic growth we desire. Our shortcomings in providing our citizens with education according to their needs and capacities is a blight upon our future. The problem has grown so large that an additional Federal contribution is clearly and urgently required.

No matter what the pace of our recovery from the recession, there are major problems confronting us which must be solved if we are to realize our full economic potential. We must find ways first to achieve and then to maintain production at full capacity. We must ensure employment for our steadily growing labor force. At the same time, we must preserve reasonable price stability.

If we balance these goals against our accomplishments, I think it obvious that new and forward looking governmental action is called for.

Excessive federal spending is clearly undesirable. But our minimum national needs must be met. Let me cite those which merit highest priority:

Such a deficit is not a cause for alarm in times like these. On the contrary, it is a stimulus to recovery that can, and should, be readily offset by surpluses as prosperity returns.

Another deficit is in prospect for fiscal '62: one of about three billion dollars. This, too, will be entirely appropriate. The economy will require the stimulating effect of a modest deficit in the coming fiscal year if it is to move forward at an adequate pace.

The innate strength of our economy, the increase in government outlays which I have mentioned, and the automatic action of the so-called built-in budgetary stabilizers, are apparently putting an end to the current recession. Looking backward we may well find that the turning point was reached early in March. But, unless we act energetically, recovery is likely to be sluggish, just as the decline was gradual and slow.

President Kennedy has, therefore, taken a number of steps to speed recovery:

- The annual veterans' dividend of $250,000,000, ordinarily paid out over the course of a year, was paid in full during March.

- Tax refunds were speeded up and we are now [redacted] $500,000,000 ahead of last year's pace.

- Government programs have been expedited by the prompt obligation of available funds.

- Most important, a temporary unemployment compensation bill has been enacted.

These actions, together with increased defense spending that got underway last Fall and reduced revenues stemming from the recession, have created a budgetary deficit of about two billion dollars in the current fiscal year.

Current unemployment, with six point nine percent of our labor force out of work, approaches the worst days of the '58 setback. A record number of our cities are classified as areas of substantial unemployment.

Why, in view of the relative mildness of the recession, do we have five and a half million people unemployed?

The answer is clear: We have not been producing at our full capacity for some years. Even last year, at the point of highest production in our history, our economy was operating well below its potential and we still had five percent of our labor force unemployed. We can and must do better in the future. Meanwhile, until we find ways to improve the overall performance of our economy, the extent of current unemployment demands prompt and forthright action by the Federal Government.

We are a people who have built what is clearly the strongest and most advanced economy on earth. But, as recent experience demonstrates, we have not mastered the art of keeping our economy operating at the highest sustainable levels.

The recession from which we are now beginning to emerge has been relatively mild. For example, in terms of constant dollars which allow for inflation, Gross National Product is now only two point ~~three~~ two percent below last year's peak, compared with a decline of four point seven percent in the 1958 recession. Personal income and industrial production have also fallen less than in previous post-war recessions.

However, before we take too much satisfaction from these figures, let us remember that they are relative. The absolute figures tell a far different story:

- We want an economy that can adequately provide for our national defense and furnish our fair share of the development needs of less fortunate peoples in Africa, Asia and Latin America.

- We want to accomplish all of this in an atmosphere of relative price stability.

Inevitably there will be differences among us over the means we should employ to achieve our objectives. But we must not permit such differences to obscure our basic agreement. We must recognize that unless all elements in our society work together, we cannot mobilize the massive effort required of our Nation in meeting the challenge of the Sixties.

Before considering the fiscal and monetary policies we should follow to achieve our objectives, let us look briefly at ourselves as we are today:

STATLER HOTEL, Wash. D.C.

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Remarks

~~SPEECH~~ OF THE HONORABLE DOUGLAS DILLON,
SECRETARY OF THE TREASURY, AT THE
ANNUAL MEETING OF THE AMERICAN SOCIETY
OF NEWSPAPER EDITORS, FRIDAY, APRIL 21,
1961, ~~AT~~ 1:00 P. M. EST.

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It is a pleasure to be here and to share with you the Administration's thinking about some of the pressing economic problems that have a bearing upon our Nation's present and future well-being.

To begin with, I think one can fairly say that there is a substantial concensus in our country today on national economic goals:

- We want a steadily expanding economy, based upon a strengthened system of free enterprise.

- We want a rate of growth sufficient to give us an ever-rising standard of living and to provide jobs for all.

- We want to assure the education of our youth and the health and security of those who are growing old.

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TREASURY DEPARTMENT
Washington

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April 21, 1961

FOR RELEASE: ON DELIVERY

REMARKS OF THE HONORABLE DOUGLAS DILLON
SECRETARY OF THE TREASURY
AT THE
ANNUAL MEETING OF THE AMERICAN SOCIETY OF
NEWSPAPER EDITORS
STATLER-HILTON HOTEL, WASHINGTON, D.C.
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The recession from which we are now beginning to emerge has been relatively mild. For example, in terms of constant dollars which allow for inflation, Gross National Product is now only two point two percent below last year's peak, compared with a decline of four point seven percent in the 1958 recession. Personal income and industrial production have also fallen less than in previous post-war recessions.

However, before we take too much satisfaction from these figures, let us remember that they are relative. The absolute figures tell a far different story: Current unemployment, with six point nine percent of our labor force out of work, approaches the worst days of the '58 setback. A record number of our cities are classified as areas of substantial unemployment.

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These actions, together with increased defense spending that got underway last Fall and reduced revenues stemming from the recession, have created a budgetary deficit of about two billion dollars in the current fiscal year. Such a deficit is not a cause for alarm in times like these. On the contrary, it is a stimulus to recovery that can, and should, be readily offset by surpluses as prosperity returns.

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No matter what the pace of our recovery from the recession, there are major problems confronting us which must be solved if we are to realize our full economic potential. We must find ways first to achieve and then to maintain production at full capacity. We must ensure employment for our steadily growing labor force. At the same time, we must preserve reasonable price stability.

If we balance these goals against our accomplishments, I think it obvious that new and forward looking governmental action is called for.

Excessive federal spending is clearly undesirable. But our minimum national needs must be met. Let me cite those which merit highest priority:

First, after careful reexamination, the President has concluded that we must increase our defense expenditures in the coming fiscal year by one and one-half percent, or about 650 million dollars. Surely, no one can logically question our need or our capacity to spend whatever is required for our Nation's security.

Second, we are confronted by a shameful lag in education. More education will, of course, assure the flowering of our national culture. But, beyond this, we must recognize that education today lies at the very root of a nation's power and well-being. Without adequate education, we cannot hope to achieve the economic growth we desire. Our shortcomings in providing our citizens with education according to their needs and capacities is a blight upon our future. The problem has grown so large that an additional Federal contribution is clearly and urgently required.

Third, we must supply the ever-growing needs of our municipalities: slum clearance, improved transportation, modern sewage facilities, and increased water supply. These needs are placing an unbearable burden upon our larger cities.

We can and we must fulfill these needs. Fortunately, if our economy operates at full capacity, our present tax system can yield a surplus of several billion dollars. Our problem is not, therefore, how to raise additional revenues but to get our economy operating at higher levels. Moreover, in setting tax policy, our most difficult task is not obtaining more revenue but strengthening and modernizing our whole tax system so as to stimulate growth and improve equity. One of our major objectives is thorough-going tax reform. An extensive review is now under way and we expect to present concrete recommendations to the Congress next January.

In the meantime, there is one important tax reform that cannot wait: This is legislation to spur the modernization of our plant and equipment. It is an unpleasant fact that our plant equipment is growing older year by year. By contrast, thanks to more liberal investment incentives than are available under our laws, Western Europe and Japan are modernizing at a much faster rate. We must step up our rate of modernization if we are to maintain our nation's competitive position. The installation of new and more efficient equipment is of prime importance in enabling us to meet foreign competition in the drive for export markets which are so essential to improving our balance of payments.

Since the installation of modern equipment means that labor can produce more, we must recognize that it may complicate the problem of unemployment. However, modernization will also increase jobs in the capital goods industries. Indeed, we estimate that the tax incentive President Kennedy has recommended should lead to an increase of from two to three billion dollars a year in expenditures for plant and equipment. Some 250,000 new jobs would be required to provide this equipment. In addition, at least as many more people would find employment as an indirect result of these expenditures. Although major benefits to economic growth will accrue over the longer run, it is also clear that this tax incentive will have a substantial effect in speeding our recovery from recession. And, as our economy speeds up, increased consumer and business demand will expand the variety and volume of goods produced, thus creating new jobs to replace those eliminated by increased productivity. This is the way of future progress.

The legislation the President has requested is carefully designed to promote increased spending for modernization and expansion. Its enactment is necessary to speed full recovery and promote rapid growth thereafter. Initially, it will result in some loss of revenue. To compensate for this loss, he is asking that a number of serious tax defects be corrected:

First, expense accounts -- an area where abuse has virtually become a national scandal. Tighter enforcement of the present law is not an adequate solution, for it would put an unacceptably heavy discretionary burden upon Government tax auditors. What is needed is a new and stricter legislative definition of allowable deductions. This is what we are asking.

Second, we are asking for withholding at the source of interest and dividends. Our best estimate is that about three billion dollars of income from interest and dividends goes unreported every year. This situation is clearly unfair to all wage earners and, indeed, to the majority of taxpayers. We are asking that it be corrected by a workable withholding provision that, as in the case of wages, will collect at the source a substantial portion of the tax on interest and dividend income.

Third, we are asking for repeal of the four percent dividend credit. This credit was adopted in 1954 in an attempt to lighten the double taxation of dividend income. But, at only four percent, it has not served its purpose. Furthermore, it gives considerably greater benefit to those in the higher income brackets than to the vast majority of stockholders. This favoritism in the law is unhealthy and should be ended. The related fifty dollar exemption should also be dropped.

Finally, we seek an end to tax provisions that encourage American business operations abroad through the use of tax havens. We also want to withdraw preferential tax treatment for American capital going into industrially advanced countries, for such treatment discriminates against the investment of capital at home. These changes will have a needed and favorable impact upon our basic balance of payments deficit. We are not, however, recommending changes in tax inducements for investment in underdeveloped countries which are an essential part of our overall program to help these countries grow.

I have briefly outlined our overall fiscal and budgetary thinking. I have also told you something of our plans for the immediate future as regards taxation.

Now, let me take up monetary policy. This is a field where we face an entirely new situation brought about by the recently achieved convertibility of foreign currencies. Convertibility permits owners of liquid funds to shift them freely from one world financial center to another in search of higher interest rates. Therefore, the extremely low short-term interest rates of previous recessions could have dangerous repercussions today. Short-term interest rates much below present levels might well touch off a renewed outflow of dollars that could imperil our balance of payments and the soundness of our dollar.

Nevertheless, we need low long-term rates to stimulate borrowing for modernization, plant expansion, housing construction and the like just as much today as in previous periods of recession. Accordingly, the Administration is attempting to promote lower long-term interest rates without putting downward pressure on present short-term rates. For one thing, the Federal Reserve is now purchasing securities of all maturities, instead of restricting itself to short-term Treasury bills. For another, President Kennedy has taken direct action in the housing credit field which has helped to lower average mortgage rates by more than a quarter of one percent since the turn of the year.

Far more meaningful than interest rates, however, is the quantity of funds flowing into investments. Here, we see evidence of improvement in the mortgage credit area, where, although rates are still on the high side, availability of credit is no longer an inhibiting factor. We also see increasing evidence of growing municipal and corporate borrowing.

Finally, since the budgetary deficits that are presently nvisioned are modest and bear no comparison to the deficit of 1959, onetary policy will remain free to act in support of business ecovery. Therefore, the substantial increases in interest rates that haracterized the 1958-59 period are not likely to recur this time.

To sum up:

- Our policies -- be they budgetary, tax, or monetary -- hould have one overriding goal: the promotion of a healthy rate f economic growth within a reasonable atmosphere of economic tability. We must meet the needs of the day in the fields of lefense, education, housing, highway construction, urban development, nd other essentials. Fortunately, we are in a position to meet hem -- this year, and the next, and in the long run -- without undue train on our economy.

- We must overhaul our tax system to provide greater fairness nd incentives for efficiency and growth, beginning with an investment incentive this year, and following with a basic overhaul next year.

- We must maintain an interest rate structure conducive to the steady flow of funds into investment.

To achieve all these things will not be easy. But with letermination and perserverance we should be able to attain our goals. In the process, we can look forward to a period of growth and prosperity during the Sixties such as this Nation has never known.

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Dec 1958

April 24, 1961

FOR RELEASE A. M. NEWSPAPERS, Tuesday, April 25, 1961.

RESULTS OF TREASURY'S WEEKLY BILL OFFERING

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated January 26, 196[illegible] and the other series to be dated April 27, 1961, which were offered on April 19, were opened at the Federal Reserve Banks on April 24. Tenders were invited for $1,100,000,[illegible] or thereabouts, of 91-day bills and for $400,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing July 27, 1961		:	182-day Treasury bills maturing October 26, 1961	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.451 a/	2.172%	:	98.842	2.291%
Low	99.444	2.200%	:	98.832	2.310%
Average	99.448	2.186% 1/	:	98.837	2.300% 1/

a/ Excepting one tender of $750,000
73 percent of the amount of 91-day bills bid for at the low price was accepted
34 percent of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	:	Applied For	Accepted
Boston	$ 31,887,000	$ 13,445,000	:	$ 5,485,000	$ 3,163,000
New York	1,513,132,000	720,012,000	:	858,631,000	321,924,000
Philadelphia	29,131,000	14,050,000	:	7,248,000	1,825,000
Cleveland	26,210,000	20,022,000	:	22,439,000	9,762,000
Richmond	8,650,000	8,500,000	:	1,264,000	914,000
Atlanta	22,929,000	17,146,000	:	7,909,000	6,109,000
Chicago	223,341,000	146,583,000	:	67,655,000	24,790,000
St. Louis	22,182,000	19,047,000	:	5,221,000	3,561,000
Minneapolis	13,476,000	7,276,000	:	3,631,000	1,131,000
Kansas City	31,262,000	19,087,000	:	10,362,000	4,744,000
Dallas	10,502,000	10,502,000	:	3,593,000	2,893,000
San Francisco	147,887,000	104,906,000	:	34,415,000	19,298,000
TOTALS	$2,080,589,000	$1,100,576,000 b/		$1,027,853,000	$400,114,000 c/

b/ Includes $[illegible],000 noncompetitive tenders accepted at the average price of 99.[illegible]
c/ Includes $[illegible],831,000 noncompetitive tenders accepted at the average price of 98.837
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.23%, for the 91-day bills, and 2.36% for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

April 24, 1961

OR RELEASE A. M. NEWSPAPERS, Tuesday, April 25, 1961.

RESULTS OF TREASURY'S WEEKLY BILL OFFERING

The Treasury Department announced last evening that the tenders for two series of reasury bills, one series to be an additional issue of the bills dated January 26, 1961 nd the other series to be dated April 27, 1961, which were offered on April 19, were pened at the Federal Reserve Banks on April 24. Tenders were invited for $1,100,000,00 r thereabouts, of 91-day bills and for $400,000,000, or thereabouts, of 182-day bills. he details of the two series are as follows:

ANGE OF ACCEPTED OMPETITIVE BIDS:	91-day Treasury bills maturing July 27, 1961		182-day Treasury bills maturing October 26, 1961	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.451 a/	2.172%	98.842	2.291%
Low	99.444	2.200%	98.832	2.310%
Average	99.448	2.186% 1/	98.837	2.300% 1/

a/ Excepting one tender of $750,000
73 percent of the amount of 91-day bills bid for at the low price was accepted
34 percent of the amount of 182-day bills bid for at the low price was accepted

OTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	Applied For	Accepted
Boston	$ 31,887,000	$ 13,445,000	$ 5,485,000	$ 3,163,000
New York	1,513,132,000	720,012,000	858,631,000	321,924,000
Philadelphia	29,131,000	14,050,000	7,248,000	1,825,000
Cleveland	26,210,000	20,022,000	22,439,000	9,762,000
Richmond	8,650,000	8,500,000	1,264,000	914,000
Atlanta	22,929,000	17,146,000	7,909,000	6,109,000
Chicago	223,341,000	146,583,000	67,655,000	24,790,000
St. Louis	22,182,000	19,047,000	5,221,000	3,561,000
Minneapolis	13,476,000	7,276,000	3,631,000	1,131,000
Kansas City	31,262,000	19,087,000	10,362,000	4,744,000
Dallas	10,502,000	10,502,000	3,593,000	2,893,000
San Francisco	147,887,000	104,906,000	34,415,000	19,298,000
TOTALS	$2,080,589,000	$1,100,576,000 b/	$1,027,853,000	$400,114,000 c/

Includes $191,613,000 noncompetitive tenders accepted at the average price of 99.448
Includes $44,831,000 noncompetitive tenders accepted at the average price of 98.837
On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 2.23%, for the 91-day bills, and 2.36% for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

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~~BETA MODIFIED~~

from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $ 200,000 ~~(16)~~ or less for the additional bills dated February 2, 1961 ~~(17)~~, (91 ~~(18)~~ days remaining until maturity date on August 3, 1961 ~~(19)~~) and noncompetitive tenders for $100,000 ~~(20)~~ or less for the 182 ~~(21)~~ -day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on May 4, 1961 ~~(22)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 4, 1961 ~~(23)~~. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not ~~have any exemption,~~ as such, and loss

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE   April 26, 1961

TREASURY'S WEEKLY BILL OFFERING

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $1,600,000,000 (2), or thereabouts, for cash and in exchange for Treasury bills maturing May 4, 1961 (3), in the amount of $ 1,501,013,000 (4), as follows:

91 (5) -day bills (to maturity date) to be issued May 4, 1961 (6), in the amount of $ 1,100,000,000 (7), or thereabouts, representing an additional amount of bills dated February 2, 1961 (8), and to mature August 3, 1961 (9), originally issued in the amount of $ 500,388,000 (10), the additional and original bills to be freely interchangeable.

182 (11) -day bills, for $ 500,000,000 (12), or thereabouts, to be dated May 4, 1961 (13), and to mature November 2, 1961 (14).

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty o'clock p.m., Eastern Daylight Saving ~~Standard~~ time, Monday, May 1, 1961 (15). Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

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TREASURY DEPARTMENT

WASHINGTON, D.C.

April 26, 1961

FOR IMMEDIATE RELEASE

TREASURY'S WEEKLY BILL OFFERING

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of $1,600,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing May 4, 1961, in the amount of $1,501,013,000, as follows:

91-day bills (to maturity date) to be issued May 4, 1961, in the amount of $1,100,000,000, or thereabouts, representing an additional amount of bills dated February 2, 1961, and to mature August 3, 1961, originally issued in the amount of $500,388,000, the additional and original bills to be freely interchangeable.

182-day bills, for $500,000,000, or thereabouts, to be dated May 4, 1961, and to mature November 2, 1961.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $100,000, $500,000 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour one-thirty o'clock p. m., Eastern Daylight Saving time, Monday, May 1, 1961. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated banks and trust companies and from responsible and recognized dealers in investment securities. Tenders from others must be accompanied by payment of 2 percent of the face amount of Treasury bills applied for, unless the tenders are accompanied by an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Departmment of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for $200,000 or less for the additional bills dated February 2, 1961, (91-days remaining until maturity date on August 3, 1961) and noncompetitive tenders for $100,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on May 4, 1961, in cash or other immediately available funds or in a like face amount of Treasury bills maturing May 4, 1961. Cash and exchange tenders will receive equal treatment. Cash adjustments will be made for differences between the par value of maturing bills accepted in exchange and the issue price of the new bills.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets. Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

Treasury Department Circular No. 418, Revised, and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained from any Federal Reserve Bank or Branch.

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April 26, 1961

IMMEDIATE RELEASE

TREASURY DECISION ON GARLIC
UNDER ANTIDUMPING ACT

The Treasury Department has determined that garlic from Mexico is not being, nor likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act. Notice of the finding will be published in the Federal Register.

The dollar value of imports received during 1960 was approximately $1,310,000.

TREASURY DEPARTMENT

WASHINGTON, D.C.

APR 2 1961

IMMEDIATE RELEASE

TREASURY DECISION ON PORTLAND CEMENT
UNDER ANTIDUMPING ACT

The Treasury Department has determined that portland cement, other than white, nonstaining portland cement, from Tunisia is not being, nor likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act. Although it was found that there had been some sales at less than home market price prior to the date of the complaint, there have been no recent importations and firm assurance has been given that there will be no further sales at less than home market price. Notice of the determination will be published in the Federal Register.

The dollar value of imports of the involved cement from Tunisia received during the period January through August 1960 was approximately $200,000. There have been no importations since that time.

TREASURY DEPARTMENT

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WASHINGTON, D.C.

APR 26 1961

IMMEDIATE RELEASE

TREASURY DECISION ON RAYON STAPLE FIBER
UNDER ANTIDUMPING ACT

The Treasury Department has determined that rayon staple fiber from Italy is not being, nor likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act. Notice of the finding will be published in the Federal Register.

The dollar value of imports of rayon staple fiber from Italy received during 1960 was approximately $1,980,000.

TREASURY DEPARTMENT

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WASHINGTON, D.C.

April 27, 1961

FOR IMMEDIATE RELEASE

TREASURY WILL BORROW $7-3/4 BILLION IN CASH
TO PAY OFF SECURITIES MATURING MAY 15

The Treasury will borrow $7-3/4 billion, or thereabouts, on May 15, 1961, for the purpose of paying off in cash securities maturing May 15, 1961.

The maturing securities to be redeemed in cash are:

$3,674 million of 4-3/8% certificates of indebtedness of Series B-1961, dated May 15, 1960, maturing May 15, 1961, and

$4,078 million of 3-5/8% Treasury Notes of Series B-1961, dated December 1, 1958, maturing May 15, 1961.

The $7-3/4 billion of new cash to be borrowed will be obtained from the issue of:

$5,250 million, or thereabouts, of 3% Treasury Certificates of Indebtedness, to be dated May 15, 1961, and to mature May 15, 1962, and

$2,500 million, or thereabouts, of 3-1/4% Treasury Notes, to be dated May 15, 1961, and to mature May 15, 1963.

The new certificates of indebtedness and Treasury notes will be issued at par, and subscriptions will be received subject to allotment. Payment for the new certificates and notes may be made in cash, in 4-3/8% Certificates of Indebtedness of Series B-1961, or in 3-5/8% Treasury Notes of Series B-1961, maturing May 15, 1961, which will be accepted at par, in payment or in exchange, in whole or in part, for the new Treasury certificates of indebtedness and Treasury notes subscribed for, to the extent such subscriptions are allotted by the Treasury.

The subscription books for the new issues will be open <u>only on Monday, May 1</u>.

Any subscriptions for the new 3% certificates of indebtedness or 3-1/4% Treasury notes with the required deposits addressed to a Federal Reserve Bank or Branch, or to the Treasurer of the United States, and placed in the mail before midnight May 1, 1961, will be considered timely.

The new issues may <u>not</u> be paid for by credit in Treasury Tax and Loan accounts.

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Other details concerning the new certificates of indebtedness and Treasury notes are as follows:

Subscriptions from commercial banks, for their own account, will be restricted in the case of each new issue to an amount not exceeding 50% of the combined capital, surplus, and undivided profits of the subscribing bank.

Subscriptions from commercial and other banks for their own account, Federally-insured savings and loan associations, States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, dealers who make primary markets in Government securities and report daily to the Federal Reserve Bank of New York their positions with respect to Government securities and borrowings thereon, Government Investment Accounts, and the Federal Reserve Banks will be received without deposit.

Subscriptions from all others must be accompanied by payment of 2% (in cash, or Treasury Certificates of Indebtedness of Series B-1961, or Treasury Notes of Series B-1961, maturing May 15, 1961, at par) of the amount of new certificates of indebtedness or Treasury notes applied for which will not be subject to withdrawal until after allotment.

The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of 3% certificates of indebtedness or 3-1/4% Treasury notes applied for, and to make different percentage allotments to various classes of subscribers; and any action he may take in these respects shall be final. Subject to these reservations, all subscriptions from States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, Government Investment Accounts, and the Federal Reserve Banks, will be allotted in full. The bases of the allotment of all other subscriptions will be publicly announced, and allotment notices will be sent out promptly upon allotment.

All subscribers are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any of the new 3% certificates of indebtedness or 3-1/4% Treasury notes until after midnight May 1, 1961.

Commercial banks in submitting subscriptions will be required to certify that they have no beneficial interest in any of the subscriptions they enter for the account of their customers, and that their customers have no beneficial interest in the banks' subscriptions for their own account.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

April 27, 1961

FOR IMMEDIATE RELEASE

TREASURY ADVANCE REFUNDING CLEARED OF TECHNICAL OBSTACLES BY ATTORNEY GENERAL

Treasury Secretary Douglas Dillon today announced that the Treasury has received an opinion from the Attorney General which confirms its authority to engage in advance refundings of Government bonds where the new issue bears ~~an interest~~ a coupon rate not exceeding 4-1/4 per cent, even though the effective rate of interest under certain accounting procedures technically would exceed that figure.

The ~~coupon~~ interest rate on Government bonds is limited by law to not mor than 4-1/4 per cent. The legal question presented was whether sellin or exchanging bonds at a discount which produces an effective rate above 4-1/4 per cent violates a prohibition of the Congress.

It is not contemplated that bonds would be sold or exchanged in the near future under circumstances requiring application of this ruling. However, in view of recent Congressional and public interest, Secretary Dillon asked Attorney General Robert F. Kennedy on April 7 for the opinion so that if such an issue should ever become desirable the legal question would have been resolved.

Attorney General Robert F. Kennedy on April 25 delivered his opinion that the 4-1/4 per cent "ceiling" applied only to the coupon rate placed on bonds, and that issuance of bonds below par as authorized by law does not "circumvent" any Congressional prohibition.

"The power to do so plainly exists," the Attorney General concluded, "and I cannot see anything inappropriate in exercising it if you believe that the circumstances require such action. I therefore answer your question in the affirmative."

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April 27, 1961

FOR IMMEDIATE RELEASE

confirms its

TREASURY ~~[illegible]~~ ADVANCE REFUNDINGS CLEARED OF TECHNICAL OBSTACLES BY ATTORNEY GENERAL ~~[illegible]~~

Treasury Secretary Douglas Dillon today announced that the Treasury has received an opinion from the Attorney General which ~~gives it clear~~ authority to engage in advance refundings of Government bonds where the new issue bears an ~~interest~~ rate ~~up to~~ not exceeding 4-1/4 per cent, even though the effective rate of interest under certain accounting procedures technically would exceed that figure.

~~The coupon~~ interest the ~~[illegible]~~ legal rate on Government bonds is limited by law to not more than 4-1/4 per cent. Question ~~have been raised as to~~ was presented whether selling or exchanging bonds at a discount which produces an effective rate above 4-1/4 per cent ~~is a circumvention of~~ violates a prohibition ~~by~~ of the Congress.

It is not contemplated that bonds would be sold or exchanged in the near future under circumstances requiring application of this ruling. However, in view of recent Congressional and public interest, Secretary Dillon asked Attorney General Robert F. Kennedy on April 7 for the opinion so that if such an issue should ever become desirable the legal question would have been resolved. ~~and the integrity of Government securities maintained beyond question.~~

Attorney General Robert F. Kennedy on April 25 delivered his opinion that the 4-1/4 per cent "ceiling" applied only to the coupon rate placed on ~~the~~ bonds, and that ~~the~~ issuance of bonds below par as authorized by law does not "circumvent" any Congressional prohibition.

"The power to do so plainly exists," the Attorney General ~~said~~ concluded, "and I cannot see anything inappropriate in exercising it if you believe that the circumstances require such action. I therefore answer your question in the affirmative."

~~Copies of the Attorney General's opinion and Secretary Dillon's letter are attached.~~

Att~~achments 2~~

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TREASURY DEPARTMENT

WASHINGTON, D.C.

April 27, 1961

FOR IMMEDIATE RELEASE

TREASURY ADVANCE REFUNDING CLEARED OF
TECHNICAL OBSTACLES BY ATTORNEY GENERAL

Treasury Secretary Douglas Dillon today announced that the Treasury has received an opinion from the Attorney General which confirms its authority to engage in advance refundings of Government bonds where the new issue bears a coupon rate not exceeding 4-1/4 per cent, even though the effective rate of interest under certain accounting procedures technically would exceed that figure.

The interest rate on Government bonds is limited by law to not more than 4-1/4 per cent. The legal question presented was whether selling or exchanging bonds at a discount which produces an effective rate above 4-1/4 per cent violates a prohibition of the Congress.

It is not contemplated that bonds would be sold or exchanged in the near future under circumstances requiring application of this ruling. However, in view of recent Congressional and public interest, Secretary Dillon asked Attorney General Robert F. Kennedy on April 7 for the opinion so that if such an issue should ever become desirable the legal question would have been resolved.

Attorney General Robert F. Kennedy on April 25 delivered his opinion that the 4-1/4 per cent "ceiling" applied only to the coupon rate placed on bonds, and that issuance of bonds below par as authorized by law does not "circumvent" any Congressional prohibition.

"The power to do so plainly exists," the Attorney General concluded, "and I cannot see anything inappropriate in exercising it if you believe that the circumstances require such action. I therefore answer your question in the affirmative."

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THE SECRETARY OF THE TREASURY
WASHINGTON

April 7, 1961

Dear Mr. Attorney General:

I would greatly appreciate your opinion as to whether the Secretary of the Treasury has authority under Sections 1 and 20 of the Second Liberty Bond Act, as amended, to issue bonds bearing a coupon rate not in excess of 4-1/4 per cent at a discount which would raise the investment yield or the cost to the Treasury of the bonds above 4-1/4 per cent.

While currently prevailing low interest rates may make the question appear academic, and while no specific borrowing operation to which this opinion could apply is now contemplated, I believe your opinion would be timely in two respects. In the first place, considerable interest in this problem has been and is being expressed by both the Congress and the press. Additionally, to request such an opinion with respect to a specific proposal to issue bonds for cash, exchange, or an advance refunding would inevitably promote speculation and have a generally undesirable effect on the market. Thus it would appear appropriate to obtain your opinion now so that if at some future time the Treasury Department should propose to issue securities at a discount which would raise the investment yield or cost to the Treasury above 4-1/4 per cent, the question would have been resolved and the integrity of Government securities maintained beyond question.

Sincerely yours,

/s/ Douglas Dillon
Douglas Dillon

Honorable Robert F. Kennedy
Attorney General of the
United States
Washington 25, D. C.

Office of the Attorney General
Washington, D.C.

APR 25 1961

The Honorable

The Secretary of the Treasury

My dear Mr. Secretary:

This is in reply to your request for my opinion as to whether you have the authority under sections 1 and 20 of the Second Liberty Bond Act to issue bonds for cash, exchange, or on advance refunding [1/] where such bonds bear a coupon rate not in excess of 4-1/4 per cent but are issued at a discount which would raise the effective rate or cost to the Treasury of the bonds above the rate of 4-1/4 per cent. For the reasons set forth hereinafter in detail I conclude that you possess such authority.

Section 1 of the Second Liberty Bond Act authorizes the Secretary of the Treasury, with the approval of the President, to borrow on the credit of the United States and to issue

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1/ Section 1 of the Second Liberty Bond Act of September 24, 1917, 40 Stat. 288, as amended, 31 U.S.C. 752, authorizes the Secretary of the Treasury, with the approval of the President, to borrow on the credit of the United States for a number of purposes including "the purchase, redemption, or refunding, at or before maturity, of any outstanding bonds, notes, certificates of indebtedness, or Treasury bills of the United States * * *."

therefor bonds of the United States which shall be subject to a "rate or rates of interest, not exceeding 4-1/4 per centum per annum" and shall "be offered at not less than par."

Section 20 of the Second Liberty Bond Act, as amended by section 3 of the Public Debt Act of 1942, 56 Stat. 189, 31 U.S.C. 754b, 2/ provides that the bonds authorized by section 1 of the act:

> "may be issued on an interest-bearing basis, on a discount basis, or on a combination interest-bearing and discount basis, at such price or prices and with interest computed in such manner and payable at such time or times as the Secretary of the Treasury may prescribe; and any such obligations may be offered for sale on a competitive or other basis under such regulations and upon such terms and conditions as the Secretary of the Treasury may prescribe; and his decision with respect to any such issue shall be final."

On May 1, 1958, my predecessor concluded that the 1942 amendment of section 20 had repealed the earlier enacted requirement set forth in section 1 that bonds issued thereunder shall "be offered at not less than par" (41 Op. A.G. No. 62). He based this opinion on the conclusions that the two sections are irreconcilable and that the legislative history of the 1942 amendment of section 20 disclosed a congressional purpose

2/ Section 20 was added to the Second Liberty Bond Act by section 14(a)(4) of the Gold Reserve Act of 1934, 48 Stat. 343.

"to give the Secretary of the Treasury greater flexibility in determining the terms upon which Treasury bonds, bills, notes, and certificates of indebtedness may be issued." 3/

That opinion, however, did not purport to consider whether the Secretary of the Treasury is authorized to issue bonds, bearing a stated coupon rate of no more than 4-1/4 per centum, for cash, exchange, or on advance refunding, if, as the result of a discount at which the bonds are issued, or for some related reason, their effective rate, investment yield, or cost to the Treasury should exceed the statutory rate of 4-1/4 per centum per annum. 4/ I base my conclusion that you have this power on the following considerations: First, when Congress uses the term "interest" in connection with bonds without further explanation, it refers to the coupon or stated rate, the usual meaning of that term, and not to the accountants' concept of effective rate; second, when a statute limits only the coupon rate of a security issue, and permits it to be offered at less than par, it

3/ H. Rept. 1876, 77th Cong., 2d Sess., p. 4. See also S. Rept. 1173, 77th Cong., 2d Sess., pp. 1, 2; Public Debt of 1942, Hearings before the Committee on Finance, U.S. Senate, 77th Cong., 2d Sess. on H.R. 6691, p. 3; 88 Cong. Rec. 2184.

4/ In the interest of brevity I shall use only the term "effective rate" when referring to the three related concepts of "effective rate," "investment yield," and "cost to the Treasury."

authorizes sales at an effective rate in excess of the maximum permissible coupon rate; and third, when Congress seeks to limit the effective rate of securities which may be sold at a discount, it does so expressly.

I.

As originally enacted, section 1 of the Second Liberty Bond Act provided that the interest rate of the bonds should not exceed 4-1/4 per cent per annum, and that they should not be issued at less than par. In view of the latter prohibition, the effective rate could not exceed the coupon rate, and it was therefore unnecessary to determine whether the 4-1/4 interest rate referred to the coupon rate or to the effective rate.

The 1942 amendment of the Second Liberty Bond Act, while leaving the 4-1/4 per centum limitation on "interest" untouched, permits bonds to be issued on a discount basis, or on a combination interest-bearing and discount basis. In view of this amendment, it becomes material to ascertain whether the words "rate or rates of interest" in section 1 refer to the coupon rate or to the effective rate. The pertinent judicial decisions indicate that the first alternative is the correct one; hence, that a limitation on "interest" has no direct bearing on the effective rate.

In Old Colony R. Co. v. Commissioner, 284 U.S. 552 (1932), the Supreme Court was confronted with a situation closely related to the one at hand. A corporation which had sold its bonds at a premium sought to deduct the entire interest payments on those bonds from its gross income for income tax purposes. The Government claimed that this was not permissible because these payments included in part the repayment of the premium, which constituted a loan and consequently had to be amortized over the life of the bond. Hence, the "interest" payments constituted in part "genuine interest" which was deductible, and in part payments on a loan which could not be deducted. In a nutshell, the Government's position was that where bonds were sold at a premium, the effective rate of interest was lower than the coupon rate, and that the excess of the coupon over the effective rate did not constitute deductible interest but a repayment on capital (284 U.S. 552, 559).5/ The Supreme Court held that when Congress uses the word "interest" without further

5/ See also Brief for the United States in No. 349, Oct. T. 1931, pp. 6-7, 10-14, 50-52. Significantly, the brief and the accounting authorities quoted in it stressed that these considerations applied conversely where bonds had been sold at a discount.

amplification it refers to the normal meaning of the word, i.e., the stated or coupon rate, and not to the accountants' concept of the effective rate. The Court said (284 U.S. 560-561):

> "* * * the usual import of the term [interest] is the amount which one has contracted to pay for the use of borrowed money. He who pays and he who receives payment of the stipulated amount conceives that the whole is interest. In the ordinary affairs of life no one stops for refined analysis of the nature of a premium, or considers that the periodic payment universally called 'interest' is in part something wholly distinct--that is, a return of borrowed capital. It has remained for the theory of accounting to point out this refinement. We cannot believe that Congress used the word having in mind any concept other than the usual, ordinary and everyday meaning of the term, or that it was acquainted with the accountants' phrase 'effective rate' of interest and intended that as the measure of the permitted deduction."

The holding in Old Colony that Congress and courts use and interpret statutory language according to its usual meaning and not on the basis of accounting theories 6/ does not constitute an exception to the general course of decisions. 7/

6/ The holding in Old Colony therefore applies with equal force to an advance refunding of bonds at an increased interest rate which according to some accountants constitutes the issue of the bonds at a discount.

7/ See, e.g., Woolford Realty Co. v. Rose, 286 U.S. 319, 326-327 (1932); Crane v. Commissioner, 331 U.S. 1, 3-7.

This, indeed, has been a source of complaint on the part of accountants, see, e.g., May, Accounting and the Accountant in the Administration of Income Taxation, 47 Col. L.R. 377; 4 Mertens, The Law of Federal Income Taxation (1960 Revision), section 23.162.

The State courts also hold that the term "interest" without explanation normally refers to the coupon rather than the effective rate. 8/

II.

The limitation on the interest rate set forth in section 1 therefore refers exclusively to the coupon rate of the bonds. The original prohibition on the offering of those bonds below par, however, constituted a bar on their sale at an effective rate in excess of the coupon rate. Indeed, it has been recognized by students of public finance that one of the functions of a statutory prohibition of the sale of securities below par is to prevent their sale at an effective rate in excess of the coupon rate. Thus it was stated by Dr. Love in his treatise on Federal Financing, at p. 210:

> "We are accordingly justified in thinking that the ever-present restriction against sale below par is in reality a logical team-mate of the restriction on the nominal rate of interest, and that it was only by combining the two that the public's wishes in respect to limiting the net yield on securities were carried out."

It follows that prior to 1942, bonds authorized by section 1 of the Second Liberty Bond Act could not be issued

8/ Golden Gate Bridge etc. District v. Filmer, 217 Cal. 754, 21 P. (2d) 112 (1933); Stanley v. Mayor etc. of City of Baltimore, 146 Md. 277, 301-302, 126 Atl. 151, 160 (1924); Rowland v. Reno County, 108 Kan. 440, 195 Pac. 863 (1921); Kiernan v. City of Portland, 61 Or. 398, 122 Pac. 764 (1912).

at an effective rate in excess of 4-1/4 per cent because the statute barred the sale of those securities below par. When the Public Debt Act of 1942 repealed that prohibition and expressly authorized the sale of those bonds at a discount, the basis of the restriction on the effective rate of interest disappeared. 9/

III.

In view of the fact that the limitation on the effective rate was tied inextricably to the ban on sales below par, it would appear inappropriate to view the 1942 amendment of section 20 as being designed merely to permit greater flexibility in financing 10/ and therefore to conclude that Congress had no intention to modify the then existing limitation on the effective rate. As already explained, once express

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9/ The decisions of the State courts agree that where a statute permits the sale of securities at a discount, the investment yield may exceed the statutory coupon rate; cf. the authorities cited supra, fn. 8, and Jones, Bonds and Bond Securities (4th ed., 1935), section 369.

Where a statute establishes a limit on the coupon rate and does not expressly authorize the sale of the security below par, the courts are split on the question whether the sale at discount is prohibited because it would result in an evasion of the statutory coupon rate; see, e.g., Ohio ex rel. Laskey v. Board of Education, 35 Ohio 519, 524; 43 American Jurisprudence, Public Securities and Obligations, section 135, 91 A.L.R. 7, 12-13. These considerations, however, are inapplicable where, as here, the sale at a discount has been expressly permitted.

10/ Cf. supra, fn. 3.

permission had been given to sell the bonds issued pursuant to section 1 at a discount, there remained no legal basis for a limitation on the effective rate. Moreover, the history of the Second Liberty Bond Act and of its amendments reveals sophisticated awareness on the part of Congress that, if securities may be sold below par, any limitation on the effective rate must be express.

Section 6 of the original Second Liberty Bond Act (40 Stat. 291) authorized the issue of war savings certificates "on which interest to maturity may be discounted in advance." There was no limitation on the interest rate of these certificates; thus, it was not necessary to distinguish between the coupon and effective rates.

Section 14 of the Gold Reserve Act of 1934 (48 Stat. 343) added to the Second Liberty Bond Act a section 20, the predecessor to the present section 20, which authorized the Secretary of the Treasury to issue obligations having a maturity of less than one year

> "on a discount basis and payable at maturity without interest."

Again, there was no limitation on the interest these obligations could bear.

The problem created by the difference between coupon rate and effective rate of securities issued below par was first raised and dealt with in section 6 of the act of February 4, 1935, 49 Stat. 21. That section added to the Second Liberty Bond Act a section 22, 31 U.S.C. 757c, which authorized the issuing of United States Savings Bonds. 11/ These bonds were to be issued

> "'on a discount basis to mature not less than ten nor more than twenty years * * *: Provided, That the issue price of the Savings Bonds and the terms upon which they may be redeemed prior to maturity shall be such as to afford <u>an investment yield not in excess of three per centum per annum</u>, compounded semiannually.'" (Emphasis added.)

Section 3 of the Public Debt Act of 1941 (55 Stat. 7) amended and broadened section 22 of the Second Liberty Bond Act. It provided in pertinent part:

> "'Savings bonds and savings certificates may be issued on an interest-bearing basis, on a discount basis, or on a combination interest-bearing and discount basis * * *. Such bonds and certificates may be sold at such price or prices, and redeemed before maturity upon such terms and conditions as the Secretary of the Treasury may prescribe: <u>Provided</u>, That the interest rate on, and the issue price of, savings bonds and savings certificates and the terms upon which they may be redeemed shall be such as to afford <u>an investment yield not in excess of three per centum per annum</u>, compounded semiannually.'" (Emphasis added.)

11/ On the legal and financial history of United States Savings Bonds, see H. Rept. 1148, 86th Cong., 1st Sess., pp. 2-7; S. Rept. 909, 86th Cong., 1st Sess., pp. 2-7.

In the following year the same Congress, which amended section 22 with its express reference to the investment yield, amended section 20 so as to permit the sale of bonds below par. It is significant that when modifying section 20, Congress did not start out from the original version of that section contained in section 14 of the Gold Reserve Act of 1934, but that it followed almost verbatim the language of the 1941 amendment of section 22, with the significant omission of the proviso limiting the investment yield of securities issued at a discount.[12/]

The act of April 20, 1957, P.L. 85-17, 71 Stat. 15, amended the proviso in section 22 to read:

> "Provided, That the interest rate on, and the issue price of, savings bonds and savings certificates and the terms upon which they may be redeemed shall be such as to afford an investment yield not in excess of 3.26 per centum per annum, compounded semi-annually." (Emphasis added.)

Finally, section 101 of the act of September 22, 1959, P.L. 86-346, 73 Stat. 621, added a section 25 to the Second Liberty Bond Act (31 U.S.C. 757c-1) which is indicative of

12/ The same 77th Congress again showed its awareness of problems resulting from securities sold at a premium or a discount by enacting section 126 of the Revenue Act of 1942, 56 Stat. 822, which added a section 125 to the Internal Revenue Act of 1939 (now I.R.C. 1954, section 171). This section permits a bondholder who purchased a bond at a premium to treat part of the bond "interest" as amortization of the premium. Cf. the discussion of the Old Colony case, supra.

the full congressional awareness of the difference between interest rate and investment yield:

> "'Section 25. In the case of any offering of United States savings bonds issued or to be issued under section 22 of this Act, the maximum limits on the interest rate or the investment yield or both may be exceeded upon a finding by the President with respect to such offering that the national interest requires that such maximum limits be exceeded: Provided, however, That in no event may the interest rate or the investment yield exceed 4-1/4 per centum per annum.'" (Emphasis added.)

The various sections of the Second Liberty Bond Act are in pari materia. Sections 22 and 25 disclose the congressiona awareness, at least since 1935, that when used in that statute the term "interest" refers only to the coupon rate and not to the effective rate. Consequently, I conclude that when Congress permitted the sale at a discount of the bonds referred to in section 1 for cash, exchange, or advance refunding, without placing a limitation on their investment yield, it fully realized that such bonds could be sold or exchanged below par at an effective rate, investment yield, or cost to the Treasury in excess of the statutory coupon rate.

My interpretation of the legal effect of the 1942 amendment of section 20 is not novel. Your predecessor testified before the Committee on Ways and Means of the House of Representatives to the effect that "since March 1942 the Treasury has had the right to offer securities at a discount. It is permissible under present statutory authority, therefore, for the Treasury to issue a bond with a 4-1/4-percent coupon rate at a price below par to yield any rate of interest to the investor above 4-1/4 percent which may be required by market conditions." 13/

Secretary Anderson, however, did not wish to exercise that authority without specific congressional leave because he did not consider it appropriate "to circumvent the 4-1/4 percent ceiling in this way." 14/ Considering that the 4-1/4 per cent ceiling applies--as recognized by Secretary Anderson himself--only to the coupon rate, the issue of bonds below par, as authorized by section 20, and bearing a coupon rate of 4-1/4 per cent, as authorized by section 1, does not "circumvent" any congressional prohibition. The power to do so plainly exists, 15/ and I cannot see anything

13/ Public Debt Ceiling and Interest Rate Ceiling on Bonds, Hearings before the Committee on Ways and Means, House of Representatives, 86th Cong., 1st Sess., p. 18; see also H. Rept. 1297, 86th Cong., 2d Sess., pp. 3, 13.

14/ Supra, fn. 13.

15/ I cannot see any significance in the failure of Congress to enact H.R. 10590, 86th Cong., 2d Sess., favorably reported by the House Ways and Means Committee in H. Rept. 1297, 86th Cong., 2d Sess., which conferred on the Secretary of the Treasury the authority to exceed the effective rate of 4-1/4 per centum in certain circumstances. In view of Secretary Anderson's statements, Congress may have considered this legislation redundant. In any event a statutory power remains in effect until it is repealed, limited, or modified. Its existence is not affected by the failure to enact such repealing, limiting, or modifying legislation.

inappropriate in exercising it if you believe that the circumstances require such action. I therefore answer your question in the affirmative.

Sincerely,

Robert F Kennedy
Attorney General

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