U.S. Treasury Dept.
Press Release

United States Savings Bonds Issued and Redeemed Through November 30, 1963
(Dollar amounts in millions - rounded and will not necessarily add to totals)

	Amount Issued 1/	Amount Redeemed 1/	Amount Outstanding 2/	% Outstandi of Amt.Issu
MATURED				
Series A-1935 - D-1941	5,003	4,990	13	.26
Series F & G-1941 - 1950	28,512	28,391	122	.43
UNMATURED 3/				
Series E:				
1941	1,829	1,545	283	15.47
1942	8,080	6,852	1,228	15.20
1943	13,010	11,032	1,978	15.20
1944	15,142	12,692	2,450	16.18
1945	11,859	9,733	2,126	17.93
1946	5,330	4,153	1,177	22.08
1947	5,022	3,732	1,290	25.69
1948	5,174	3,739	1,436	27.75
1949	5,090	3,590	1,499	29.45
1950	4,439	3,046	1,392	31.36
1951	3,844	2,625	1,219	31.71
1952	4,023	2,686	1,336	33.21
1953	4,578	2,872	1,706	37.27
1954	4,629	2,748	1,881	40.64
1955	4,786	2,804	1,981	41.39
1956	4,594	2,702	1,892	41.18
1957	4,316	2,459	1,857	43.03
1958	4,172	2,213	1,959	46.96
1959	3,899	2,026	1,873	48.04
1960	3,879	1,857	2,022	52.13
1961	3,890	1,652	2,237	57.51
1962	3,740	1,389	2,352	62.89
1963	3,001	575	2,426	80.84
Unclassified	471	441	30	6.37
Total Series E	128,795	89,165	39,630	30.77
Series H (1952 - Jan. 1957) 3/....	3,670	1,406	2,265	61.72
H (Feb. 1957 - 1963)	5,777	698	5,079	87.92
Total Series H	9,448	2,104	7,344	77.73
Total Series E and H	138,243	91,269	46,974	33.98
Series F and G (1951 - 1952).....	1,008	857	4/ 151	14.98
Series J and K (1952 - 1957)	3,704	2,037	1,667	45.01
Total Series F, G, J and K	4,712	2,894	1,818	38.58
All Series: Total matured	33,515	33,381	135	.40
All Series: Total unmatured	142,955	94,163	48,792	34.13
All Series: Grand Total	176,470	127,544	48,927	27.73

1/ Includes accrued discount.
2/ Current redemption value.
3/ At option of owner bonds may be held and will earn interest for additional periods after original maturity dates.
4/ Includes matured bonds which have not been presented for redemption.

BUREAU OF THE PUBLIC DEBT

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BUREAU OF THE PUBLIC DEBT

UNITED STATES NET MONETARY GOLD TRANSACTIONS WITH

FOREIGN COUNTRIES AND INTERNATIONAL INSTITUTIONS

January 1, 1963 - September 30, 1963

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

Country	Negative figures represent net sales by the United States; positive figures, net purchases		
	First Quarter 1963	Second Quarter 1963	Third Quarter 1963
Algeria	---	---	-15.0
Austria	-30.0	-20.0	---
Brazil	+16.5	+28.4	-.9
Cambodia	-2.3	---	---
Cameroon Republic	---	-1.9	---
Cent. Afr. Republic	---	-.7	---
Chad	---	-.7	---
Congo (Leopoldville)	---	---	-3.1
Dahomey	---	-.8	---
Ecuador	---	-2.3	---
Egypt	-.4	-.5	-.6
France	-101.3	-101.3	-213.8
Gabon	---	-.7	---
Guinea	---	---	-2.8
Iran	-5.9	---	---
Madagascar	---	---	-2.3
Mauritania	---	---	-.8
Mexico	---	---	-4.0
Niger	---	-.8	---
Peru	---	---	-10.6
Philippines	-.1	+24.9	-.1
Republic of Congo	---	-.7	---
Senegal	---	-1.7	---
Spain	-70.0	-60.0	---
Syria	-.1	-.1	-.1
Tunisia	---	-.5	---
Turkey	-8.5	+14.5	+1.0
U. K	+106.5	+18.0	+74.0
Upper Volta	---	-.8	---
Uruguay	---	+8.0	---
Yugoslavia	-.4	-.4	-.6
All Other	-.1	-.1	-.6
Total	-96.1	-100.0	-180.5

Figures may not add to totals because of rounding.

TREASURY DEPARTMENT

WASHINGTON, D.C.

December 2, 1963

FOR IMMEDIATE RELEASE

UNITED STATES FOREIGN GOLD TRANSACTIONS FOR THIRD QUARTER OF 1963

During the third quarter of 1963, the net sale of monetary gold by the United States amounted to $180.5 million. The first quarter showed a net sale of $96.1 million, and the second quarter, a net sale of $100.0 million.

These transactions brought to $376.5 million the net sale of monetary gold in the first nine months of this year.

The Treasury's quarterly report, made public today, summarizes monetary gold transactions with foreign governments, central banks and international institutions for the three quarters of 1963. (table on reverse side)

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D-1061

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Austria	-30.0	-20.0	---
Brazil	+16.5	+28.4	-.9
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Cameroon Republic	---	-1.9	---
Cent. Afr. Republic	---	-.7	---
Chad	---	-.7	---
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Dahomey	---	-.8	---
Ecuador	---	-2.3	---
Egypt	-.4	-.5	-.6
France	-101.3	-101.3	-213.8
Gabon	---	-.7	---
Guinea	---	---	-2.8
Iran	-4.9	---	---
Madagascar	---	---	-2.3
Mauritania	---	---	-.8
Mexico	---	---	-4.0
Niger	---	-.2	---
Peru	---	---	-10.6
Philippines	-.1	+24.9	-.1
Republic of Congo	---	-.7	---
Senegal	---	-1.7	---
Spain	-70.0	-60.0	---
Syria	-.1	-.1	-.1
Tunisia	---	-.5	---
Turkey	-6.5	+14.5	+1.0
U. K	+106.5	+18.0	+74.0
Upper Volta	---	-.8	---
Uruguay	---	+8.0	---
Yugoslavia	-.4	-.4	-.6
All Other	-.1	-.1	-.6
Total	-96.1	-100.0	-180.5

Figures may not add to totals because of rounding

FOR RELEASE A. M. NEWSPAPERS,
Tuesday, December 3, 1963.

December 2, 1963

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 September 5, 1963, and the other series to be dated December 5, 1963, which were offered on November 27, were opened at the Federal Reserve Banks on December 2. Tenders were invited for $1,300,000,000, or thereabouts, of 91-day bills and for $800,000,000, 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 March 5, 1964		182-day Treasury bills maturing June 4, 1964	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.113 a/	3.509%	98.154 b/	3.651%
Low	99.103	3.549%	98.136	3.687%
Average	99.107	3.531% 1/	98.145	3.670% 1/

a/ Excepting one tender of $100,000; b/ Excepting two tenders totaling $200,000
7% of the amount of 91-day bills bid for at the low price was accepted
5% 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	$ 23,195,000	$ 13,195,000	18,228,000	$ 18,228,000
New York	1,393,095,000	890,015,000	1,037,870,000	614,870,000
Philadelphia	28,632,000	13,632,000	7,628,000	2,628,000
Cleveland	26,168,000	26,168,000	7,324,000	7,324,000
Richmond	13,606,000	13,606,000	2,604,000	2,604,000
Atlanta	24,052,000	24,052,000	8,355,000	7,355,000
Chicago	233,298,000	170,648,000	103,495,000	43,695,000
St. Louis	29,626,000	23,696,000	19,408,000	17,933,000
Minneapolis	22,805,000	21,875,000	7,254,000	6,254,000
Kansas City	30,588,000	30,588,000	7,892,000	7,797,000
Dallas	23,782,000	16,852,000	10,979,000	7,029,000
San Francisco	60,884,000	56,094,000	82,000,000	64,400,000
TOTALS	$1,909,731,000	$1,300,421,000 c/	$1,313,037,000	$800,117,000 d/

c/ Includes $220,545,000 noncompetitive tenders accepted at the average price of 99.107
d/ Includes $54,898,000 noncompetitive tenders accepted at the average price of 98.145
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.62%, for the 91-day bills, and 3.80%, 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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Average	99.107	3.531% 1/	:	98.145	3.670% 1/

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Philadelphia	28,632,000	13,632,000	:	7,628,000	2,628,000
Cleveland	26,168,000	26,168,000	:	7,324,000	7,324,000
Richmond	13,606,000	13,606,000	:	2,604,000	2,604,000
Atlanta	24,052,000	24,052,000	:	8,355,000	7,355,000
Chicago	233,298,000	170,648,000	:	103,495,000	43,695,000
St. Louis	29,626,000	23,696,000	:	19,408,000	17,933,000
Minneapolis	22,805,000	21,875,000	:	7,254,000	6,254,000
Kansas City	30,588,000	30,588,000	:	7,892,000	7,797,000
Dallas	23,782,000	16,852,000	:	10,979,000	7,029,000
San Francisco	60,884,000	56,094,000	:	82,000,000	64,400,000
TOTALS	$1,909,731,000	$1,300,421,000 c/		$1,313,037,000	$800,117,000 d/

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D-1062

FOR RELEASE: UPON DELIVERY

STATEMENT OF THE HONORABLE JOHN C. BULLITT
ASSISTANT SECRETARY OF THE TREASURY
AND
U.S. EXECUTIVE DIRECTOR
INTERNATIONAL DEVELOPMENT ASSOCIATION
BEFORE THE SUBCOMMITTEE ON INTERNATIONAL FINANCE
OF THE HOUSE COMMITTEE ON BANKING AND CURRENCY
ON LEGISLATION AFFECTING
THE INTERNATIONAL DEVELOPMENT ASSOCIATION
DECEMBER 3, 1963, 10:00 A.M. EST

Mr. Chairman and Members of the Committee:

It is a pleasure to appear before you today in connection with the participation of the United States in an important increase in the financial resources of the International Development Association (IDA). The legislation before you would authorize the United States to subscribe its proportionate share of this increase.

The National Advisory Council on International Monetary and Financial Problems has considered and reported on this matter, and has strongly recommended early and favorable action by the Congress. Copies of its report are before you.

Today's request is for authority which would permit the United States to participate with sixteen other economically advanced members of IDA in an increase of $750 million in the Association's hard currency resources, to be paid in over a three-year period, beginning in fiscal 1966, at the rate of $250 million a year. In comparison with the annual payments initially subscribed to IDA, the present proposal means an increase of two-thirds in the amounts we and these other countries are providing for use by this effective, multilateral institution.

Action on this matter is required now, because the Association will very shortly exhaust its authority to make credit commitments against its existing subscribed resources. These present resources are still in the process of being paid in under a five-year schedule, with the final payment falling due in November, 1964. Thus, while IDA currently has funds with which to make disbursements on commitments already made, it needs prompt assurance of the future availability of new funds if it is to continue to make new commitments. Although authorization for our participation is required now in order to permit IDA to continue operations, no appropriation of funds would be required until fiscal year 1966.

<u>Structure and Operations of IDA</u>

I would like to review briefly the nature of the International Development Association and its accomplishments to date. IDA came into existence in September, 1960, as an affiliate of the World Bank, and is located here in Washington. Any member country of the World Bank may join the Association, and as of November 30, 1963, 90 of the 101 members of the Bank were also members of the Association. IDA has no staff separate from its parent institution; instead, for reasons both of economy and coordination, the regular World Bank staff performs IDA's loan appraisal and other functions, and IDA reimburses the Bank for these services. Similarly, IDA's Board of Executive Directors, which oversees day-to-day operations, consists of the World Bank's Executive Directors serving *ex officiis*. The senior policy body of IDA, the Board of Governors, consists of the IBRD Governors of IDA member countries, also serving *ex officiis*.

IDA's membership is divided into two categories: the Part I countries are the economically advanced countries of the free world and supply the great bulk of the Association's hard currency resources, while the Part II countries are the developing nations, which are the recipients of IDA's credits. Member countries initially subscribed to IDA in approximate proportion to their subscriptions to the International Bank, and voting strength is based on the relative size of subscriptions. Part I countries are required to pay their entire initial subscriptions in convertible currencies, whereas Part II countries are required to pay 10% of their initial subscriptions in convertible currency and the remaining 90% in local currency which may not be used outside the member country without its permission. Total subscriptions as of November 30, 1963, were $984.4 million, of which $766.9 million was due in convertible currency and $217.5 million in restricted local currency. Initial subscriptions were made payable in five annual installments, the fourth of which fell due on November 8. The subscription of the United States to IDA amounts to $320.29 million, on which $258.6 million has already been paid in.

IDA makes credits for the same general purposes as the World Bank, but its terms differ sharply from those carried by the World Bank's loans, which are now at 5-1/2% interest and for periods up to about 25 years. All IDA credits are made for a term of 50 years, and bear no interest, but carry a service charge of 3/4% per annum. There is a 10-year grace period on repayment of principal; in the next ten years, 1% of principal is repaid annually; and in the final thirty years, 3% of principal is repaid annually.

Out of its total lendable resources in hard currency of just over $750 million, IDA had committed $554 million on 42 credits in 18 countries by November 30, 1963. Disbursements as of that date were approximately $115 million.

A major part of IDA's commitments has gone to projects in Asia and the Middle East. Latin America has been the next largest recipient, followed by Africa and Europe. The European activities of IDA have been confined exclusively to Turkey.

Need for Finance on IDA Terms

The external public debt of developing countries more than doubled between 1955 and 1961. However, this dramatic increase was not matched by a comparable increase in the foreign exchange earnings required to meet this heavier debt servicing burden. The developing countries are thus caught in a dilemma. On the one hand, they can incur further debt on conventional terms, which in most cases would be imprudent in the light of their over-all debt servicing capacity and would have adverse repercussions on the stability of the international monetary system. On the other hand, they can curtail sharply the inflow of external resources, which may slow down or even reverse the forward motion of their development, with dangerous political and social consequences.

IDA was established three years ago as one way of mobilizing the resources of the economically advanced countries to alleviate this dangerous situation. Many of the developed countries recognize the seriousness of the problem of accumulation of short-term, high-interest debt by the developing countries. They are - increasingly - providing funds to finance development at a cost the developing countries can afford. One of the most effective ways we can get other countries to share in this effort is by this proposed increase in IDA resources, although IDA can only meet a portion of the demand for development funds on appropriate terms.

Details of the Proposal

In brief outline, the proposal recommended to the IDA Governors by the Executive Directors in their report of September 9, 1963 is for an increase of $750 million in the hard currency resources of the Association, such increase to be entirely paid in by seventeen Part I countries over a three-year period commencing in FY 1966. The Part II countries will have no part in this increase in capital. Compared with the initial subscriptions to the Association, which are being paid over a five-year period, the new resources represent a two-thirds increase in the annual volume of funds being made available.

Except in the case of Belgium and Luxembourg, the new resources take the form of additional contributions to IDA, without voting rights, rather than subscriptions which would carry voting rights. The U.S. already enjoys over a quarter of the total voting power, and this favorable position will not be significantly changed. Belgium and Luxembourg, which have not previously joined IDA, are now doing so, and half of their participation in the new resources will be considered as their initial subscriptions with voting rights and the other half will be on the same non-voting basis as the remaining participants.

The share of the United States in the new resources is $312 million, or 41.6% of the $750 million total. This represents a slight reduction from our 43% share in the initial subscriptions to the Association. There has been a significant increase in the shares pledged by Canada, France, Germany, Italy, Japan, and Sweden, while at the same time there were significant reductions in the shares of the United Kingdom and the Netherlands. These changes are a reflection of changed conditions in the countries concerned since the initial subscriptions were agreed upon and provide a sounder basis for the future. South Africa also reduced its share significantly. Kuwait, which was not initially a member of IDA, joined as a Part I country on September 13, 1962, but is not participating in the new contributions. The shares of the other Part I countries show only minor variations from their initial subscriptions. The attached table shows amounts and shares of each Part I country's initial subscription and their participation in the proposed new resources.

The understanding among the participating countries provides that no country's commitment will become effective unless twelve of the seventeen contributors, representing $600 million of the $750 million total, agree by March 1, 1964, to make their contributions on the proposed terms. By the terms of the resolution, however, the Governors of IDA must vote by December 31 of this year to authorize the Association to accept the resources to be provided by the Part I members. Eight Part I members (including one major contributor -- France), with contributions totalling $122.1 million, have already acted favorably on the proposal. Although the Executive Directors may extend either of the above dates if necessary, IDA's need for an early assurance of additional funds argues for prompt action within the specified deadlines, in order to avoid an interruption in the smooth flow of IDA's credit activities.

The Proposed Legislation

The bill before you would amend the International Development Association Act in order to provide for three things. First, it would authorize Secretary Dillon, as U.S. Governor of IDA, to vote in favor of an increase in the resources of the Association. This is the vote that is required by December 31. Second, it would authorize him to agree, on behalf of the United States, to contribute $312 million to the Association as the U.S. share of the increase in resources, and would authorize the appropriation of that sum, without fiscal year limitation. Finally, it would eliminate existing language which limits the issuance of non-interest bearing notes to the amount of the initial subscription of the United States. This is necessary to permit the United States to substitute non-interest bearing notes for the new resources until IDA actually requires cash for disbursement, and thereby to minimize the cost to the Treasury of this contribution.

I wish to re-emphasize that the authority being requested today for IDA does not carry with it any requirement for an immediate appropriation, and will not impose any budgetary burden during the next fiscal year. No payment is required until fiscal 1966; assuming enactment of the authorizing legislation we are now seeking, an appropriation request will be presented in January, 1965 as part of the 1966 Budget Message.

Advantage of IDA to the United States

No discussion of IDA can be complete if it omits reference to a fundamental fact: IDA, like no other multilateral institution, mobilizes substantial amounts of development funds from the other advanced countries for lending on terms that are fully adapted to the needs of the developing countries. For every dollar the United States has put up of the initial subscriptions, other Part I countries have put up \$1.32. For every dollar the United States will put up in additional resources, other Part I participants will put up \$1.40. In both cases, the funds of others are contributed to IDA on exactly the same terms as the U.S. funds. For some of the smaller countries, IDA is the only mechanism through which they engage in any significant amount of foreign development lending, and therefore IDA is the only technique we have available for getting these countries to share the aid burden with us.

Conclusion

Mr. Chairman, much of the impetus for the establishment of IDA originally came from the Congress itself and the Congress has reaffirmed its confidence in the institution through annual appropriations for our initial subscription. The United States has in the past assumed a position of leadership regarding IDA, and has done so again in playing the major role in obtaining the agreement of others to this substantial augmentation of the Association's resources. I therefore urge that you act favorably on this bill.

Thank you, Mr. Chairman.

PROPOSED PARTICIPATION IN INCREASE OF IDA RESOURCES

[In millions of U.S. dollars and percentages]

Country	Initial resources		Proposed amount of new resources		Percent share of initial resources	Percent share of new resources
	Total	Annual rate	Total	Annual rate		
Australia	20.18	4.04	19.80	6.60	2.72	2.64
Austria	5.04	1.01	5.04	1.68	0.67	.67
Belgium	--	--	16.50	5.50	--	2.20
Canada	37.83	7.57	41.70	13.90	5.09	5.56
Denmark	8.74	1.75	7.50	2.50	1.18	1.00
Finland	3.83	.766	2.298	.766	0.52	.31
France	52.96	10.59	61.872	20.624	7.13	8.25
Germany	52.96	10.59	72.60	24.20	7.13	9.68
Italy	18.16	3.63	30.00	10.00	2.45	4.00
Japan	33.59	6.72	41.25	13.75	4.52	5.50
Kuwait	3.36	.67	--	--	0.45	--
Luxembourg	--	--	.75	.25	--	.10
Netherlands	27.74	5.55	16.50	5.50	3.73	2.20
Norway	6.72	1.34	6.60	2.20	0.90	.88
South Africa	10.09	2.02	3.99	1.33	1.36	.53
Sweden	10.09	2.02	15.00	5.00	1.36	2.00
United Kingdom	131.14	26.23	96.00	32.20	17.66	12.88
United States	320.29	64.06	312.00	104.00	43.12	41.60
Total	742.72	148.56	750.00	250.00	100.00	100.00

Note: Detail may not add to totals due to rounding.

~~EXTRA - MODIFIED~~

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 (current revision) 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.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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 September 12, 1963, (91 days remaining until maturity date on March 12, 1964) 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 Banks on December 12,1963, in cash or other immediately available funds or in a like face amount of Treasury bills maturing December 12, 1963. Cash

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE, December 4, 1963

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 $ 2,100,000,000 , or thereabouts, for cash and in exchange for Treasury bills maturing December 12, 1963 , in the amount of $ 2,101,041,000 , as follows:

91 -day bills (to maturity date) to be issued December 12, 1963 , in the amount of $ 1,300,000,000 , or thereabouts, representing an additional amount of bills dated September 12, 1963 , and to mature March 12, 1964 , originally issued in the amount of $ 799,974,000 (an additional $100,092,000 was issued October 196) , the additional and original bills to be freely interchangeable.

182 -day bills, for $ 800,000,000 , or thereabouts, to be dated December 12, 1963 , and to mature June 11, 1964 .

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, $50,000, $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 p.m., Eastern Standard time, Monday, December 9, 1963 . 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.

FOR IMMEDIATE RELEASE

December 4, 1963

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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, $50,000, $100,000, $500,000 and $1,000,000 (maturity value).

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Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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 September 12,1963(91-days remaining until maturity date on March 12,1964) 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 Banks on December 12,1963, in cash or other immediately available funds or in a like face amount of Treasury bills maturing December 12,1963. 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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FOR RELEASE A. M. NEWSPAPERS,
Tuesday, December 10, 1963.

December 9, 1963

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 September 12, 1963, and the other series to be dated December 12, 1963, which were offered on December 4, were opened at the Federal Reserve Banks on December 9. Tenders were invited for $1,300,000,000, or thereabouts, of 91-day bills and for $800,000,000, 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 March 12, 1964		:	182-day Treasury bills maturing June 11, 1964	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.118	3.489%	:	98.154	3.651%
Low	99.114	3.505%	:	98.147	3.665%
Average	99.115	3.500% 1/	:	98.149	3.662% 1/

68% of the amount of 91-day bills bid for at the low price was accepted
3% 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	$ 24,924,000	$ 13,924,000	:	$ 24,113,000	$ 23,764,[illegible]
New York	1,521,063,000	834,063,000	:	1,430,064,000	634,[illegible]
Philadelphia	31,289,000	15,689,000	:	12,248,000	6,[illegible]
Cleveland	29,076,000	27,556,000	:	52,035,000	15,7[illegible]
Richmond	14,177,000	14,177,000	:	3,657,000	3,657,[illegible]
Atlanta	32,214,000	25,146,000	:	15,173,000	12,173,[illegible]
Chicago	289,709,000	191,589,000	:	113,092,000	35,0[illegible]
St. Louis	34,328,000	28,064,000	:	9,913,000	7,71[illegible]
Minneapolis	21,712,000	12,212,000	:	9,396,000	4,796,[illegible]
Kansas City	28,666,000	27,491,000	:	7,667,000	7,[illegible]
Dallas	29,586,000	20,266,000	:	11,511,000	6,511,[illegible]
San Francisco	119,103,000	89,923,000	:	80,141,000	43,[illegible]
TOTALS	$2,175,847,000	$1,300,100,000 a/		$1,769,010,000	$800,766,[illegible] b/

a/ Includes $264,417,000 noncompetitive tenders accepted at the average price of 99.115
b/ Includes 373,826,000 noncompetitive tenders accepted at the average price of 98.149
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.59%, for the 91-day bills, and 3.79%, 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,
sday, December 10, 1963.

December 9, 1963

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	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
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Average	99.115	3.500% 1/	:	98.149	3.662% 1/

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District	Applied For	Accepted	:	Applied For	Accepted
Boston	$ 24,924,000	$ 13,924,000	:	$ 24,113,000	$ 23,768,000
New York	1,521,063,000	834,063,000	:	1,430,064,000	634,249,000
Philadelphia	31,289,000	15,689,000	:	12,248,000	6,048,000
Cleveland	29,076,000	27,556,000	:	52,035,000	15,729,000
Richmond	14,177,000	14,177,000	:	3,657,000	3,657,000
Atlanta	32,214,000	25,146,000	:	15,173,000	12,173,000
Chicago	289,709,000	191,589,000	:	113,092,000	35,018,000
St. Louis	34,328,000	28,064,000	:	9,913,000	7,713,000
Minneapolis	21,712,000	12,212,000	:	9,396,000	4,796,000
Kansas City	28,666,000	27,491,000	:	7,667,000	7,270,000
Dallas	29,586,000	20,266,000	:	11,511,000	6,511,000
San Francisco	119,103,000	89,923,000	:	80,141,000	43,834,000
TOTALS	$2,175,847,000	$1,300,100,000 a/		$1,769,010,000	$ 800,766,000 b/

Includes $264,417,000 noncompetitive tenders accepted at the average price of 99.115
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On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.59%, for the 91-day bills, and 3.79%, 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-1064

TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR IMMEDIATE RELEASE December 9, 1963

TREASURY ANNOUNCES ISSUANCE OF INSTRUCTIONS FOR OBTAINING TAXPAYER IDENTIFYING NUMBERS ON REDEEMED SAVINGS BONDS

The Treasury announced today that instructions are being issued to banks and other financial institutions to request owners of Series E, F and G Savings Bonds on which any amount of interest is earned to insert their taxpayer identifying numbers (social security account numbers or employer identification numbers) on the bonds when they are presented for payment beginning January 1, 1964.

This action is in furtherance of the Treasury's program to obtain taxpayer identifying numbers from all recipients of interest paid on registered public debt securities.

The Treasury is not making it a mandatory requirement at this time that owners of savings bonds of the three above-mentioned series furnish their taxpayer identifying numbers when redeeming their bonds. Consideration is being given, however, to the issuance of regulations which would make the furnishing of the numbers mandatory at time of redemption with respect to E bonds issued on and after a specified date in the future. (Series F and G Savings Bonds are no longer on sale.) Applicants for Series H Savings Bonds, the current income companion bond to the E bond, are now required to furnish their taxpayer identifying numbers before the bonds are issued.

The Treasury is also giving consideration to a long-range program under which taxpayer identifying numbers will eventually appear on all E bonds when they are issued. The present thinking of the Treasury is that this should be accomplished gradually under a program which would result in minimum impact on the bond issuing operations of the approximately 19,000 agents who perform the issuing job without cost to the Treasury. The first phase of the program will cover bonds issued for Federal civilian and military personnel. The Treasury will also at this time approve the placement of taxpayer identifying numbers on E bonds upon application submitted to it by those issuing agents desiring to do so who operate a payroll savings plan.

The Treasury requests that the owners of Series E, F and G Savings Bonds, and also Series J Savings Bonds, on which any amount of interest is earned, who mail their bonds to the Office of the Treasurer of the United States, Washington, D. C. 20220, or to a Federal Reserve Bank or Branch for payment, write their taxpayer identifying numbers on the bonds, below and to the left of the seal, avoiding any printed matter wherever possible.

The Treasury will not furnish an annual statement to bond owners showing the total amount of interest they received on their E, F, G and J bonds. They should, therefore, plan to post interest as received in a record of their choice, in order that it may be correctly reported in their tax returns. A form for computing E bond interest earned each time bonds are redeemed may be obtained from the agent paying the bonds.

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D-1085

TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR IMMEDIATE RELEASE December 9, 1963

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D-1065

factories, the millions of acres of land, the millions of kilowatts of electric power capacity, the tens of thousands of miles of railroads -- can only be called impressive. But the Bank's work is not to be assessed in terms of the building of cold monuments of stone and steel and concrete; it has a deeper purpose -- to enlarge the riches of the earth, to give men light and warmth, to lift them out of drudgery and despair, to interest them in the stirring of ideas and in the grasp of organization and techniques, toward the realizatic of a day in which plenty will be a real possibility and not a distant dream."

That is the spirit which characterizes the work of the World Bank -- the spirit we honor with the dedication of this auditorium today -- the spirit which, today and tomorrow, the World Bank and men throughout the world will remember and honor as exemplified in Eugene Black.

enlist the resources of Western capitalism and private enterprise into the service of the great revolution of our times -- successfully to help those nations who seek, in years and decades, to overcome centuries of lost time. That is the accomplishment and the continuing effort of the World Bank -- a feat that has already earned a place in history for the Bank and for Eugene Black.

The great unfinished business that the Bank began under the direction of Eugene Black is still going on -- and will continue to go on in the same spirit of idealism tempered with reality that characterize Eugene Black as well as the Bank he guided and nurtured in its most crucial years. In his valedictory adress to the Board of Governors of the World Bank, ~~Eugene Black~~ described that spirit in words that apply to himself as well as to the Bank. He said -- and I quote:

"What the Bank has been able to do is by no means inconsiderable in fact, the volume of sheer physical creation -- the scores of impressive testaments to the vision and persuasive intelligence of Eugene Black. For no one played a more decisive role in the creation of these two institutions than did Eugene Black. Long before the IDA, for example, actually came into being, he saw -- and he worked unceasingly to help others to see -- that the needs of the less developed countries were much too large, and their available resources much too small, to be served by international loans on conventional terms. In speeches, in talks with leaders here and abroad, he spoke eloquently and cogently for the creation of a new mechanism designed to HELP meet the overwhelming needs of these countries. His efforts bore fruit in the IDA.

One could cite other specific accomplishments of Eugene Black during his years with the World Bank. But few accomplishments could be more dazzling, and yet require more keen, sound and hard-working intelligence, than successfully to kets of the world as a sound and viable institution. Mr. Black's brilliant role in that achievement led to his selection, in 1949, as President of the Bank -- a position he held for some fourteen years.

It was quite apparent, when ~~Eugene Black~~ assumed the presidency of the Bank, that the task of creating a new Europe from the ashes of the old would require resources on far ~~more~~ grand a scale than those available to the World Bank. The Marshall Plan took on that enormous burden while, ~~under the direction of Eugene Black,~~ the World Bank turned its eyes and its efforts toward those lands and peoples just then struggling to be born into the age of industrial technology and achievement. As events have since proved, the Bank could have made no choice more fortunate for all mankind than this one -- nor could its efforts have been guided more wisely or more effectively than they were by Eugene Black.

The Bank's two affiliates -- the International Finance Corporation and the International Development Association -- are particularly that, more than any one man, it was Eugene Black who gave it shape and direction during its critical, formative years.

Eugene Black's career with the World Bank began in 1947 when John J. McCloy, then its President, selected him as the American representative on the Executive Board. The Bank had opened for business only the year before, and the problems that it faced were enormous. By the end of 1947, the Bank had invested almost all of its available resources in postwar reconstruction loans to countries in Western Europe. The Bank needed funds -- it needed to open up its avenues of credit to the world's investment markets, particularly the market in this country. That was the task that fell primarily upon the shoulders of Eugene Black.

His success was phenomenal. Largely as a result of his efforts and skill, the Bank very quickly became accepted in the capital mar-

REMARKS OF THE HONORABLE DOUGLAS DILLON
SECRETARY OF THE TREASURY
AT THE DEDICATION CEREMONIES OF THE EUGENE R. BLACK AUDITORIUM
NEW WORLD BANK BUILDING, WASHINGTON, D. C.
MONDAY, DECEMBER 9, 1963, 5:00 P.M., EST

It was a little over a year ago that Eugene Black addressed the Annual Meeting of the Board of Governors of the World Bank and announced that he was attending his last such meeting as an "active participant." And it was in response to that unhappy news that the late Per Jacobsson, in saluting ~~the~~ achievements ~~of Eugene Black,~~ assured him "that he will always be welcomed and honored whenever we assemble in the future."

This auditorium that we dedicate today is a tangible symbol of that assurance -- a permanent and public recognition that the name and the accomplishments of Eugene Black will be remembered and honored for as long as the Bank itself is alive in the affairs or memories of men. For it is impossible to think of the World Bank -- of what it has been and is and will become -- without being aware

TREASURY DEPARTMENT
Washington

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His success was phenomenal. Largely as a result of his efforts d skill, the Bank very quickly became accepted in the capital rkets of the world as a sound and viable institution. Mr. Black's illiant role in that achievement led to his selection, in 1949, as esident of the Bank -- a position he held for some fourteen years.

It was quite apparent, when Eugene Black assumed the presidency, at the task of erecting a new Europe upon the ashes of the old uld require resources on a far grander scale than those available the World Bank. The Marshall Plan took on that enormous burden le the World Bank began to turn its eyes and its efforts toward hose lands and peoples just then struggling to enter the age of ndustrial technology and achievement. As events have since proved, he Bank could have made no more fortunate choice for all mankind -- or could its efforts have been guided more wisely or more ffectively than by Eugene Black.

The Bank's two affiliates -- the International Finance orporation and the International Development Association -- are articularly impressive testaments to his vision and persuasive ntelligence. For no one played a more decisive role in the reation of those two institutions than did Eugene Black. He saw -- nd he worked unceasingly to help others to see -- that the needs f the less developed countries were much too large, and their vailable resources far too small, to be served by international oans on conventional terms. In speeches, in talks with leaders ere and abroad, he argued eloquently and cogently for the creation f a new mechanism designed to help meet the overwhelming needs of hese countries. His efforts bore fruit in the IDA.

The great unfinished business that the Bank began under the irection of Eugene Black continues under the able leadership of eorge Woods -- and will continue in the same spirit of idealism empered with practicablity that characterize Eugene Black as well as he Bank he guided and nurtured in its most crucial years. In his aledictory address to the Board of Governors of the World Bank, he escribed that spirit in words that apply to himself as well as to he Bank. He said -- and I quote:

> "What the Bank has been able to do is by no means inconsiderable; in fact, the volume of sheer physical creation -- the scores of factories, the millions of acres of land, the millions of kilowatts of electric power capacity, the tends of thousands of miles of railroads -- can only be called impressive. But the Bank's work is not to be assessed in terms of the building of cold monuments of stone, and steel and concrete; it has a deeper purpose -- to enlarge the riches of the earth, to give men light and warmth, to lift them out of drudgery and despair, to interest them in the stirring of ideas and in the grasp of organization and techniques, toward the realization of a day in which plenty will be a real possibility and not a distant dream."

That is the spirit which characterizes the work of the World Bank -- the spirit we honor with the dedication of this auditorium today -- the spirit which, today and tomorrow, the World Bank and men throughout the world will remember and honor as exemplified in Eugene Black.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR IMMEDIATE RELEASE

WITHHOLDING OF APPRAISEMENT ON
BRAKE DRUMS

The Treasury Department is instructing customs field officers to withhold appraisement of brake drums from Canada, sold by Aimco Automotive Parts Company of Ontario, Canada, 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 October 16, 1963, and was made by the firm of Certified Automotive Products, Rexdale, Canada. The dollar value of imports received during the period May 1, 1963, to date, was approximately $31,000.

TREASURY DEPARTMENT

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TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR IMMEDIATE RELEASE

WITHHOLDING OF APPRAISEMENT ON
UNLINED BRAKE SHOES

The Treasury Department is instructing customs field officers to withhold appraisement of unlined brake shoes from Canada, manufactured by Aimco Automotive Parts Company, Cooksville, Ontario, Canada, 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.

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The complaint in this case was received on October 1, 1963, and was made by the firm of Pick Manufacturing Company, West Bend, Wisconsin. The dollar value of imports received during the period January 1, 1963, to date, was approximately $605,000.

TREASURY DEPARTMENT

WASHINGTON, D.C.

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~~[illegible]~~

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 (current revision) 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.

<u>STAXXXMODIFIED</u>

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

Banking institutions generally may submit tenders for account of customers rovided the names of the customers are set forth in such tenders. Others than anking institutions will not be permitted to submit tenders except for their n account. Tenders will be received without deposit from incorporated banks d trust companies and from responsible and recognized dealers in investment ecurities. Tenders from others must be accompanied by payment of 2 percent of e face amount of Treasury bills applied for, unless the tenders are accompanied an express guaranty of payment by an incorporated bank or trust company.

Immediately after the closing hour, tenders will be opened at the Federal eserve Banks and Branches, following which public announcement will be made by e Treasury Department of the amount and price range of accepted bids. Those bmitting tenders will be advised of the acceptance or rejection thereof. The ecretary of the Treasury expressly reserves the right to accept or reject any all tenders, in whole or in part, and his action in any such respect shall be nal. Subject to these reservations, noncompetitive tenders for $ 200,000 (16) or ss for the additional bills dated September 19, 1963 (17), (91 (18) days remaing until maturity date on March 19, 1964 (19)) and noncompetitive tenders for 100,000 (20) or less for the 182 (21) -day bills without stated price from any one dder will be accepted in full at the average price (in three decimals) of acpted competitive bids for the respective issues. Settlement for accepted tenrs in accordance with the bids must be made or completed at the Federal Reserve nks on December 19, 1963 (22), in cash or other immediately available funds or a like face amount of Treasury bills maturing December 19, 1963 (23). Cash

~~Exhibit 2-A~~

~~BETA - MODIFIED~~

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE,

December 11, 1963

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 $2,100,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing December 19, 1963, in the amount of $2,101,497,000, as follows:

91 -day bills (to maturity date) to be issued December 19, 1963, in the amount of $1,300,000,000, or thereabouts, representing an additional amount of bills dated September 19, 1963, and to mature March 19, 1964, originally issued in the amount of $ 800,730,000 (an additional $100,092,000 was issued October 28, 19[illegible]), the additional and original bills to be freely interchangeable.

182 -day bills, for $ 800,000,000, or thereabouts, to be dated December 19, 1963, and to mature June 18, 1964.

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, $50,000, $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 p.m., Eastern Standard time, Monday, December 16, 1963. 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.

December 11, 1963

'OR IMMEDIATE RELEASE

TREASURY'S WEEKLY BILL OFFERING

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Banking institutions generally may submit tenders for account of ustomers provided the names of the customers are set forth in such enders. Others than banking institutions will not be permitted to ubmit tenders except for their own account. Tenders will be received ithout deposit from incorporated banks and trust companies and from esponsible and recognized dealers in investment securities. Tenders om others must be accompanied by payment of 2 percent of the face nount of Treasury bills applied for, unless the tenders are ccompanied by an express guaranty of payment by an incorporated bank r trust company.

D-1066

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 September 19,1963,(91-days remaining until maturity date on March 19, 1964) 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 Banks on December 19, 1963, in cash or other immediately available funds or in a like face amount of Treasury bills maturing December 19,1963. 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 (current revision) 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.

December 12, 1963

FOR IMMEDIATE RELEASE

TREASURY MARKET TRANSACTIONS IN NOVEMBER

During November 1963, 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 $436,732,500.00.

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D-1067

TREASURY DEPARTMENT

WASHINGTON, D.C.

December 12, 1963

FOR IMMEDIATE RELEASE

TREASURY MARKET TRANSACTIONS IN NOVEMBER

During November 1963, 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 $436,732,500.00.

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D-1067

STATUTORY DEBT LIMITATION

As of November 30, 1963 4C Washington, Dec. 12, 1963

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 August 27, 1963 (P. L. 88-106 88th Congress) provides that the above limitation shall be temporarily increased during the period beginning on September 1, 1963, and ending on November 30, 1963 to $309,000,000,000.

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			$309,000,000,000
Outstanding obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing:			
Treasury bills	$50,521,102,000		
Certificates of indebtedness	10,939,435,000		
Treasury notes	58,666,289,000	$120,126,826,000	
Bonds -			
Treasury	86,423,941,350		
* Savings (Current redemption value)	48,792,529,764		
United States Retirement Plan bonds	415,755		
Depositary	97,919,500		
R. E. A. series	25,043,000		
Investment series	3,703,719,000	139,043,568,369	
Certificates of Indebtedness -			
Foreign series	469,000,000		
Foreign Currency series	30,120,482		
Treasury notes -			
Foreign series	163,118,258		
Treasury bonds -			
Foreign Currency series	705,021,190	1,367,259,930	
Treasury certificates	2,500,000	2,500,000	
Special Funds -			
Certificates of indebtedness	6,564,358,505		
Treasury notes	2,373,308,000		
Treasury bonds	34,615,476,000	43,553,142,505	
Total interest-bearing		304,093,296,804	
Matured, interest-ceased		333,069,575	
Bearing no interest:			
United States Savings Stamps	52,968,955		
Excess profits tax refund bonds	690,992		
Internat'l Monetary Fund notes	3,036,000,000		
Internat'l Develop. Ass'n. notes	136,608,800		
Inter-American Develop. Bank notes	125,000,000		
United Nations Children's Fund bonds	11,590,506		
United Nations Special Fund bonds	10,000,000	3,422,859,253	
Total		307,849,225,632	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F. H. A. & DC Stad. Bds.	717,242,450		
Matured, interest-ceased	550,675	717,793,125	
Grand total outstanding			308,567,018,75
Balance face amount of obligations issuable under above authority			432,981,2

Reconcilement with Statement of the Public Debt November 30, 1963
(Date)

(Daily Statement of the United States Treasury, November 29, 1963)
(Date)

Outstanding -	
Total gross public debt	308,214,711,
Guaranteed obligations not owned by the Treasury	717,793,
Total gross public debt and guaranteed obligations	308,932,504,
Deduct - other outstanding public debt obligations not subject to debt limitation	365,486,
	308,567,018,

D-1068

STATUTORY DEBT LIMITATION

As of November 30, 1963

Washington, Dec. 12, 1963

Section 21 of Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed ations as may be held by the Secretary of the Treasury), "Shall not exceed in the aggregate $285,000,000,000 (Act of 30, 1959; U. S. C., title 31, sec. 757b), outstanding at any one time. For purposes of this section the current redemption of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder shall be coned as its face amount." The Act of August 27, 1963 (P.L. 88-106 88th Congress) provides that the above limitation shall be orarily increased during the period beginning on September 1, 1963, and ending on November 30, 1963 to $309,000,000,000.

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Certificates of indebtedness	6,564,358,505		
Treasury notes	2,373,308,000		
Treasury bond	34,615,476,000	43,553,142,505	
Total interest-bearing		304,093,296,804	
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Matured, interest-ceased	550,675	717,793,125	
Grand total outstanding			308,567,018,757
lance face amount of obligations issuable under above authority			432,981,243

Reconcilement with Statement of the Public Debt November 30, 1963
(Date)

(Daily Statement of the United States Treasury, November 29, 1963)
(Date)

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uct - other outstanding public debt obligations not subject to debt limitation	365,486,236
	308,567,018,757

Commodity	Period and Quantity		Unit of Quantity	Imports as of Nov. 30, 19
Absolute Quotas:				
Butter substitutes, including butter oil, containing 45% or more butterfat................	Calendar Year 1963	1,200,000	Pound	Quota Fill
Fibers of cotton processed but not spun....................	12 mos. from Sept. 11, 1963	1,000	Pound	530
Peanuts, shelled or not shelled, blanched, or otherwise prepared or preserved (except peanut butter)........................	12 mos. from August 1, 1963	1,709,000	Pound	1,107,134

1/ Imports through December 6, 1963.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE

FRIDAY, DECEMBER 13, 1963 D-1069

The Bureau of Customs announced today preliminary figures on imports for consumption of the following commodities from the beginning of the respective quota periods through November 30, 1963:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Nov. 30, 1963
Tariff-Rate Quotas:				
Cream, fresh or sour.............	Calendar Year	1,500,000	Gallon	710,786
Whole Milk, fresh or sour........	Calendar Year	3,000,000	Gallon	99
Cattle, 700 lbs. or more each (other than dairy cows).......	Oct. 1, 1963- Dec. 31, 1963	120,000	Head	9,953
Cattle less than 200 lbs. each..	12 mos. from April 1, 1963	200,000	Head	47,753
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish......	Calendar Year	24,874,871	Pound	Quota Filled
Tuna Fish........................	Calendar Year	63,130,642	Pound	48,238,342
White or Irish potatoes:				
Certified seed.................	12 mos. from	114,000,000	Pound	12,337,000
Other..........................	Sept. 15, 1963	45,000,000	Pound	1,937,350
Knives, forks, and spoons with stainless steel handles..	Nov. 1, 1963- Oct. 31, 1964	69,000,000	Pieces	23,512,672

1/ Imports through December 6, 1963.

TREASURY DEPARTMENT
Washington

]IATE RELEASE

DAY, DECEMBER 13,1963 D-1069

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mports through December 6, 1963.

Commodity	Period and Quantity		Unit of Quantity	Imports as of Nov. 30, 1963
Absolute Quotas:				
Butter substitutes, including butter oil, containing 45% or more butterfat................	Calendar Year 1963	1,200,000	Pound	Quota Filled
Fibers of cotton processed but not spun.....................	12 mos. from Sept. 11, 1963	1,000	Pound	530 1/
Peanuts, shelled or not shelled, blanched, or otherwise prepared or preserved (except peanut butter)........................	12 mos. from August 1, 1963	1,709,000	Pound	1,107,134 1/

1/ Imports through December 6, 1963.

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, 1963, to December 10, 1963	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1963, to December 10, 1963
United Kingdom	4,323,457	450,753	1,441,152	23,538
Canada	239,690	239,690	-	-
France	227,420	137,166	75,807	22,445
India and Pakistan	69,627	-	-	-
Netherlands	68,240	11,249	22,747	-
Switzerland	44,388	34,147	14,796	-
Belgium	38,559	33,022	12,853	-
Japan	341,535	-	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	-	25,443	-
Italy	21,263	-	7,088	-
Other, including the U. S.	-	-	-	-
	5,482,509	906,027	1,599,886	45,983

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
FRIDAY, DECEMBER 13,1963

D-1070

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, as modified by the Tariff Schedules of the United States which became effective August 31, 1963.

COTTON (other than linters) (in pounds)
Cotton under 1-1/8 inches other than rough or harsh under 3/4"
Imports September 20, 1963 - December 10, 1963

Country of Origin	Established Quota	Imports	Country of Origin	Established Quota	Imports
Egypt and Sudan.............	783,816	628,215	Honduras....................	752	-
Peru........................	247,952	-	Paraguay....................	871	-
India and Pakistan..........	2,003,483	40,000	Colombia....................	124	-
China.......................	1,370,791	-	Iraq........................	195	-
Mexico......................	8,883,259	8,883,259	British East Africa.........	2,240	-
Brazil......................	618,723	600,000	Indonesia and Netherlands New Guinea................	71,388	-
Union of Soviet Socialist Republics.......	475,124	-	1/British W. Indies...........	21,321	-
Argentina...................	5,203	-	Nigeria.....................	5,377	-
Haiti.......................	237	-	2/British W. Africa...........	16,004	-
Ecuador.....................	9,333	-	Other, including the U.S....	-	-

1/ Except Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Except Nigeria and Ghana.

Cotton 1-1/8" or more
Established Yearly Quota - 45,656,420 lbs.

Imports August 1, 1963, to December 10, 1963

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	81,759
1-1/8" or more and under		

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
FRIDAY, DECEMBER 13,1963

D-1070

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, as modified by the Tariff Schedules of the United States which became effective August 31, 1963.

COTTON (other than linters) (in pounds)
Cotton under 1-1/8 inches other than rough or harsh under 3/4"
Imports September 20, 1963 - December 10, 1963

Country of Origin	Established Quota	Imports
Egypt and Sudan.............	783,816	628,215
Peru........................	247,952	-
India and Pakistan..........	2,003,483	40,000
China.......................	1,370,791	-
Mexico......................	8,883,259	8,883,259
Brazil......................	618,723	600,000
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	-
Indonesia and Netherlands New Guinea................	71,388	-
1/British W. Indies...........	21,321	-
Nigeria.....................	5,377	-
2/British W. Africa...........	16,004	-
Other, including the U.S....	-	-

1/ Except Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Except Nigeria and Ghana.

Cotton 1-1/8" or more
Established Yearly Quota - 45,656,420 lbs.

Imports August 1, 1963, to December 10, 1963

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	

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, 1963, to December 10, 1963	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1963, to December 10, 1963
United Kingdom............	4,323,457	450,753	1,441,152	23,538
Canada....................	239,690	239,690	-	-
France....................	227,420	137,166	75,807	22,445
India and Pakistan........	69,627	-	-	-
Netherlands...............	68,240	11,249	22,747	-
Switzerland...............	44,388	34,147	14,796	-
Belgium...................	38,559	33,022	12,853	-
Japan.....................	341,535	-	-	-
China.....................	17,322	-	-	-
Egypt.....................	8,135	-	-	-
Cuba......................	6,544	-	-	-
Germany...................	76,329	-	25,443	-
Italy.....................	21,263	-	7,088	-
Other, including the U. S.	-	-	-	-
	5,482,509	906,027	1,599,886	45,983

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE

FRIDAY, DECEMBER 13,1963 D-1071

The Bureau of Customs has announced the following preliminary figures showing the imports for consumption from January 1, 1963, to November 30, 1963, inclusive, of commodities under quotas established pursuant to the Philippine Trade Agreement Revision Act of 1955:

Commodity	Established Annual Quota Quantity	Unit of Quantity	Imports as of November 30, 1963
Buttons...........	680,000	Gross	257,550
Cigars............	160,000,000	Number	12,201,037
Coconut oil.......	358,400,000	Pound	355,785,325
Cordage...........	6,000,000	Pound	5,108,340
Tobacco...........	5,200,000	Pound	5,124,773

TREASURY DEPARTMENT
Washington

MEDIATE RELEASE
RIDAY, DECEMBER 13, 1963 D-1071

The Bureau of Customs has announced the following preliminary figures owing the imports for consumption from January 1, 1963, to November 30, 1963, iclusive, of commodities under quotas established pursuant to the Philippine 'ade Agreement Revision Act of 1955:

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conut oil.......	358,400,000	Pound	355,785,325
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bacco...........	5,200,000	Pound	5,124,773

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
FRIDAY, DECEMBER 13, 1963

D-1072

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, AS MODIFIED BY THE TARIFF SCHEDULES OF THE UNITED STATES, WHICH BECAME EFFECTIVE AUGUST 31, 1963.

QUARTERLY QUOTA PERIOD - October 1 - December 31, 1963

IMPORTS - October 1 - December 6, 1963 (or as noted)

Country of Production	ITEM 925.01* Lead-bearing ores and materials		ITEM 925.03* Unwrought lead and lead waste and scrap		ITEM 925.02* Zinc-bearing ores and materials		ITEM 925.04* Unwrought zinc (except alloys of zinc and zinc dust) and zinc waste and scrap	
	Quarterly Quota Dutiable lead (Pounds)	Imports	Quarterly Quota Dutiable lead (Pounds)	Imports	Quarterly Quota Zinc Content (Pounds)	Imports	Quarterly Quota By Weight (Pounds)	Imports
Australia	11,220,000	11,220,000	22,540,000	21,681,313**	-	-	-	-
Belgium and Luxemburg (total)	-	-	-	-	-	-	7,520,000	7,520,000
Bolivia	5,040,000	5,040,000	-	-	-	-	-	-
Canada	13,440,000	2,413,846**	15,920,000	14,931,450**	66,480,000	66,480,000	37,840,000	27,449,413
Italy	-	-	-	-	-	-	3,600,000	-
Mexico	-	-	36,880,000	27,241,298	70,480,000	46,206,523	6,320,000	6,319,014**
Peru	16,160,000	16,160,000	12,880,000	8,347,922	35,120,000	22,954,240	3,760,000	3,758,879**
Republic of the Congo (formerly Belgian Congo)	-	-	-	-	-	-	5,440,000	5,438,847**
Un. So. Africa	14,880,000	14,880,000	-	-	-	-	-	-
Yugoslavia	-	-	15,760,000	12,780,915**	-	-	-	-
All other foreign countries (total)	6,560,000	3,864,415**	6,080,000	6,080,000	17,840,000	17,840,000	6,080,000	6,080,000

*See Part 2, Appendix to Tariff Schedules.

**Imports as of December 9, 1963

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
FRIDAY, DECEMBER 13, 1963

D-1072

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, AS MODIFIED BY THE TARIFF SCHEDULES OF THE UNITED STATES, WHICH BECAME EFFECTIVE AUGUST 31, 1963.

QUARTERLY QUOTA PERIOD - October 1 - December 31, 1963

IMPORTS - October 1 - December 6, 1963 (or as noted)

Country of Production	ITEM 925.01* Lead-bearing ores and materials: Quarterly Quota Dutiable lead (Pounds)	Imports	ITEM 925.03* Unwrought lead and lead waste and scrap: Quarterly Quota Dutiable lead (Pounds)	Imports	ITEM 925.02* Zinc-bearing ores and materials: Quarterly Quota Zinc Content (Pounds)	Imports	ITEM 925.04* Unwrought zinc (except alloys of zinc and zinc dust) and zinc waste and scrap: Quarterly Quota By Weight (Pounds)	Imports
Australia	11,220,000	11,220,000	22,540,000	21,681,313**	-	-	-	-
Belgium and Luxemburg (total)	-	-	-	-	-	-	7,520,000	7,520,000
Bolivia	5,040,000	5,040,000	-	-	-	-	-	-
Canada	13,440,000	2,413,846**	15,920,000	14,931,450**	66,480,000	66,480,000	37,840,000	27,449,413
Italy	-	-	-	-	-	-	3,600,000	-
Mexico	-	-	36,880,000	27,241,298	70,480,000	46,206,523	6,320,000	6,319,014**
Peru	16,160,000	16,160,000	12,880,000	8,347,922	35,120,000	22,954,240	3,760,000	3,758,879**
Republic of the Congo (formerly Belgian Congo)	-	-	-	-	-	-	5,440,000	5,438,847**
Un. So. Africa	14,880,000	14,880,000	-	-	-	-	-	-
Yugoslavia	-	-	15,760,000	12,780,915**	-	-	-	-
All other foreign countries (total)	6,560,000	3,864,415**	6,080,000	6,080,000	17,840,000	17,840,000	6,080,000	6,080,000

*See Part 2, Appendix to Tariff Schedules.

**Imports as of December 9, 1963

The Treasury announced today that at the request of Mr. Arthur Levitt, Comptroller of the State of New York, the Committee of Chief State Fiscal Officers has been granted the use of the Department's facilities for a meeting in Washington on December 16th. The Committee is under the Chairmanship of Mr. Levitt, and is composed of the chief fiscal officers of about half of the 50 states. It is concerned with problems involved in public industrial bond financing.

Although the Treasury Department will not participate Committee in any policy discussions or ~~statements~~, Under Secretary Fowler will welcome the group and Treasury experts will be made available for technical information.

TREASURY DEPARTMENT

WASHINGTON, D.C.

December 13, 1963

MEMORANDUM TO THE PRESS:

At the request of Mr. Arthur Levitt, Comptroller of the State of New York, the Committee of Chief State Fiscal Officers has been granted the use of the Treasury Department's facilities for a meeting in Washington on December 16th. The Committee is under the Chairmanship of Mr. Levitt, and is composed of the chief fiscal officers of about half of the 50 states. It is concerned with problems involved in public industrial bond financing.

Although the Treasury Department will not participate in any policy discussions or deliberations of the Committee, Under Secretary Fowler will welcome the group and Treasury experts will be made available for technical information.

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FOR RELEASE A. M. NEWSPAPERS,
Tuesday, December 17, 1963.

December 16, 1963

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 September 19, 1963, and the other series to be dated December 19, 1963, which were offered on Decem were opened at the Federal Reserve Banks on December 16. Tenders were invited for $1,300,000,000, or thereabouts, of 91-day bills and for $800,000,000, 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 March 19, 1964		:	182-day Treasury bills maturing June 18, 1964	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.115	3.501%	:	98.149 a/	3.661%
Low	99.104	3.545%	:	98.136	3.687%
Average	99.106	3.538% 1/	:	98.140	3.679% 1/

a/ Excepting one tender of $100,000
78 percent of the amount of 91-day bills bid for at the low price was accepted
50 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	$ 39,220,000	$ 39,220,000	:	$ 30,063,000	$ 24,063,000
New York	1,416,953,000	883,913,000	:	1,192,693,000	548,593,000
Philadelphia	30,067,000	14,681,000	:	8,150,000	3,150,000
Cleveland	31,347,000	31,347,000	:	33,316,000	23,316,000
Richmond	17,577,000	17,577,000	:	4,848,000	4,848,000
Atlanta	33,641,000	27,609,000	:	8,209,000	7,698,000
Chicago	224,260,000	136,500,000	:	191,758,000	128,258,000
St. Louis	39,943,000	33,679,000	:	13,806,000	11,506,000
Minneapolis	25,562,000	18,842,000	:	6,267,000	3,767,000
Kansas City	33,915,000	28,195,000	:	13,223,000	9,073,000
Dallas	30,724,000	20,724,000	:	11,756,000	7,256,000
San Francisco	86,823,000	49,135,000	:	62,210,000	28,210,000
TOTALS	$2,010,032,000	$1,301,422,000 b/		$1,570,299,000	$ 800,038,000

b/ Includes $276,417,000 noncompetitive tenders accepted at the average price of 99.1
c/ Includes $70,181,000 noncompetitive tenders accepted at the average price of 98.1
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.63%, for the 91-day bills, and 3.81%, 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,
day, December 17, 1963.

December 16, 1963

RESULTS OF TREASURY'S WEEKLY BILL OFFERING

The Treasury Department announced last evening that the tenders for two series of sury bills, one series to be an additional issue of the bills dated September 19, and the other series to be dated December 19, 1963, which were offered on December 11, opened at the Federal Reserve Banks on December 16. Tenders were invited for)0,000,000, or thereabouts, of 91-day bills and for $800,000,000, or thereabouts, 32-day bills. The details of the two series are as follows:

: OF ACCEPTED :TITIVE BIDS:	91-day Treasury bills maturing March 19, 1964		:	182-day Treasury bills maturing June 18, 1964	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.115	3.501%	:	98.149 a/	3.661%
Low	99.104	3.545%	:	98.136	3.687%
Average	99.106	3.538% 1/	:	98.140	3.679% 1/

a/ Excepting one tender of $100,000
28 percent of the amount of 91-day bills bid for at the low price was accepted
50 percent of the amount of 182-day bills bid for at the low price was accepted

TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

trict	Applied For	Accepted	:	Applied For	Accepted
ton	$ 39,220,000	$ 39,220,000	:	$ 30,063,000	$ 24,063,000
York	1,416,953,000	883,913,000	:	1,192,693,000	548,593,000
ladelphia	30,067,000	14,681,000	:	8,150,000	3,150,000
veland	31,347,000	31,347,000	:	33,316,000	23,316,000
hmond	17,577,000	17,577,000	:	4,848,000	4,848,000
anta	33,641,000	27,609,000	:	8,209,000	7,698,000
cago	224,260,000	136,500,000	:	191,758,000	128,258,000
Louis	39,943,000	33,679,000	:	13,806,000	11,806,000
neapolis	25,562,000	18,842,000	:	6,267,000	3,767,000
sas City	33,915,000	28,195,000	:	13,223,000	9,073,000
las	30,724,000	20,724,000	:	11,756,000	7,256,000
Francisco	86,823,000	49,135,000	:	62,210,000	28,210,000
TOTALS	$2,010,032,000	$1,301,422,000 b/		$1,576,299,000	$ 800,038,000 c/

cludes $276,417,000 noncompetitive tenders accepted at the average price of 99.106
cludes $70,181,000 noncompetitive tenders accepted at the average price of 98.140
a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.63%, for the 91-day bills, and 3.81%, 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.

FOR IMMEDIATE RELEASE December 16, 1963

TREASURY ANNOUNCES SCHEDULE FOR
REGULAR WEEKLY BILL AUCTIONS DURING HOLIDAY SEASON

The Treasury announced that its next regular weekly bill auction will be held on Friday, December 20, instead of Monday, December 23. The holiday on Christmas Day requires the shift in order to maintain the normal number of business days between the auction and the payment date, which remains Thursday, December 26.

The same pattern will apply the next week, because New Year's Day occurs between the auction and payment date. Tenders will be invited on Monday, December 23, instead of Wednesday, December 25, and the auction will be on Friday, December 27, instead of Monday, December 30. The payment date will remain Thursday, January 2.

For the following weekly bill auction, the New Year's Day holiday will require a change in the announcement date from Wednesday, January 1, to Tuesday, December 31. The auction date will remain Monday, January 6, and the payment date will remain Thursday, January 9.

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D-1074

TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR IMMEDIATE RELEASE December 16, 1963

TREASURY ANNOUNCES SCHEDULE FOR REGULAR WEEKLY BILL AUCTIONS DURING HOLIDAY SEASON

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D-1074

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 (current revision) 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.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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 September 26, 1963, (91 days remaining until maturity date on March 26, 1964) 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 Banks on December 26, 1963, in cash or other immediately available funds or in a like face amount of Treasury bills maturing December 26, 1963. Cash

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE, December 16, 1963

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 $ 2,100,000,000 , or thereabouts, for cash and in exchange for Treasury bills maturing December 26, 1963 , in the amount of $ 2,099,889,000 , as follows:

91 -day bills (to maturity date) to be issued December 26, 1963 , in the amount of $ 1,300,000,000 , or thereabouts, representing an additional amount of bills dated September 26, 1963 , and to mature March 26, 1964 , originally issued in the amount of $ 799,927,000 / , the additional and original bills to be freely interchangeable.

/ (an additional $100,092,000 was issued Octo

182 -day bills, for $ 800,000,000 , or thereabouts, to be dated December 26, 1963 , and to mature June 25, 1964 .

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, $50,000, $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 p.m., Eastern Standard time, Friday, December 20, 1963. 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

December 16,1963

TREASURY'S WEEKLY BILL OFFERING

The Treasury Department, by this public notice, invites tenders two series of Treasury bills to the aggregate amount of 100,000,000,or thereabouts, for cash and in exchange for ısury bills maturing December 26,1963, in the amount of 099,889,000, as follows:

91-day bills (to maturity date) to be issued December 26,1963, the amount of $1,300,000,000, or thereabouts, representing an itional amount of bills dated September 26, 1963, and to mature :h 26, 1964, originally issued in the amount of $799,927,000 (an itional $100,092,000 was issued October 28, 1963), the additional original bills to be freely interchangeable.

182-day bills, for $800,000,000, or thereabouts, to be dated ember 26, 1963, and to mature June 25, 1964.

The bills of both series will be issued on a discount basis under petitive and noncompetitive bidding as hereinafter provided, and at urity their face amount will be payable without interest. They l be issued in bearer form only, and in denominations of $1,000, 000, $10,000, $50,000, $100,000, $500,000 and $1,000,000 turity value).

Tenders will be received at Federal Reserve Banks and Branches to the closing hour, one-thirty p.m., Eastern Standard e, Friday, December 20, 1963. Tenders will not be eived at the Treasury Department, Washington. Each tender must for an even multiple of $1,000, and in the case of competitive ders the price offered must be expressed on the basis of 100, n not more than three decimals, e. g., 99.925. Fractions may not used. It is urged that tenders be made on the printed forms and warded in the special envelopes which will be supplied by Federal erve Banks or Branches on application therefor.

Banking institutions generally may submit tenders for account of tomers provided the names of the customers are set forth in such ders. Others than banking institutions will not be permitted to mit tenders except for their own account. Tenders will be received hout deposit from incorporated banks and trust companies and from ponsible and recognized dealers in investment securities. Tenders m others must be accompanied by payment of 2 percent of the face unt of Treasury bills applied for, unless the tenders are ompanied by an express guaranty of payment by an incorporated bank trust company.

D-1075

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 September 26,1963,(91-days remaining until maturity date on March 26, 1964) 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 Banks on December 26, 1963, in cash or other immediately available funds or in a like face amount of Treasury bills maturing December 26,1963. 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 (current revision) 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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DRAFT - Press Release December 19, 1963

For Immediate Release

UNITED STATES AND MEXICO RENEW $75 MILLION EXCHANGE AGREEMENT

Secretary of the Treasury, Douglas Dillon, Mexican Ambassador Antonio Carrillo Flores, and Julian Saenz Hinojosa, Minister of the Embassy of Mexico, today signed a $75,000,000 Exchange Agreement between the United States Treasury and the Government and Central Bank of Mexico. The agreement replaces, and in effect renews, one for a similar amount which will expire at the end of 1963.

The new agreement represents an extension of stabilization arrangements designed to assist Mexico in its continuing efforts to promote economic stability and freedom in its trade and exchange system. Such arrangements between the United States and Mexico have been in effect since 1941, and have proved beneficial to the financial relationship between the two countries.

The new agreement covers a 2-year period until December 31, 1965. It will, as in the past, be operated in close coordination with the activities of the International Monetary Fund.

TREASURY DEPARTMENT

WASHINGTON, D.C.

December 19, 1963

FOR IMMEDIATE RELEASE

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TREASURY DEPARTMENT

WASHINGTON, D.C.

December 20, 1963

FOR IMMEDIATE RELEASE

TREASURY DECISION ON STEEL REINFORCING BARS
UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that steel reinforcing bars from Canada, manufactured by Western Canada Steel Limited through its subsidiary, the Vancouver Rolling Mills Limited of Vancouver, Canada, are being, or are 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 1962 was approximately $830,000.

TREASURY DEPARTMENT

WASHINGTON, D.C.

December 20, 1963

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The dollar value of imports received during the year 1962 was approximately $830,000.

FOR RELEASE A. M. NEWSPAPERS,
Saturday, December 21, 1963.

December 20, 1963

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 September 26, 1963, and the other series to be dated December 26, 1963, which were offered on December 16, were opened at the Federal Reserve Banks on December 20. Tenders were invited for $1,300,000,000, or thereabouts, of 91-day bills and for $800,000,000, 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 March 26, 1964		:	182-day Treasury bills maturing June 25, 1964	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.115 a/	3.501%	:	98.154	3.651%
Low	99.108	3.529%	:	98.150	3.659%
Average	99.110	3.522% 1/	:	98.151	3.657% 1/

a/ Excepting one tender of $1,400,000
89% of the amount of 91-day bills bid for at the low price was accepted
69% 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	$ 37,577,000	$ 36,177,000	:	$ 14,621,000	$ 3,954,000
New York	1,418,261,000	844,639,000	:	1,276,340,000	581,505,000
Philadelphia	30,210,000	15,210,000	:	6,163,000	3,057,000
Cleveland	27,369,000	26,720,000	:	92,856,000	71,623,000
Richmond	12,490,000	12,435,000	:	1,992,000	1,992,000
Atlanta	26,466,000	21,889,000	:	7,566,000	6,626,000
Chicago	196,174,000	154,424,000	:	192,362,000	86,591,000
St. Louis	39,997,000	33,775,000	:	17,194,000	7,924,000
Minneapolis	18,949,000	13,729,000	:	5,476,000	3,176,000
Kansas City	21,844,000	21,844,000	:	10,707,000	9,233,000
Dallas	101,712,000	33,502,000	:	39,977,000	4,354,000
San Francisco	109,371,000	87,051,000	:	54,526,000	21,603,000
TOTALS	$2,040,420,000	$1,301,395,000 b/		$1,721,760,000	$801,638,000 c/

b/ Includes $212,197,000 noncompetitive tenders accepted at the average price of 99.110
c/ Includes $57,649,000 noncompetitive tenders accepted at the average price of 98.151
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.61%, for the 91-day bills, and 3.79%, 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,
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December 20, 1963

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	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
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Low	99.108	3.529%	:	98.150	3.659%
Average	99.110	3.522% 1/	:	98.151	3.657% 1/

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89% of the amount of 91-day bills bid for at the low price was accepted
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hiladelphia	30,210,000	15,210,000	:	8,163,000	3,057,000
leveland	27,369,000	26,720,000	:	92,856,000	71,623,000
ichmond	12,490,000	12,435,000	:	1,992,000	1,992,000
tlanta	26,466,000	21,889,000	:	7,566,000	6,626,000
hicago	196,174,000	154,424,000	:	192,362,000	86,591,000
t. Louis	39,997,000	33,775,000	:	17,194,000	7,924,000
inneapolis	18,949,000	13,729,000	:	5,476,000	3,176,000
ansas City	21,844,000	21,844,000	:	10,707,000	9,233,000
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TOTALS	$2,040,420,000	$1,301,395,000 b/		$1,721,780,000	$801,638,000 c/

Includes $212,197,000 noncompetitive tenders accepted at the average price of 99.110
Includes $57,649,000 noncompetitive tenders accepted at the average price of 98.151
On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.61%, for the 91-day bills, and 3.79%, 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.

WASHINGTON, D. C., Dec. 20 - The Secretary of the Treasury announced today that in accordance with President Johnson's program for holding down expenditures in fiscal year 1965, he has directed the closing of 17 Coast Guard rescue stations along the Atlantic seacoast. The closures will eliminate 145 military personnel and save approximately $1,000,000 annually.

Faster and more capable rescue equipment permits wider spacing of Coast Guard rescue stations. Phasing out of certain stations which have outlived their usefulness had been contemplated in Coast Guard long range plans according to Treasury spokesmen. ~~Mr. Dillon~~'s action will result in phasing out the following ~~outmoded~~ stations early next year:

Burnt Island Lifeboat Station, Maine
Cape Elizabeth Lifeboat Station, Maine
Coast Guard Mooring, Cross Island, Maine
Straitsmouth Lifeboat Station, Mass.
Nahant Lifeboat Station, Mass.
Gay Head Lifeboat Station, Mass. Cuttyhunk Lifeboat Station, Mass
Little Egg Inlet Lifeboat Station, N. J.
Monmouth Beach Lifeboat Station, N. J.
Corson Inlet Lifeboat Station, N. J.
Hereford Inlet Lifeboat Station, N. J.
Tom's River Lifeboat Station, N. J.
Little Island Lifeboat Station, Va.
Metomkin Inlet Lifeboat Station, Va.
Little Machipongo Lifeboat Station, Va.
Cobb Island Lifeboat Station, Va.
Caffeys Inlet Lifeboat Station, N. C.
Kill Devil Hills Lifeboat Station, N. C.

Coast Guard Closing Down Installations

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~~Washington, D. C.~~

For Immediate Release ~~December 30, 1963~~

[redacted]

The Treasury Department announced today that seventeen Coast Guard lifeboat stations and moorings are no longer required and are being closed. Closing these stations will save 145 military billets and result in annual savings estimated at $1 million.

Improved design and increased rescue capabilities of modern lifeboat station rescue craft and ~~Coast Guard helicopters~~ have outmoded the need for these stations, ~~according to Treasury Department spokesmen.~~

TREASURY DEPARTMENT

WASHINGTON, D.C.

December 20, 1963

FOR IMMEDIATE RELEASE

COAST GUARD CLOSING DOWN 17 INSTALLATIONS

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This action will result in phasing out the following stations early next year:

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Caffeys Inlet Lifeboat Station, N.C.
Kill Devil Hills Lifeboat Station, N.C.

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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 (current revision) 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.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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 October 3, 1963, (91 days remaining until maturity date on April 2, 1964) 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 Banks on January 2, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 2, 1964. Cash

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE, December 23, 1963

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 $ 2,100,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing January 2, 1964, in the amount of $ 2,100,885,000, as follows:

91 -day bills (to maturity date) to be issued January 2, 1964, in the amount of $ 1,300,000,000, or thereabouts, representing an additional amount of bills dated October 3, 1963, and to mature April 2, 1964, originally issued in the amount of $ 798,154,000 / (an additional $100,092,000 was issued October 1963), the additional and original bills to be freely interchangeable.

182 -day bills, for $ 800,000,000, or thereabouts, to be dated January 2, 1964, and to mature July 2, 1964.

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, $50,000, $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 p.m., Eastern Standard time, Friday, December 27, 1963. 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.

December 23, 1963

FOR IMMEDIATE RELEASE

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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, $50,000, $100,000, $500,000 and $1,000,000 (maturity value).

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Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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 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 October 3, 1963, (91-days remaining until maturity date on April 2, 1964) 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 Banks on January 2, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 2, 1964. 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 (current revision) 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 Circular No. 418 (current revision) 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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The income derived from Treasury bills, whether interest or gain from the sale other disposition of the bills, does not have any exemption, as such, and loss om the sale or other disposition of Treasury bills does not have any special treatnt, as such, under the Internal Revenue Code of 1954. The bills are subject to tate, inheritance, gift or other excise taxes, whether Federal or State, but are

(Notwithstanding the fact that these bills will run for 363 days, the discount rate will be computed on a bank discount basis of 360 days, as is currently the practice on all issu of Treasury bills.)

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE, December 23, 1963

The Treasury Department, by this public notice, invites tenders for $1,000,000,(or thereabouts, of 363 -day Treasury bills, to be issued on a discount basis und competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be dated January 3, 1964 , and will mature December 31, 1964 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, $50,000, $100,000, $500,0 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty p.m., Eastern Standard time, Monday, December 30, 1963 . 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., 99.9 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.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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

TREASURY DEPARTMENT

WASHINGTON. D.C.

December 23, 1963

IMMEDIATE RELEASE

TREASURY OFFERS $1 BILLION ONE-YEAR BILLS

The Treasury Department, by this public notice, invites tenders for ,000,000,000, or thereabouts, of 363-day Treasury bills, to be sued on a discount basis under competitive and noncompetitive bidding hereinafter provided. The bills of this series will be dated uary 3, 1964, and will mature December 31, 1964, when the face ount will be payable without interest. They will be issued in arer form only, and in denominations of $1,000, $5,000, $10,000,),000, $100,000, $500,000 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up the closing hour, one-thirty p.m., Eastern Standard time, Monday, ember 30, 1963. Tenders will not be received at the Treasury artment, Washington. Each tender must be for an even multiple of 000, and in the case of competitive tenders the price offered must expressed on the basis of 100, with not more than three decimals, g., 99.925. Fractions may not be used. (Notwithstanding the fact it these bills will run for 363 day, the discount rate will be puted on a bank discount basis of 360 days, as is currently the ctice on all issued of Treasury bills.) It is urged that tenders made on the printed forms and forwarded in the special envelopes ch will be supplied by Federal Reserve Banks or Branches on lication therefor.

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Immediately after the closing hour, tenders will be opened at the eral Reserve Banks and Branches, following which public announcement l be made by the Treasury Department of the amount and price range 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 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 Banks in cash or other immediately available funds on January 3, 1964.

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 (current revision) and this notice, prescribe the terms of the Treasury bills and govern the conditions of their issue. Copies of the circular may be obtained frc any Federal Reserve Bank or Branch.

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FOR RELEASE A. M. NEWSPAPERS,
Saturday, December 28, 1963.

December 27, 1963

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 October 3, 1963, and the other series to be dated January 2, 1964, which were offered on December 23, were opened at the Federal Reserve Banks on December 27. Tenders were invited for $1,300,000,000, or thereabouts, of 91-day bills and for $800,000,000, 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 2, 1964		:	182-day Treasury bills maturing July 2, 1964	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.114	3.505%	:	98.164	3.632%
Low	99.107	3.533%	:	98.151	3.657%
Average	99.109	3.524% 1/	:	98.154	3.651% 1/

85% of the amount of 91-day bills bid for at the low price was accepted
58% 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	$ 27,122,000	$ 16,972,000	:	4,752,000	4,758,0
New York	1,491,946,000	885,726,000	:	1,203,636,000	$ 670,436,0
Philadelphia	27,615,000	12,023,000	:	7,83[illegible],000	2,835,0
Cleveland	29,016,000	29,016,000	:	10,035,000	9,885,0
Richmond	9,649,000	9,649,000	:	[illegible],292,000	2,298,0
Atlanta	24,817,000	20,817,000	:	6,090,000	5,590,0
Chicago	210,442,000	155,177,000	:	[illegible]9,847,000	36,427,0
St. Louis	36,778,000	30,748,000	:	11,225,000	9,183,0
Minneapolis	25,387,000	17,512,000	:	5,323,000	3,113,0
Kansas City	26,586,000	26,436,000	:	10,015,000	9,915,0
Dallas	103,720,000	41,670,000	:	37,420,000	7,160,0
San Francisco	71,242,000	54,517,000	:	58,250,000	38,750,0
TOTALS	$2,084,320,000	$1,300,263,000 a/		$1,846,720,000	$ 800,338,0

a/ Includes $211,499,000 noncompetitive tenders accepted at the average price of 99.10
b/ Includes $45,007,000 noncompetitive tenders accepted at the average price of 98.15
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.61%, for the 91-day bills, and 3.78%, 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.

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ago	210,442,000	155,177,000	89,847,000	36,427,000
Louis	36,778,000	30,748,000	11,225,000	9,183,000
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TREASURY DEPARTMENT

WASHINGTON, D.C.

December 24,1963

FOR IMMEDIATE RELEASE

TREASURY DECISION ON HALIBUT STEAK
UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that halibut steak from Japan 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 determination will be published in the Federal Register.

The dollar value of imports of the involved merchandise received during the period October 1, 1962, through June 31, 1963, was approximately $194,000.

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TREASURY DEPARTMENT
Washington

8

FOR RELEASE ON DELIVERY

REMARKS OF THE HONORABLE ROBERT V. ROOSA,
UNDER SECRETARY OF THE TREASURY FOR MONETARY AFFAIRS,
AT THE JOINT LUNCHEON OF THE AMERICAN ECONOMIC
ASSOCIATION AND THE AMERICAN FINANCE ASSOCIATION,
STATLER-HILTON HOTEL, BOSTON, MASSACHUSETTS,
SATURDAY, DECEMBER 28, 1963, 12:30 P.M., EST

BALANCE OF PAYMENTS ADJUSTMENT AND INTERNATIONAL LIQUIDITY

This seems to be the time for studies of international liquidity. As one already deep in such efforts, I have no wish to detract from their importance. But while that useful work is in progress, it is crucially important to keep our vision focused on other, even more basic questions -- questions concerning the processes of balance of payments adjustment among countries, in the world in which we are now living -- processes that any arrangements for liquidity, however designed, may at best only be able to facilitate, but never displace.

The enduring questions, with which economists and statesmen have struggled at least since the time of Hume, center on the causes and the correctives for deficits or surpluses in the external accounts of major trading and reserve-holding countries. To be sure, external liquidity, readily available to a deficit country, can if wisely used enable that country to move to restore balance between its earnings and its expenditures abroad in an orderly manner. Without adequate resources either in the form of

D-1082

liquid assets in being or credit facilities, a deficit country might be forced harshly to disrupt its trade with other countries and gravely to dislocate the performance of its home economy, in order to get its external books into balance. But it is well to remind ourselves that no form nor volume of liquidity can relieve that country from the inescapable necessity of ultimately reaching a satisfactory balance. And the other side of the coin is that countries cannot expect to maintain large over-all surpluses, year after year, without moving back into equilibrium.

This is why, before fastening too many hopes on the outcome of our studies of future liquidity, we should try to think through the implications of this underlying premise: that a stable system of international economic relations among sovereign nations can be sustained only if tendencies and pressures exist toward equilibrium in the external accounts of each. The final balancing item may under some conditions appropriately be a voluntary movement of capital, evening out for any one year, or two, or three, the deficits in other transactions of some countries against the surpluses of others. But each country must, through all the intermingled movements of goods and capital that follow each disturbing cyclical or structural impulse, reassert and encourage a return toward the kind of balance in its external accounts as a whole that can be sustained over time -- including, of course, a normal flow of capital and aid from the developed to the developing nations.

I

Because the processes of adjustment for any particular country always proceed beneath a monetary veil, there have understandably been frequent formulations that seek to fit all of the essentials of adjustment into the mechanics of monetary arrangements -- or to explain all the deficiencies of the adjustment process in terms of existing monetary arrangements. Three different and somewhat conflicting approaches of this kind have been injected into recent discussions. Each has some useful insights, but each has tended to deflect attention from other elements of the adjustment process. The natural but unfortunate result has been to raise unrealistic hopes for the ready solution of difficult problems through a simple monetary formula.

(1) One of these formulations attributes the continued imbalance in accounts between Europe and the United States during recent years exclusively to the presumed ease with which the United States could finance its deficit through a build-up in dollar holdings abroad. This process, it has been said, has generated excessive international liquidity, with inflationary repercussions on the domestic economies of the surplus countries in Europe. Those offering this analysis find a solution in abandoning the "gold-exchange standard" -- by which they mean eliminating dollars, or at least further growth in dollars, from the reserve balances of other countries. Instead, the supposedly sterner disciplines of the textbook version of a pure gold standard would be reimposed, forcing prompt elimination of both the U. S. deficit and the European surpluses.

(2) Another version, concentrating more directly on the internal position of the United States, finds no necessary fault with the so-called "gold-exchange standard," but asserts that the United States has generated more liquidity internally than our economy can absorb domestically, and that this excess liquidity seeping abroad has prevented the United States from balancing its external accounts, whether or not inflationary pressures are currently visible. This version finds the solution simply in a tight domestic monetary policy. It presumably accepts the internal costs of deflation in an effort to promote exports and reduce imports, while encouraging much higher interest rates in order to attract funds from abroad and induce American funds to remain at home.

(3) A third formulation identifying monetary liquidity and real adjustment moves in quite the opposite direction, arguing that the liquidity provided today, both internally and externally, is seriously inadequate. This version holds that international liquidity and credit arrangements should be made available on a much larger scale in order to finance any deficits incurred while adjustments are taking place -- and that this additional liquidity will in fact tend to encourage orderly adjustments. At the same time, monetary action would be sought to evoke much greater economic activity at home, with any repercussions of this on the external position cushioned by automatic drawings on ample supplies of liquidity from abroad.

Each of these formulas offers an important element of warning and caution to those considering rearrangements in the international monetary system. The nature of the facilities for generating liquidity, both internationally and domestically, as well as the volume of liquidity actually in being, must necessarily play an important part in easing or aggravating the real problems and processes of adjustment. The regrettable element of all three approaches, however, is that of broadening considerations of some relevance and significance into a supposedly full formulation of both the causes for unbalance and the correctives for achieving equilibrium.

As for the first version, surely few would deny that present arrangements or any arrangements for economizing on the use of gold through provision of supplementary reserve assets -- whether in the form of key currencies or otherwise -- could potentially create possibilities of abuse. There is no question that a world hungry for additional reserves, and industrial countries anxious to restore the freer trading conditions of currency convertibility, actually needed and depended for much more than a decade on the liquidity provided by continuing modest deficits in the United States balance of payments. But those deficits, instead of being reduced as these needs passed, did eventually become too large, aggravating the problems of adjustment.

To concede this, however, is not to say -- as some would have it -- that the added liquidity generated by U. S. deficits was or is the culpable cause of those internal problems which have emerged recently as serious inflationary distortions within some European countries. Surely there is exaggeration in the theme, now popular in some circles, that Europe is experiencing inflation solely because the United States is creating too much international liquidity; or in the idea that reform of the international monetary system, aimed at preventing this creation of additional liquidity, will automatically stop the problems now plaguing Europe. This view is appealing, to be sure, to any who might be tempted to shrink from the task of confronting and controlling inflation at home through appropriate, but sometimes unpalatable, national policies. How simple, how fortunate, to find outside one's borders a diabolus ex machina to bear the responsibility for domestic inflation. How comforting to be told that there are no internal problems in the behavior of wage rates, prices, or demand which would not disappear if countries could only agree on some sort of change in the international monetary system, and that the hard changes in taxes or public expenditures, in capital markets, in agriculture and housing policies, in international trading practices and in incomes policies that seem to be called for are not necessary after all.

The appeal of the second approach that sees the problem wholly in terms of U. S. monetary policy may not, even to observers outside the United States, be quite as attractive, for the possible unpleasant implications of a drastically tighter monetary policy in the United States are much clearer than those implied by a vague call for international monetary reform. Of course, there are times when more restrictive monetary policies, both for domestic and external reasons, can be entirely appropriate, and the resulting check upon excessive investment or consumer spending quite necessary to assure balanced and sustainable expansion. But a shrinkage of domestic liquidity when home unemployment continues widespread, with a resulting check to investing and spending for goods and services produced not only in the United States, but also abroad, has an entirely different meaning. If only because of the strategic role of the immense United States economy in the markets of the world, an imposed deflation would under modern conditions disrupt the orderly evolution of the world economy. Nor do those advocating this approach of tight money always recognize that it is the differentials in rates and in the availability of funds among international markets that count and that nothing is to be gained by attempts to pass on our deficit through charges here so extreme that others would have no recourse, or may feel they have no recourse, but to respond in kind.

There is no more satisfying wisdom in veering to the other extreme of analysis, to the version which attributes the problems of balance of payments adjustment among the leading countries of the world to inadequate liquidity, both at home and abroad. There are indeed Americans who have, perhaps wishfully, argued that a fresh breakthrough in liquidity arrangements, giving the United States automatic financing of its deficits, could somehow spirit away the disciplines which have exerted such a commanding influence upon public policy for more than three years -- the need to maintain stable prices and spur exports; the needs for tying aid and for offsetting military spending; the need to raise internationally sensitive interest rates and increase the cost of foreign borrowing in our market in whatever practicable way could be found to check the outflow of our capital; and the need to cut taxes in a way that promises to cut costs and spur productivity. But those who would adopt this approach have too often neglected to specify just what substitute methods they have in mind for ultimately restoring international balance before strains to the system, however liberally supplied with liquidity, become unbearable. Instead, the siren song of "cheap money" too often lures those who pursue it into the distortions of speculation and the hardships of inflation.

Let me make clear, however, that in stressing these defects, I am not denying the essential place of appropriate liquidity arrangements in the satisfactory functioning of the adjustment processes. My concern is with the tendency to transform an element into the whole. While it would be premature to comment now on various possibilities for strengthening the world's arrangements for liquidity, it is never out of place to stress the importance of many other elements in the process by which the countries of the world can maintain a reasonable balance in their external accounts while moving together toward their goal of sustained and rapid growth.

II

In turning to look at some of these other elements in the adjustment process, I need not belabor the point that many of the classical models and prescriptions are very nearly irrelevant today -- rendered obsolete by downward rigidities in costs and prices, by the new importance in the postwar world of Government transfers for aid and defense, and by the insulation of domestic financial markets in varying degrees from a direct response to international flows of reserves. Nor have the problems faced by policy-makers conformed to the classical diagnosis of external deficits accompanied by excess internal demand, and vice versa. And most significant of all, nearly all countries today have placed new conditions on policies designed to bring the flows of goods and services and capital, inward and outward, into balance.

Most countries consider it imperative to work toward processes of international adjustment which are consistent to the fullest practicable degree with their domestic goals for the maximizing of employment, the minimizing of economic fluctuations, and the encouragement of growth, within that environment of price stability which best promotes these other aims. These determined objectives of national economic policy are paralleled by others, almost as widely accepted, in the international sphere: maximizing trade as a means of raising standards of living; minimizing barriers that obstruct the movements of goods and capital toward their optimum allocation; and encouraging the progress of developing countries -- all within the framework of generally stable exchange rates which best promotes these objectives.

It is inevitable in the nature of the world we live in that actions directed toward any one of these objectives, either the domestic or the international, will not necessarily harmonize with all of the other objectives all the time. Each country consequently confronts its tasks of achieving external balance -- of maintaining a viable relation with the rest of the world -- without a fixed or unvarying formula. In practice, there must be a continually evolving mix of policies -- some fiscal, some monetary, some affecting market structure, some affecting private incentives. Some can be carried out alone, others are dependent upon consultation and complementary action among a number of countries. But there is no escaping the need for deliberate action, and at times for making unwelcome choices, if the main line of advance is to continue toward this full array of objectives that most countries now accept for modern economic society.

It is neither my intention, nor certainly would it be my capability, to try today to elaborate a general theory of adjustment reflecting the conditioning influence of all the aims that I have mentioned. I can, though, through a brief review of some of our own recent developments, try to illustrate some of the emerging characteristics of the adjustment processes in today's world. It should be apparent in these remaining remarks that monetary factors, or liquidity, do indeed play a large part in any well-functioning system. I trust it will be equally clear that the adjustment process necessarily consists of many other elements as well -- elements that could not be suitably influenced through monetary forces alone.

III

By 1960, it began to be widely recognized that the large American balance of payments deficits of 1958 and 1959 were not mere aberrations; that the United States was trying to spend more abroad than its foreign earnings would allow, and that firm and sustained counter-action would be needed, both from the public and the private sectors of the economy, to restore equilibrium. From that time onward, as new programs were developed to promote domestic growth, every major step in public economic policy has been importantly conditioned, if not actually prompted, by the effort to regain balance. Each measure has also been shaped with full regard to the fact that even modest improvements in one or another of the United States accounts might, from the other side, loom calamitously large to any particular countries on which their impact might converge.

The need for supplementing or replacing the classical prescription by reaching out and utilizing effective means of international adjustment attuned to the new facts and objectives of modern economies has been recognized on both sides of the Atlantic. For it was clear that the deficit of the United States did not reflect overfull employment or strain on our capacity at home, and relief for the balance of payments simply could not be sought at the expense of dampening demand and adding to unemployment. Indeed, within an over-all deficit much too large, the United States continued to have a surplus on goods and services second to that of no nation. But at the same time it was also carrying responsibilities for aid and defense that fit into no classical theory of the adjustment process.

As recognition of these facts developed, it also became apparent that successful adjustment policies could be achieved only in a context of consultation and cooperation with other leading industrial countries. To this end, the United States seized the opportunity afforded by an incoming Administration early in 1961 to propose a new initiative within the Organization for European Economic Cooperation (which was then about to transpose itself into the Organization for Economic Cooperation and Development). One of the results was the creation of a Working Party on the Balance of Payments which has now for nearly three years proved its unique value as a clearinghouse for mutual appraisal, not only of the forces affecting balance of payments flows among most of the world's leading industrial countries, but also of the broad outlines of policy and action that appear most appropriate, taking into account the interests of all concerned.

Against this background, complemented by consultations within the International Monetary Fund and at the Bank for International Settlements, and further supplemented by a variety of bilateral relationships with various countries, the United States has evolved a complex of measures aimed at working simultaneously toward all of the longer range aims for both domestic and international economic policy, while restoring external balance. In efforts as complex and detailed and interrelated as these have necessarily been, there was no room for broadside simple answers; nor has reliance been placed on any single formula. But through these complexities, some promising approaches for meeting the new adjustment problems that are sure to arise in the future -- after equilibrium has been restored to our own accounts -- can be discerned.

The pattern overlaying all of our effort has been that of liberalism, of dependence on markets, prices, and incentives rather than upon authoritarian direction. In relating specific actions to the need, there have, inescapably, had to be some compromises. Nonetheless, the broad outline has been that of a flexibly changing mix among fiscal and monetary policies, accompanied by specific measures to promote export credits and exports, to limit government spending of dollars overseas, to make aid available in kind, and to neutralize the attractions of investment abroad as against the United States. And beyond these measures, ways of financing any remaining over-all deficit have been developed that would, while retaining the necessary pressures for adjustment, buttress rather than weaken the dollar as a reserve currency. Preservation of the strength of the dollar has been vital during a transition toward balance that would necessarily be of considerable duration if massive changes were to be accomplished without disrupting the general expansion of world trade and payments.

The United States adjustment effort has, throughout, placed a particularly heavy emphasis on fiscal measures that would both spur the performance of the internal economy and encourage balance abroad. The investment credit and depreciation reform provide a stimulus to business investment that in some ways substitutes for an easier money policy that would aggravate the capital outflow. These measures were also aimed specifically at raising productivity and helping to maintain stable costs and prices. The proposed tax reduction aims further to broaden the incentive stimulus of larger retained income. Wage and price guidelines have been in turn proposed as aids to maintaining the conditions of stability that would promote internal expansion and strengthen this country's competitive position around the world. To the same end, the continuing government deficits that have reflected the inadequacies of our domestic growth have been financed in a way that will minimize any potential for future inflationary pressures.

While eventually powerful, these kinds of influences work themselves out in the gradual adaptation of trade and payments patterns, necessarily exerting their impact in a round-about manner. Consequently, much reliance from the start had also to be placed upon the early beginning of substantial savings in the spending of dollars abroad by the government itself. And, of course, it has been important from the beginning, as well, to influence favorably, in ways consistent with our philosophy and objectives, the flow of capital funds into and out of the United States.

The variety and diversity of the specific measures taken in these areas have mirrored the complexity of the causes for these continuing United States deficits. While the over-all nature of the problem was simple enough -- that of a nation whose private citizens and government were trying to transfer more resources abroad than the actual current account surplus permitted -- the complexities became apparent whenever a single course of resolute action was proposed.

It has been true, for example, that a very sizeable part of the balance of payments problem could have been eliminated at any time by drastic reductions in overseas spending for military programs. But the demands of national security and the commitments inherent in Western leadership made that impossible. The costs of some activities could be pared; the performance of some could be rearranged; but needed military strength could not be impaired. There could be dollar saving on military accounts and offsetting sales of our military goods to foreign countries, together making a major contribution toward the balance. But there was no simple and conclusive answer to be found here.

In the same way, proposals have repeatedly been made to reduce drastically or eliminate foreign aid, although total elimination of actual dollar outflows for the aid programs would not in recent years have produced anywhere near enough saving to balance our external accounts. It was clear, in any event, that too much of the longer-range future of peaceful development around the world hinged upon this aid effort to permit its elimination or emasculation. There could be savings in the spending of dollars abroad through sending mainly goods produced here, but these represent only a partial contribution toward external balance in the United States accounts.

Similarly, it could be argued that capital outflows accounted for the entire deficit, and that comprehensive measures to reduce these flows could restore balance. But the free flow of American capital, both in producing plant and in portfolio form, represented the base for much of the stimulus and expansion upon which hopes depended for the prosperous world which could sustain peace and afford freedom. Influence might be exerted toward reducing these outflows while the balance of payments position of the United States was so clearly overextended, but the measures taken must be a coherent part of the continuing effort to widen the areas of freedom for the movement of capital in response to the competitive forces of the market place. This effort will necessarily take time, for it must encompass the development of more effective capital markets in other industrialized countries so that the growing savings potential and resources of those countries can contribute more fully to the task of meeting the financing needs generated by their own growth. And, it must also entail the patient removal of impediments at home or abroad to foreign investment in the United States, a matter now under intensive study by a Presidential Task Force.

It might have been suggested that the answer could be found in a sudden vast enlargement of American exports, such as might be thought possible through a currency devaluation. That course of action could not be considered by the United States, not merely because our immense size would assure retaliatory action that would wipe out any apparent competitive trading advantage, but more emphatically because the United States dollar -- firmly tied to a fixed price for gold -- plays a key role in the world payments system, supplementing gold as a source and store of liquidity and as a trading currency. The fixed dollar price of gold has been a center of stability in the world monetary system for nearly thirty years, while the Italian lire, for example, has fallen to 2 percent of its 1934 gold value; the French franc to 3 percent; the German mark to 4 percent; the Belgian franc to 9 percent; the Dutch guilder to 41 percent; the British pound to 57 percent; and the Swiss franc to 71 percent.

But given the impossibility of devaluation, others could argue, the United States should directly subsidize its exports or impose drastic restrictions on its imports. Yet the United States understandably resisted taking such action, even to the extent permitted to countries with prolonged deficits under existing international agreements, because it would in spirit seem to contradict the principles of the General Agreement on Tariffs and Trade which the United States has done so much to help establish as a Magna Charta for trade freedom in the developing postwar world. Moreover, to anyone not persuaded by adherence to principle alone, there was the further consideration that the United States would have to face the likelihood that any such action on its part would invite retaliatory offsetting action that would undermine the real progress that has already been made in encouraging greater freedom of trade among all nations.

Thus, the United States faced the inevitable logic of undertaking a comprehensive program of action aimed at incremental improvement in all segments of the balance of payments, not at dramatic solutions through a few bold strokes. And as I have mentioned earlier, it was important to design measures that would maintain the world's momentum toward freer trade, payments, and capital movements, while also re-establishing levels of employment and a base of economic expansion consistent with our domestic potentials.

IV

What have been the results, thus far? Leaving aside the varieties of special measures of a financial nature which have helped to reduce the burden of excessive dollars on the international monetary system, the pattern of developments can best be observed by looking at what might be called the "gross deficit" or the "deficit on regular transactions." Using very rounded numbers to indicate directions and relative magnitudes, without any pretense of precision, this figure was very roughly about $4 billion a year during the 1958-60 period. Inside this total there was an average annual surplus on commercial goods and services -- that is, after eliminating military expenditures and aid-financed shipments -- of about $2 billion. Against this surplus there was an outflow of "free dollars" averaging about $4 billion a year for military programs and the cash outlays for economic aid, taken together. And there were net private capital outflows exceeding $2½ billion more -- taking into account both foreign and U. S. capital, long and short term.

Over the two and one-half succeeding years, to the second quarter of 1963, the program of gradual but persistent effort had borne promising results. The combination of export promotion and price stability had resulted in exports more than keeping pace with the increase in imports generated by rising levels of business activity. Services earnings advanced sharply, largely reflecting the greater earnings on American investment overseas. The over-all improvement in the commercial balance was about $1 billion.

Economizing efforts by the Defense establishment had completely offset the impact of rapidly rising prices in most of the countries where American forces were stationed. In addition, substantial reductions in some dollar outlays had been achieved and first Germany and then Italy began, as part of a general program of enlarging military sales, to return to the United States in supplemental military purchases the full amount of any dollars actually disbursed in those countries. The over-all reduction in net military outlays abroad thus approached $1 billion. There had not yet been sizeable absolute reductions in the flow of dollars at the end of the growing aid pipeline, but for some time the practice of tying aid had been reducing commitments for future dollar spending. Since aid materials were to supplement and not displace commercial transactions, it was quite appropriate for a country undergoing sustained balance of payments deficits to make its aid available in kind.

Over-all, the commercial balance improvement and the decline of Governmental disbursements had, by mid-1963, reduced by about half the gross annual deficit of approximately $4 billion for 1958-60. But instead of showing a resulting figure under $2 billion, the gross deficit for the second quarter of 1963 exceeded $5 billion, at an annual rate. All of the improvements shown through the determined efforts on these fronts had been washed away in an outpouring of American capital, both short-term and long. Purchases of foreign bonds and shares reached an annual rate of $2 billion; the outflow of short-term funds $2-1/4 billion. The impact of the balance of payments program thus far had not reached these capital flows in any satisfactory manner. Over the entire period a gradual edging up in short-term money rates had indeed deterred potentially larger outflows of money market funds, but more action obviously was needed.

To this end, President Kennedy, on July 18, requested Congress to enact, effective the next day, an interest equalization tax to be temporarily applicable to all forms of portfolio investment by Americans in foreign obligations. He also announced that the United States had made arrangements to buttress its position over the difficult period ahead, as its balance of payments was being brought back under control, through a standby arrangement for borrowing at the International Monetary Fund. The Federal Reserve meanwhile had announced an increase in discount rates and the market promptly reflected this change.

While the immediate results of these measures were dramatic, they did, of course, also embody a certain amount of capital inflow stimulated by the President's renewed indication of this country's determination to bring its external accounts into balance. While this and other special factors will not provide continuing assistance to the balance of payments comparable to that enjoyed during the third quarter, it is nonetheless impressive evidence of the potency of this action that portfolio outflows in the third quarter dropped back almost to the annual rates of the 1958-60 period, reflecting mainly commitments that had already been made before July 18, and recorded short-term capital flows reversed themselves to show an inflow, in good part in reflection of a better alignment of short-term rates internationally. The gross deficit for this quarter fell back to a rate well below $2 billion a year.

Clearly, a measure such as the Interest Equalization tax, however necess to achieve prompt results, can be properly viewed only as a transitional measure until the other policies already under way succeed in encouraging more balanced flows of capital, and until the pressing strains on our balance of payments position are otherwise relieved. To that end, in his Message to Congress on July 18, President Kennedy indicated that the rate of Governmental outflows of dollars would be reduced a further billion dollars by the end of 1964. With that further improvement now on its way, the outlook for the United States balance of payments is somewhat more reassuring, provided every part of the program is carried through with perseverance. There is no scope for relaxation, only for intensified effort. But the implications of this experience for my theme today are not centered on the further rationale of the American program, nor on forecasting its future results, but rather on the implications of this experience for an understanding of the interrelations between balance of payments adjustment and liquidity.

V

To what extent has our adjustment process been a function of the liquidity mechanism -- either that of the international monetary system or the domestic monetary arrangements inside the United States?

Clearly, one great advantage which the United States had was the accustomed use of dollars by many other countries in their own monetary reserves. This meant there was, up to very substantial amounts, ready financing of deficits incurred as the transition toward balance was taking place. But how little different would the pressures for adjustment have been, how little different could the measures undertaken have been, if we could imagine a world in which the dollar were not serving as a reserve currency for others.

For while the United States was obtaining financing for its deficits through additions of some $4-1/2 billion to foreign monetary reserves over the past six years, it was also paying out more than $7 billion of its monetary gold. Moreover, the bulk of the gold outflow occurred in the 1958-60 period before the United States had developed a comprehensive and determined balance of payments program. Clearly this early and highly visible impact on the United States gold stocks was a dominant influence in ultimately awakening American recognition of the fundamental nature of these balance of payments deficits and the fundamental need for correction. It would seem doubtful indeed that any system of liquidity arrangements, no matter how restrictive, would have been any more effective in alerting everyone to the need for balance of payments discipline. Nor would it seem possible that balance of payments deficits of a size that imposed such drains could, under any system of liquidity arrangements, no matter how loose, have averted the need for corrective action.

To be sure, the United States position as a reserve currency gave impetus to its efforts to negotiate other kinds of financing arrangements to minimize the strains being created by the deficits. But on the other hand, the very characteristics of the United States that make the dollar a reserve currency -- notably the ability of foreigners readily to obtain financing here -- have helped to create the deficit.

The United States did in considerable part replace the bank reserves that would otherwise have been consumed through the gold outflow. To have done otherwise would have been to follow the almost incredible course of actually contracting the supply of money and credit in an economy which was increasing its gross national product by nearly $150 billion, or by about one-third, over these same six years -- and an economy that is still underemployed after that advance.

Over the last several years, the United States has maintained a remarkable, indeed enviable, record of comparative stability in costs and prices. Surely domestic monetary policy, to the extent that it may influence prices, had not conspicuously erred on the side of expansion. Nor need it necessarily be the case that other countries, experiencing balance of payments surpluses, must allow excessive internal monetary expansion, or accept internal price inflation. For fiscal and monetary measures, flexibly applied in combination with other influences of government, could potentially exert a restraining influence, where reserves were rising rapidly, comparable to the offsetting action that has appropriately been taken by the United States. Or alternatively, if the additional reserves themselves were not neutralized, they might be used for additional purchases from abroad, perhaps stimulated by further action along the road of tariff reduction. These are the kinds of measures that in today's world can enable the surplus countries to discharge their own share of the responsibility for facilitating international adjustments.

Whatever may be found appropriate for the machinery of international liquidity in the future -- whether more, or less, might be made available to a deficit country -- there is little in the record of the United States position over these past six years to suggest that the need or nature of the adjustment processes would have been materially altered by a different liquidity system. Indeed, an increase by one-half in the commercial surplus on goods and services over a two and one-half year period would seem to be good progress for a country whose trade and payments bulk so large in the transactions of other countries, particularly during a period of steadily rising business activity and higher imports. Moreover, a reduction in dollar spending on Government account by about one-fourth over two and one-half years, with a scheduled reduction to one-half in four years, might be considered impressive against the background of heavy dependence upon these flows by so many countries over the preceding fifteen years or more.

And some slowing down of additional foreign investment has clearly become as necessary for the United States as it would be for any over-extended enterprise in any economic system. But the causes of the unusual outflow, just as the correctives, are rooted in the contrasting conditions of the money and capital markets here and abroad. While most European capital markets remain severely restricted or institutionally inhibited, calls on the American markets by countries in Europe and elsewhere may be expected to be felt whenever demand is expanding rapidly in those other countries. That will be true so long as American markets remain freely open to all, with the allocation of capital and credit dependent upon price and credit risk. And we are determined to maintain that freedom and to persuade or induce others to duplicate it, in the interest of the flourishing expansion of Western capitalism over the years and decades ahead.

To the extent that the dollar's function as a reserve currency has played a causative role in our balance of payments problems, it has probably not been because it has disguised the problem, but because it has made capital flows more sensitive to changes in our position -- real or imagined. For it has been recurrent episodes of misplaced concern over the dollar's continued ability to fulfill the needs of the world for a stable reserve currency that have generated much of the "flight movement" of dollars that has built up the deficit on short-term capital account from time to time. And it has been the sensitivity of short-term American capital -- free to move where it will as befits a reserve center -- to differentials in interest rates that has made necessary the intricate money market operations which have, over the past three years, produced a rise of about 1 percent in short-term market rates of interest, despite an unprecedented massive accumulation of liquid savings which has held the general level of all other interest rates relatively stable over this same period.

So in conclusion I come back to my opening remarks. There is a significant element of truth in the assertion that too many dollars -- if not too much liquidity -- have been created for some countries to absorb without difficulty during the transitional adjustment of the United States deficits and European surpluses. The discipline of gold has served an important purpose in helping to set things right. There is also weight in the expression of concern that the United States might, if it generated internal liquidity without regard for its balance of payments, both worsen its external position and jeopardize the orderly evolution of internal expansion. And there is little room for doubt that the entire adjustment process could disrupt rather than strengthen the longer range performance of the international economy if there were not adequate liquidity to finance the deficits of transition while the necessary disciplines were exerting their effect.

But it does seem to me mistaken to assert that international monetary reform is needed in order to eliminate the dollar as a reserve currency; or that changes in internal liquidity alone could correct balance of payments deficits on the scale experienced by a leading industrial country, such as the United States; or that much larger and more automatic availabilities of liquidity could have significantly modified the elements that have been found essential for the American balance of payments program in the conditions of these past few years. The search for an alchemy will certainly always go on. But that should not deter us from trying to think through an analysis of the adjustment process among industrial nations that are dedicated to full employment, steady growth, and price stability -- an adjustment process that fits the conditions of a convertible world approaching freedom of trade and capital movements.

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NAF 3.59
50% tax
R 6 3.633

FOR RELEASE A. M. NEWSPAPERS,
Tuesday, December 31, 1963.

December 30, 1963

RESULTS OF TREASURY'S ONE-YEAR BILL OFFERING

The Treasury Department announced last evening that the tenders for $1,000,000,000 or thereabouts, of 363-day Treasury bills to be dated January 3, 1964, and to mature December 31, 1964, which were offered on December 23, were opened at the Federal Reserve Banks on December 30.

The details of this issue are as follows:

Total applied for - $2,113,284,000
Total accepted - 1,000,309,000 (includes $27,677,000 entered on a noncompetitive basis and accepted in full at the average price shown below)

Range of accepted competitive bids: (Excepting one tender of $100,000)

High	- 96.275	Equivalent rate of discount approx.	3.694% per annum
Low	- 96.255	" " " " "	3.714% " "
Average	- 96.262	" " " " "	3.707% " " 1/

(97% of the amount bid for at the low price was accepted)

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 20,665,000	$ 665,000
New York	1,596,097,000	689,047,000
Philadelphia	20,411,000	411,000
Cleveland	171,006,000	145,406,000
Richmond	1,487,000	1,487,000
Atlanta	9,212,000	5,412,000
Chicago	144,613,000	76,538,000
St. Louis	7,585,000	4,585,000
Minneapolis	12,870,000	9,810,000
Kansas City	4,838,000	3,338,000
Dallas	31,750,000	22,750,000
San Francisco	92,750,000	40,860,000
TOTAL	$2,113,284,000	$1,000,309,000

1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide a yield of 3.88%. 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,
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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 (current revision) 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.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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 October 10, 1963, (91 days remaining until maturity date on April 9, 1964) 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 Banks on January 9, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 9, 1964. Cash

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE

December 31, 1963

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 $ 2,100,000,000 , or thereabouts, for cash and in exchange for Treasury bills maturing January 9, 1964 , in the amount of $ 2,101,648,000 , as follows:

91 -day bills (to maturity date) to be issued January 9, 1964 , in the amount of $1,300,000,000 , or thereabouts, representing an additional amount of bills dated October 10, 1963 , and to mature April 9, 1964 , originally issued in the amount of $800,296,000 / (an additional $100,092,000 was issued Octo 19 , the additional and original bills to be freely interchangeable.

182 -day bills, for $ 800,000,000 , or thereabouts, to be dated January 9, 1964 , and to mature July 9, 1964 .

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, $50,000, $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 p.m., Eastern Standard time, Monday, January 6, 1964 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.

December 31, 1963

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91-day bills (to maturity date) to be issued January 9,1964, in the amount of $1,300,000,000, or thereabouts, representing an additional amount of bills dated October 10, 1963, and to mature April 9, 1964, originally issued in the amount of $800,296,000 (an additional $100,092,000 was issued October 28, 1963), the additional and original bills to be freely interchangeable.

182-day bills, for $800,000,000, or thereabouts, to be dated January 9, 1964, and to mature July 9, 1964.

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, $50,000, $100,000, $500,000 and $1,000,000 (maturity value).

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Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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 October 10,1963, (91-days remaining until maturity date on April 9, 1964) 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 Banks on January 9, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 9,1964. 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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United States Savings Bonds Issued and Redeemed Through December 31, 1963
(Dollar amounts in millions - rounded and will not necessarily add to totals)

	Amount Issued 1/	Amount Redeemed 1/	Amount Outstanding 2/	% Outstanding of Amt. Issued
MATURED				
Series A-1935 - D-1941	5,003	4,990	13	.26
Series F & G-1941 - 1951	29,308	29,119	188	.6[illegible]
UNMATURED 3/				
Series E:				
1941	1,831	1,547	284	15.5[illegible]
1942	8,084	6,859	1,225	15.15
1943	13,015	11,048	1,967	15.11
1944	15,156	12,705	2,451	16.17
1945	11,869	9,743	2,126	17.91
1946	5,334	4,159	1,175	22.03
1947	5,026	3,738	1,288	25.63
1948	5,179	3,745	1,434	27.69
1949	5,095	3,598	1,497	29.38
1950	4,443	3,054	1,389	31.26
1951	3,848	2,632	1,216	31.60
1952	4,025	2,695	1,330	33.04
1953	4,582	2,887	1,695	36.99
1954	4,638	2,756	1,883	40.60
1955	4,793	2,812	1,981	41.33
1956	4,600	2,710	1,891	41.11
1957	4,323	2,468	1,855	42.91
1958	4,179	2,221	1,958	46.85
1959	3,906	2,036	1,870	47.88
1960	3,885	1,868	2,017	51.92
1961	3,897	1,667	2,230	57.22
1962	3,747	1,415	2,332	62.24
1963	3,292	668	2,624	79.71
Unclassified	499	478	21	4.21
Total Series E	129,247	89,507	39,740	30.75
Series H (1952 - Jan. 1957) 3/....	3,670	1,419	2,251	61.3[illegible]
H (Feb. 1957 - 1963)	5,830	715	5,115	87.7[illegible]
Total Series H	9,500	2,134	7,367	77.5[illegible]
Total Series E and H	138,747	91,641	47,107	33.9[illegible]
Series F and G (1952)	213	151	62	29.1[illegible]
Series J and K (1952 - 1957)	3,706	2,047	1,659	44.7[illegible]
Total Series F, G, J and K	3,919	2,198	1,721	43.9[illegible]
All Series: Total matured	34,311	34,109	201	.5[illegible]
All Series: Total unmatured	142,666	93,839	48,827	34.2[illegible]
All Series: Grand Total	176,977	127,948	49,029	27.[illegible]

1/ Includes accrued discount.
2/ Current redemption value.
3/ At option of owner bonds may be held and will earn interest for additional periods after original maturity dates.

BUREAU OF THE PUBLIC DEBT

United States Savings Bonds Issued and Redeemed Through December 31, 1963
(Dollar amounts in millions - rounded and will not necessarily add to totals)

	Amount Issued 1/	Amount Redeemed 1/	Amount Outstanding 2/	% Outstanding of Amt. Issued
RED				
ies A-1935 - D-1941	5,003	4,990	13	.26
ies F & G-1941 - 1951	29,308	29,119	188	.64
TURED 3/				
ies E:				
1941	1,831	1,547	284	15.51
1942	8,084	6,859	1,225	15.15
1943	13,015	11,048	1,967	15.11
1944	15,156	12,705	2,451	16.17
1945	11,869	9,743	2,126	17.91
1946	5,334	4,159	1,175	22.03
1947	5,026	3,738	1,288	25.63
1948	5,179	3,745	1,434	27.69
1949	5,095	3,598	1,497	29.38
1950	4,443	3,054	1,389	31.26
1951	3,848	2,632	1,216	31.60
1952	4,025	2,695	1,330	33.04
1953	4,582	2,887	1,695	36.99
1954	4,638	2,756	1,883	40.60
1955	4,793	2,812	1,981	41.33
1956	4,600	2,710	1,891	41.11
1957	4,323	2,468	1,855	42.91
1958	4,179	2,221	1,958	46.85
1959	3,906	2,036	1,870	47.88
1960	3,885	1,868	2,017	51.92
1961	3,897	1,667	2,230	57.22
1962	3,747	1,415	2,332	62.24
1963	3,292	668	2,624	79.71
nclassified	499	478	21	4.21
tal Series E	129,247	89,507	39,740	30.75
es H (1952 - Jan. 1957) 3/....	3,670	1,419	2,251	61.34
H (Feb. 1957 - 1963)	5,830	715	5,115	87.74
tal Series H	9,500	2,134	7,367	77.55
otal Series E and H	138,747	91,641	47,107	33.95
es F and G (1952)	213	151	62	29.11
es J and K (1952 - 1957)	3,706	2,047	1,659	44.77
tal Series F, G, J and K	3,919	2,198	1,721	43.91
Series: Total matured	34,311	34,109	201	.59
Series: Total unmatured	142,666	93,839	48,827	34.22
Series: Grand Total	176,977	127,948	49,029	27.70

ncludes accrued discount.
urrent redemption value.
t option of owner bonds may be held and
ill earn interest for additional periods
fter original maturity dates.

BUREAU OF THE PUBLIC DEBT

XXXXXXXXXXX

the sale or other disposition of Treasury bills does not have any special treatment 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 pruchase, 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 (current revision) 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.

anking institutions generally may submit tenders for account of customers pro- the names of the customers are set forth in such tenders. Others than banking utions will not be permitted to submit tenders except for their own account. s will be received without deposit from incorporated banks and trust companies om responsible and recognized dealers in investment securities. Tenders from must be accompanied by payment of 2 percent of the face amount of Treasury bills d for, unless the tenders are accompanied by an express guaranty of payment by an orated bank or trust company.

mmediately after the closing hour, tenders will be opened at the Federal Reserve and Branches, following which public announcement will be made by the Treasury ment of the amount and price range of accepted bids. Those submitting tenders e advised of the acceptance or rejection thereof. The Secretary of the Treasury sly reserves the right to accept or reject any or all tenders, in whole or in part, s action in any such respect shall be final. Subject to these reservations, non- itive tenders for $ 400,000 or less without stated price from any one will be accepted in full at the average price (in three decimals) of accepted itive bids. Payment of accepted tenders at the prices offered must be made or ted at the Federal Reserve Bank in cash or other immediately available funds on y 15, 1964.

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

109

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE January 2, 1964

TREASURY OFFERS $2.5 BILLION IN JUNE TAX BILLS

The Treasury Department, by this public notice, invites tenders for $2,500,000,
or thereabouts, of 159 -day Treasury bills, to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this se will be designated Tax Anticipation Series, they will be dated January 15, 1964 and they will mature June 22, 1964 They will be accepted at face value in payment of income taxes due on June 15, 1964, and to the extent are not presented for this purpose the face amount of these bills will be payable wit out interest at maturity. Taxpayers desiring to apply these bills in payment of Jun 1964, income 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 June 15, 1964, and receiving receipt therefor showing the face amount of the bills so surrendered. These receipts may be submitted in lieu of the bills on or before June 15, 1964, to the District Direc of Internal Revenue for the District in which such taxes are payable. The bills will issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $50,000, $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 p.m., Eastern Standard time, Thursday, January 9, 1964. Tenders not be received at the Treasury Department, Washington. Each tender must be for an 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.

TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR IMMEDIATE RELEASE January 2, 1964

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Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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.

D-1085 (MORE)

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. 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 January 15, 1964.

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 (current revision) 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.

January 2, 1964

FOR IMMEDIATE RELEASE

The Treasury's offering of June tax anticipation bills at this time will replace the $2.5 billion of one-year bills maturing on January 15. The Treasury is deferring a decision on additional financing in January to permit a further appraisal of its cash position and the flow of tax receipts, which have recently been somewhat more favorable than had been expected. Further details on January borrowing plans, which may include an offering outside the bill area, will be made known as soon as possible.

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D-1086

TREASURY DEPARTMENT

WASHINGTON, D.C.

January 2, 1964

FOR IMMEDIATE RELEASE

The Treasury's offering of June tax anticipation bills at this time will replace the $2.5 billion of one-year bills maturing on January 15. The Treasury is deferring a decision on additional financing in January to permit a further appraisal of its cash position and the flow of tax receipts, which have recently been somewhat more favorable than had been expected. Further details on January borrowing plans, which may include an offering outside the bill area, will be made known as soon as possible.

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D-1086

FOR RELEASE A. M. NEWSPAPERS,
Tuesday, January 7, 1964.

January 6, 1964

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 October 1 and the other series to be dated January 9, 1964, which were offered on December were opened at the Federal Reserve Banks on January 6. Tenders were invited for $1,3 or thereabouts, of 91-day bills and for $800,000,000, or thereabouts, of 182-day The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing April 9, 1964		:	182-day Treasury bills maturing July 9, 1964	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Annual
High	99.110 a/	3.521%	:	98.154	3.65
Low	99.105	3.541%	:	98.140	3.67
Average	99.107	3.534% 1/	:	98.145	3.66

a/ Excepting 1 tender of $250,000
92% of the amount of 91-day bills bid for at the low price was accepted
41% 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	$ 37,508,000	$ 27,508,000	:	$ 3,286,000	$ 3,2
New York	1,408,213,000	827,307,000	:	1,131,549,000	826,35
Philadelphia	28,971,000	13,967,000	:	6,834,000	1,8
Cleveland	30,925,000	30,925,000	:	9,940,000	9,9
Richmond	14,499,000	14,499,000	:	2,729,000	2,7
Atlanta	36,731,000	34,214,000	:	8,592,000	8,2
Chicago	232,823,000	157,263,000	:	128,355,000	77,9
St. Louis	47,565,000	41,549,000	:	13,358,000	12,3
Minneapolis	23,980,000	20,820,000	:	6,508,000	6,0
Kansas City	32,791,000	31,791,000	:	18,075,000	18,0
Dallas	31,897,000	22,817,000	:	10,441,000	5,8
San Francisco	124,853,000	78,053,000	:	48,589,000	27,8
TOTALS	$2,050,756,000	$1,300,713,000 b/		$1,388,256,000	$800,47

b/ Includes $278,943,000 noncompetitive tenders accepted at the average price of
c/ Includes 66,029,000 noncompetitive tenders accepted at the average price of
1/ On a coupon issue of the same length and for the same amount invested, the re these bills would provide yields of 3.63%, for the 91-day bills, and 3.80 182-day bills. Interest rates on bills are quoted in terms of bank discount the return related to the face amount of the bills payable at maturity rath the amount invested and their length in actual number of days related to a year. In contrast, yields on certificates, notes, and bonds are computed of interest on the amount invested, and relate the number of days remaining interest payment period to the actual number of days in the period, with compounding if more than one coupon period is involved.

?EASURY DEPARTMENT

WASHINGTON, D.C.

ASE A. M. NEWSPAPERS,
January 7, 1964.

January 6, 1964

RESULTS OF TREASURY'S WEEKLY BILL OFFERING

Treasury Department announced last evening that the tenders for two series of bills, one series to be an additional issue of the bills dated October 10, 1963, ther series to be dated January 9, 1964, which were offered on December 31, were the Federal Reserve Banks on January 6. Tenders were invited for $1,300,000,000, bouts, of 91-day bills and for $800,000,000, or thereabouts, of 182-day bills. lls of the two series are as follows:

ACCEPTED VE BIDS:	91-day Treasury bills maturing April 9, 1964		:	182-day Treasury bills maturing July 9, 1964	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
	99.110 a/	3.521%	:	98.154	3.651%
	99.105	3.541%	:	98.140	3.679%
ige	99.107	3.534% 1/	:	98.145	3.669% 1/

ing 1 tender of $250,000
the amount of 91-day bills bid for at the low price was accepted
the amount of 182-day bills bid for at the low price was accepted

IDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

:t	Applied For	Accepted	:	Applied For	Accepted
	$ 37,508,000	$ 27,508,000	:	$ 3,286,000	$ 3,286,000
k	1,408,213,000	827,307,000	:	1,131,549,000	626,359,000
lphia	28,971,000	13,967,000	:	6,834,000	1,834,000
nd	30,925,000	30,925,000	:	9,940,000	9,940,000
d	14,499,000	14,499,000	:	2,729,000	2,729,000
	36,731,000	34,214,000	:	8,592,000	8,233,000
	232,823,000	157,263,000	:	128,355,000	77,930,000
is	47,565,000	41,549,000	:	13,358,000	12,358,000
olis	23,980,000	20,820,000	:	6,508,000	6,008,000
City	32,791,000	31,791,000	:	18,075,000	18,075,000
	31,897,000	22,817,000	:	10,441,000	5,851,000
ncisco	124,853,000	78,053,000	:	48,589,000	27,869,000
TOTALS	$2,050,756,000	$1,300,713,000 b/		$1,388,256,000	$800,472,000 c/

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IMMEDIATE RELEASE December 30, 1963

Office of the White House Press Secretary
(LBJ Ranch, Texas)

THE WHITE HOUSE

President Johnson today announced his intention to appoint Sheldon S. C of Maryland as Chief Counsel of the Internal Revenue Service. He succ Crane C. Houser, who resigned on August 31, 1963. The Chief Counsel also an Assistant General Counsel of the Treasury Department.

Mr. Cohen ~~is presently~~ a partner in the Washington law firm of Arnold, Fortas and Porter and has specialized in tax matters during his entire legal career. He is also a Certified Public Accountant. Mr. Cohen wa attorney in the Chief Counsel's Office of the Internal Revenue Service fr 1952 to 1956. From 1956 to 1960, he was associated with the law firm of Stevenson, Paul, Rifkind, Wharton and Garrison, of Washington.

Sheldon S. Cohen, who is 36, was born in Washington, D.C. and receive A.B. degree with special honors in accounting from George Washington University in 1950. In 1952 he received his law degree from the Univers Law School graduating first in his class.

Mr. Cohen was admitted to the bar by the United States District Court fo the District of Columbia and the United States Court of Appeals for the District of Columbia in 1952. In 1956 he was admitted to practice before Supreme Court of the United States and the Tax Court of the United State He is a member of the American Bar Association Section on Taxation, a member of th Special Sub-Committee of the Committee on Gene Tax Problems, and a participant in two sub-committees on Substantive T Reform. Mr. Cohen is also a member of the Bar Association of the Dist of Columbia and the Federal Bar Association and serves on the tax committees of both associations.

Mr. Cohen has been an Associate Professorial Lecturer at George Wash University Law School since 1958, and from 1957 to 1958 was Lecturer at the Howard University Law School in Washington. He also has been alec at the tax institutes of New York University and American University.

Active in community affairs, Mr. Cohen is Secretary, Director and Men ship Chairman of the Jewish Community Center of Greater Washington a is Second Vice-President, Director and Chairman of the Legal Committe of the Jewish Social Service Agency.

In 1951 Mr. Cohen married Faye Fram of Baltimore, Maryland. They h one son and two daughters. They reside at 5518 Trent Street, Chevy Cha Maryland.

TREASURY DEPARTMENT

WASHINGTON, D.C.

January 6, 1964

FOR IMMEDIATE RELEASE

SHELDON S. COHEN TAKES OATH AS
CHIEF COUNSEL OF INTERNAL REVENUE SERVICE

Sheldon S. Cohen, of Maryland, today received the oath of office as Assistant General Counsel of the Treasury Department and Chief Counsel of the Internal Revenue Service from Associate Supreme Court Justice William O. Douglas.

President Johnson had announced Mr. Cohen's appointment on December 30.

Treasury Secretary Douglas Dillon, at the brief ceremony held at 2:30 p.m., called the appointment timely and particularly appropriate because of Mr. Cohen's experience in both the administration and pracrice of tax laws.

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These special non-marketable securities, which are handled as public debt operations, have been issued in five foreign currencies to foreign monetary authorities. As of December 31, 1963, the total outstanding was equivalent to $760 million of which $730 million had maturities of from 15 - 24 months and $30 million were short term. During 1963 medium-term bonds equivalent in value to $478 million have been issued; of these, $275 million are denominated in German marks, $123 million in Swiss francs, $30 million in Belgian francs and $50 million, including the issue in December, in Austrian schillings.

OIA:TPNelson:rjb:12/12/63

December 12, 1963

TO: Mr. Fousek
Manager, Foreign Department
Federal Reserve Bank of New York

FROM: T. Page Nelson
Room 2311, Main Treasury

SUBJECT: Press Release on Austrian Schilling Bond.

We propose to make the following release on January 6 to accompany publication of the End-of-Month Daily Statement for December. Since there may be other security issues in December which, if they materialize, would also be described in this same release there may be changes in the following draft. I would suggest, therefore, you clear with Austria only the first paragraph, with the statement that there will be an additional section recapping transactions in 1963 and referring to any other specific issues which may be made in December.

- -

~~For Release~~ January 6th
~~2:30 p.~~m.

FACT SHEET ON AUSTRIAN SCHILLING BOND ISSUE

The Treasury Daily Statement for December 31, 1963, shows that during December the Treasury issued an additional 18-month bond denominated in Austrian schillings in the amount of 650 million schillings, the equivalent of about $25 million. The availability of such securities for investment purposes is of mutual advantage to the foreign monetary authority and the United States as an outlet for surplus funds acquired by countries such as Austria which are in surplus in their international accounts. This is the second such medium-term schilling bond purchased by Austria.

(continued)/

TREASURY DEPARTMENT

WASHINGTON, D.C.

January 6, 1964

FOR IMMEDIATE RELEASE

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D-1089

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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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.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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 October 17, 1963, (91 days remaining until maturity date on April 16, 1964) 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 Banks on January 16, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 16, 1964. Cash

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE, January 8, 1964

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 $ 2,100,000,000 , or thereabouts, for cash and in exchange for Treasury bills maturing January 16, 1964, in the amount of $ 2,100,532,000 , as follows:

91-day bills (to maturity date) to be issued January 16, 1964 , in the amount of $ 1,300,000,000 , or thereabouts, representing an additional amount of bills dated October 17, 1963 , and to mature April 16, 1964 , originally issued in the amount of $ 800,355,000 , the additional and original bills to be freely interchangeable.

182 -day bills, for $ 800,000,000 , or thereabouts, to be dated January 16, 1964 , and to mature July 16, 1964

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, $50,000, $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 p.m., Eastern Standard time, Monday, January 13, 1964 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.

FOR IMMEDIATE RELEASE January 8, 1964

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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, $50,000, $100,000, $500,000 and $1,000,000 (maturity value).

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Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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 $ [illegible] or less for the additional bills dated October 17, 1963, (91-days remaining until maturity date on April 16, 1964) 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 Banks on January 16, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 16, 1964. 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 (current revision) 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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Investment Returns in the January 1964 Advance Refunding

Securities eligible for exchange		Approximate investment yield from 1/22/64 to maturity 1/		Approximate reinvestment rate for extension period 2/		
		4% Bond 8/15/70 3/	4-1/4% Bond 5/15/75-85 3/ to first call or maturity	4% Bond 8/15/70 3/	4-1/4% Bond 5/15/75-85 3/ to first call	4-1/4% Bond 5/15/75-85 3/ to maturity
3-3/4% Note	8/15/64....	4.16%	4.25%	4.21%	4.29%	4.27%
5% Note	8/15/64....	4.15	4.25	4.21	4.29	4.27
3-3/4% Note	11/15/64....	4.16	4.25	4.24	4.30	4.28
4-7/8% Note	11/15/64....	4.15	4.25	4.24	4.31	4.28
2-5/8% Bond	2/15/65....	4.15	4.25	4.25	4.32	4.29
4-5/8% Note	5/15/65....	4.16	4.25	4.23	4.31	4.28

Office of the Secretary of the Treasury
Office of Debt Analysis

January 8, 1964

1/ Yields to nontaxable holders (or before tax) on issues offered in exchange based on prices of eligible issues (adjusted for payments on account of issue price). Prices are the mean of bid and ask quotations at noon on January 7, 1964.
2/ Rate for nontaxable holders (or before tax).
3/ Reopening of an existing security.

Payments to and by the Subscriber in the January 1964 Advance Refunding

(In dollars per $100 face value)

Securities to be exchanged	Amounts to be paid to or by subscribers					
	Price adjustment payment 1/		Accrued interest to January 22, 1964 to be paid		Net amount to be pa	
	To subscriber	By subscriber	To subscriber 2/	By subscriber 3/	To subscriber	By subscril
			For the 4% Bond 8/15/70			
3-3/4% Note 8/15/64...	.950000		1.630435	2.357915	.222520	
5% Note 8/15/64...	1.650000		2.173913	2.357915	1.465998	
3-3/4% Note 11/15/64...	.950000		.700549	2.357915		.7073
4-7/8% Note 11/15/64...	1.850000		.910714	2.357915	.402799	
2-5/8% Bond 2/15/65...		.250000	1.141304	2.357915		1.4666
4-5/8% Note 5/15/65...	1.800000		.864011	2.357915	.306096	
			For the 4-1/4% Bond 5/15/75-85			
3-3/4% Note 8/15/64...	.050000		1.630435	.793956	.886479	
5% Note 8/15/64...	.750000		2.173913	.793956	2.129957	
3-3/4% Note 11/15/64...	.050000		.700549	.793956		.0434
4-7/8% Note 11/15/64...	.950000		.910714	.793956	1.066758	
2-5/8% Bond 2/15/65...		1.150000	1.141304	.793956		.8026
4-5/8% Note 5/15/65...	.900000		.864011	.793956	.970055	

Office of the Secretary of the Treasury
Office of Debt Analysis

January 8, 1

1/ Payment on account of purchase price of offered securities.
2/ On securities to be exchanged.
3/ On securities offered.

Treasury Department
Washington

January 8, 1964

SUPPLEMENTARY NOTE ON CASH ADJUSTMENT PAYMENTS

To assure reasonably comparable terms to all holders of the eligible securities, the Treasury will collect small cash adjustment payments from the holders of low coupon securities and will correspondingly make cash adjustment payments to holders of issues bearing higher coupons. These payments are apart from the usual interest adjustments on the eligible and offered issues as indicated in the table below.

Holders of the 2-5/8% bonds maturing in February of next year, for example, will be asked to pay the Treasury 25 cents for each $100 of par value submitted in response to the Treasury's offering, if the holder wishes to obtain the 4% bonds of 1970. If he wishes to obtain the 4-1/4% bonds of 1975-85, his payment to the Treasury will be $1.15 per $100 of par value exchanged. Without these supplementary payments, the increases in coupon income until the maturity of the 2-5/8's in February 1965 would produce rates of return on the offered securities well in excess of those available to the holders of the other eligible issues.

At the other extreme, holders of the 5% notes maturing next August would receive a payment of $1.65 per $100 from the Treasury, if they choose to exchange their 5% notes for the 4% bonds of 1970. If they should choose the 4-1/4% bonds of 1975-85, they would receive a somewhat smaller payment of 75 cents per $100 from the Treasury. In effect, these payments by the Treasury to the subscriber compensate him for the reduction of his coupon income that he will be accepting for the short period remaining to maturity in August. These payments also provide some additional inducement to the holder for recommitting his funds to Government securities for an additional period ahead, either to 1970 or to 1975-85. In effect, a holder of the 5% notes may be considered to continue receiving the equivalent of his 5% coupon until maturity in August, and then to begin receiving for the extended period for which he has committed his funds a rate of interest well above available alternatives.

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE

January 8, 1964

ADVANCE REFUNDING OFFER

The Treasury today announced an advance refunding offer. Recent improvement in the sh position makes unnecessary any additional cash borrowing at this time. Instead, the easury will take advantage of the customarily favorable market conditions in January to rther improve its debt structure by offering holders of six issues of outstanding easury securities an opportunity to extend their holdings at attractive yields. Issues turing from August, 1964, to May, 1965, may be exchanged for additional amounts of 4 rcent bonds maturing in 1970 or 4-1/4 percent bonds due in 1975-85.

The public holds $15.3 billion of the securities eligible for exchange; about $9.4 llion are also held by official accounts. The outstanding total is $24.7 billion. oks will be open for the exchange all of next week, January 13-17. Because of differ-ces in coupon and maturity among the various eligible issues, cash adjustments will be le to provide all subscribers with comparably attractive opportunities. The securities gible for exchange and those being newly offered are as follows:

Securities eligible for exchange and their maturity dates	
3-3/4% notes	8/15/64
5% notes	8/15/64
3-3/4% notes	11/15/64
4-7/8% notes	11/15/64
2-5/8% bonds	2/15/65
4-5/8% notes	5/15/65

Securities offered in exchange and their maturity dates	
4% bonds (additional issue)	8/15/70
4-1/4% bonds (additional issue)	5/15/75-85

The total public holding of the eligible issues is appreciably less than that of er recent advance refundings. To assure ready accommodation of this offering within current market, and preclude the possibility of excessive subscriptions of a spec-tive character, the Treasury is limiting the total of subscriptions it will accept the 4 percent bonds to $4 billion. Allotments for the 4-1/4 percent bonds will be ited to $750 million. Present prospects suggest that the Treasury will not, apart m regular monthly issues of one-year bills, need to borrow for cash until April at earliest. No substantial cash needs are expected until the approach of the next cal year. However, the cash position will remain sufficiently flexible to allow pe for issuance of additional amounts of Treasury bills, as needed, if further influ-e should be required upon short-term interest rates for balance of payments reasons.

The Treasury's objectives, now as in the past, are to conduct debt operations so as help promote economic growth and stability while at the same time meeting the Govern-t's cash needs, maintaining a balanced debt structure, helping to protect the balance payments, and avoiding excessive liquidity which could create potential inflationary ssures. The current offering, in furthering those objectives, is a natural accompani-t to President Johnson's efforts, indicated today in his State of the Union Message, reduce sharply the size of the Government's deficit financing requirements, and to rten the period over which further deficits will be incurred.

Treasury Department
Washington

January 8, 1964

SUPPLEMENTARY NOTE ON CASH ADJUSTMENT PAYMENTS

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Holders of the 2-5/8% bonds maturing in February of next year, for example, will be asked to pay the Treasury 25 cents for each $100 of par value submitted in response to the Treasury's offering, if the holder wishes to obtain the 4% bonds of 1970. If he wishes to obtain the 4-1/4% bonds of 1975-85, his payment to the Treasury will be $1.15 per $100 of par value exchanged. Without these supplementary payments, the increases in coupon income until the maturity of the 2-5/8's in February 1965 would produce rates of return on the offered securities well in excess of those available to the holders of the other eligible issues.

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Payments to and by the Subscriber in the January 1964 Advance Refunding

(In dollars per $100 face value)

Securities to be exchanged	Amounts to be paid to or by subscribers					
	Price adjustment payment 1/		Accrued interest to January 22, 1964 to be paid		Net amount to be paid	
	To subscriber	By subscriber	To subscriber 2/	By subscriber 3/	To subscriber	By subscriber
			For the 4% Bond 8/15/70			
'4% Note 8/15/64...	.950000		1.630435	2.357915	.222520	
Note 8/15/64...	1.650000		2.173913	2.357915	1.465998	
'4% Note 11/15/64...	.950000		.700549	2.357915		.707366
'8% Note 11/15/64...	1.850000		.910714	2.357915	.402799	
'8% Bond 2/15/65...		.250000	1.141304	2.357915		1.466611
'8% Note 5/15/65...	1.800000		.864011	2.357915	.306096	
			For the 4-1/4% Bond 5/15/75-85			
4% Note 8/15/64...	.050000		1.630435	.793956	.886479	
Note 8/15/64...	.750000		2.173913	.793956	2.129957	
4% Note 11/15/64...	.050000		.700549	.793956		.043407
3% Note 11/15/64...	.950000		.910714	.793956	1.066758	
3% Bond 2/15/65...		1.150000	1.141304	.793956		.802652
3% Note 5/15/65...	.900000		.864011	.793956	.970055	

:e of the Secretary of the Treasury
Office of Debt Analysis

January 8, 1964

'ayment on account of purchase price of offered securities.

'n securities to be exchanged.

'n securities offered.

Investment Returns in the January 1964 Advance Refunding

Securities eligible for exchange		Approximate investment yield from 1/22/64 to maturity 1/		Approximate reinvestment rate for extension period 2/		
		4% Bond 8/15/70 3/	4-1/4% Bond 5/15/75-85 3/ to first call or maturity	4% Bond 8/15/70 3/	4-1/4% Bond 5/15/75-85 3/ to first call	to maturity
3-3/4% Note	8/15/64....	4.16%	4.25%	4.21%	4.29%	4.27%
5% Note	8/15/64....	4.15	4.25	4.21	4.29	4.27
3-3/4% Note	11/15/64....	4.16	4.25	4.24	4.30	4.28
4-7/8% Note	11/15/64....	4.15	4.25	4.24	4.31	4.28
2-5/8% Bond	2/15/65....	4.15	4.25	4.25	4.32	4.29
4-5/8% Note	5/15/65....	4.16	4.25	4.23	4.31	4.28

Office of the Secretary of the Treasury
Office of Debt Analysis

January 8, 1964

1/ Yields to nontaxable holders (or before tax) on issues offered in exchange based on prices of eligible issues (adjusted for payments on account of issue price). Prices are the mean of bid and ask quotations at noon on January 7, 1964.
2/ Rate for nontaxable holders (or before tax).
3/ Reopening of an existing security.

APPENDIX TO PARAGRAPH NO. 9
NONRECOGNITION OF GAIN OR LOSS FOR FEDERAL INCOME TAX PURPOSES

Where a bond is offered by the Treasury with a payment (other than the accrued inter adjustment) to the investor.

Examples:

1. Assume that:

   (a) The fair market value of the security offered by the Treasury on the date the subscription is submitted is $99.50 (per $100 face value).

   (b) The payment to the subscriber (discount) on account of $100 issue price is $.80.

   (c) The amortised cost basis of the security surrendered on the books of the subscriber is $100.50 (per $100 face value). (It is assumed that the security surrendered was bought at a price above $100.50 and that the original premium was reduced prorata over the period from purchase date to maturity.)

   The sum of the fair market value of the security offered by the Treasury and the payment to the subscriber is $99.50 + $.80 or $100.30. This is less than the cost basis of the issue surrendered, therefore, no gain is recognized. The new issue will be entered on the books of the subscriber at a cost basis of $99.70, the cost basis of the issue surrendered less $.80. The gain or los between this cost basis and the proceeds of a subsequent sale or redemption of the new issue will be a capital gain or loss to all investors, except those to whom the securities are stock in trade. Under present law, if the combined time that the security surrendered and the new security received in exchange were held exceeds 6 months, the capital gain or loss is long-term, otherwise it is short-term.

2. The assumptions are the same as in example 1 except that the payment (discount) to the subscriber is now $1.20 (per $100 face value) instead of $.80 in example 1.

   The sum of the fair market value of the new security received in exchange by the subscriber plus the $1.20 payment (discount) is $100.70. This exceeds the cost basis of the security surrendered by $.20. This excess is a recognized gain reportable for the year in which the exchange takes place. The gain is a capital gain except to those to whom the securities are stock in trade. Under present law, if the time the security surrendered was held exceeds 6 months, the capital gain is long-term, otherwise it is short-term.

   The subscriber will carry the new issue received in exchange at a cost basis equal to the basis of the issue surrendered ($100.50), less the payment ($1.20), plus the amount of the recognized gain ($.20), or ($100.50 - $1.20 + $.20) $ 99.50.

3. The assumptions are the same as in example 1, except that the cost basis on the books of the subscriber, of the security surrendered is $99.00 (per $100 face value) instead of $100.50 in example 1.

   The sum of the fair market value of the new issue received in exchange by the subscriber plus the $.80 payment (discount) is $100.30 (as in example 1). Th exceeds the $99.00 cost basis by more than $.80. However, the amount of the gain reportable for the year of the exchange is $.80, since the amount of gai recognized cannot exceed the amount of the payment. The nature of the recognized gain and its treatment is the same as in example 2.

   In this case, the subscriber will enter the new security received in exchange on his books at $99.00, the same cost basis as the security surrendered.

13. Payments on issue price and investment rates on the new bonds offered in exchange to holders of the eligible securities:

	3-3/4% Notes 8/15/64	5% Notes 8/15/64	3-3/4% Notes 11/15/64	4-7/8% Notes 11/15/64	2-5/8% Bonds 2/15/65	4-5/8% Notes 5/15/65
FOR THE NEW 4% BONDS OF AUGUST 15, 1970						
Payments on account of $100 issue price:						
To subscriber--------------	$0.95	$1.65	$0.95	$1.85	-	$1.80
By subscriber--------------	-	-	-	-	$0.25	-
Approximate investment yield from exchange date (1/22/64) to maturity of bonds offered in exchange based on price of securities eligible for exchange 1/------------------	4.16%	4.15%	4.16%	4.15%	4.15%	4.16%
Approximate minimum rein-vestment rate for the extension period 2/----------	4.21	4.21	4.24	4.24	4.25	4.23
FOR THE NEW 4-1/4% BONDS OF MAY 15, 1975-85						
Payments on account of $100 issue price:						
To subscriber--------------	$0.05	$0.75	$0.05	$0.95	-	$0.90
By subscriber--------------	-	-	-	-	$1.15	-
Approximate investment yield from exchange date (1/22/64) to first call date or to maturity of bonds offered in exchange based on price of securities eligible for exchange 1/-----------------	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
Approximate minimum reinvest-ment rate for the extension period: 2/						
To first call date--------	4.29	4.29	4.30	4.31	4.32	4.31
To maturity---------------	4.27	4.27	4.28	4.28	4.29	4.28

1/ Yield to nontaxable holder or before tax. Based on mean of bid and asked prices (adjusted for payments on account of issue price) at noon on January 7, 1964.

2/ Rate for nontaxable holder or before tax. For explanation see paragraph 12 above.

income tax purposes solely on account of the exchange of the securities; however, section 1031(b) of the Code requires recognition of any gain realized on the exchange to the extent that money (other than interest) is received by the security holder in connection with the exchange as indicated in (b).

(b) Where the securities to be issued are offered by the Treasury with a payment to the investor-- If the fair market value 1/ of the securities to be issued plus the amount paid to the investor (discount) exceeds the cost basis to the investor of the securities to be exchanged, such gain (but not to exceed the amount of the payment) must be recognized and accounted for as gain for the taxable year of exchange. He will carry the new securities on his books at the same amount as he is now carrying the old securities except that he will reduce the cost basis by the amount of the payment and increase it by the amount of the gain recognized. If the fair market value of the new securities plus the amount of the payment does not exceed the cost basis of the old securities, the basis in the new securities will be the cost basis in the ol securities reduced by the amount of the payment.

(c) Where premium is paid by the subscriber-- If a premium is paid by the subscriber no gain or loss will be recognized; but his tax basis in the new securities will be his cost basis in the old securities increased by the amount of the premium.

(d) Gain to the extent not recognized under (b) (or loss), if any, upon the old securities surrendered in exchange will be taken into account upon the disposition or redemption of the new securities. (See appendix to paragraph 9 attached.)

1/ The mean of the bid and asked quotations on date subscriptions are submitted.

10. Federal estate tax option on the 4-1/4% bonds of 1975-85:

The 4-1/4% bonds of 1975-85 will be redeemable at par and accrued interest prior to maturity for the purpose of using the proceeds in payment of Federal estate taxes but only if they are owned by the decedent at the time of his death and thereupon constitute part of his estate.

11. Book value of new securities to banking institutions:

The Comptroller of the Currency, the 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 securities received in exchange on their books at any amount not greater than the amount at which the eligible securities surrendered by them are carried on their books plus the amount of premium, if any, paid on the new securities, or reduced by the amount of discount, if any, received by the subscriber and increased by the amount of gain, if any, which will be recognized as indicated in paragraph 9.

12. Computation of reinvestment rate for the extension of maturity:

A holder of the outstanding eligible securities has the option of accepting the Treasury's exchange offer or of holding them to maturity. Consequently, he can compare the interest plus (or minus) any payment, other than the adjustment of accrued interest he will receive resulting from exchanging now with the total of the interest on the eligible issues and what he might obtain by reinvesting the proceeds of the eligible securities at maturity.

The income before tax for making the extension now through exchange will be the coupon rates plus (or minus) any payment on the new issues. If a holder of the eligible securities does not make the exchange he would receive the coupon rates on the eligible issues to their maturity and would have to reinvest at that time at a rate equal to that indicated in paragraph 13 below for the remaining terms of the issues now offered, in order to equal the return (including any payment) he would receive by accepting the exchange offer. For example, if the 3-3/4% notes of 11/15/64 are exchanged for the 4% bonds of 8/15/70, the investor receives 4% for the entire 6 years and six and three-fourth months plus $0.95 (per $100 face value) immediately. If the exchange if not made, a 3-3/4% rate will be received until November 15, 1964, requiring reinvestment of the proceeds of the 3-3/4's of November 1964 at that time at a rate of

4. Payment:

Payment for the new securities allotted and the net amount to be collected from subscribers, as shown in the table in the preceding paragraph, must be completed by January 29, 1964. Where the table shows a net amount payable to subscribers, the payment will be made by the Treasury, if bearer securities are surrendered following their acceptance, and if registered securities are surrendered following discharge of registration in accordance with the assignments on the securities. The new securities will be delivered January 29, 1964.

5. Limitation on amount of securities to be issued:

While it is not practicable to estimate the extent of investor acceptance, the Treasury is placing an outside limit of $4 billion, or thereabouts, on the aggregate amount of the 4 percent bonds of 1970, and $750 million, or thereabouts, on the aggregate amount of the 4-1/4 percent bonds of 1975-85 to be issued. In the event the limit on either issue is exceeded, subscriptions to the respective issue will be subject to allotment.

6. Books open for subscriptions for the new securities:

The books will be open for the receipt of subscriptions from Monday, January 13, through Friday, January 17, 1964. Subscriptions placed in the mail by midnight, January 17, addressed to any Federal Reserve Bank or Branch or the Office of the Treasurer of the United States, Washington, D. C. 20220, will be considered as timely. The use of registered mail is recommended for the security holders' protection in submitting securities to be exchanged.

If securities eligible for exchange are pledged with a State or Federal Government agency or authority and such securities cannot or will not be released by such authority to the pledgor in time for use in making payment for the securities offered in this exchange, the pledgor may, nevertheless, enter a subscription. Such subscriptions should be accompanied by a letter signed by an authorized official of the pledgor explaining the circumstances and, if the authority will not release the securities, a request and authorization for the Federal Reserve Bank, or Branch, or the Treasurer of the United States (according to where the subscription is directed) to deliver the new securities to the State or Federal authority in exchange for the old securities held by such authority.

7. 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. 20220. Banking institutions generally may submit subscriptions for account of customers, provided the names of the customers are set forth in such subscriptions. All subscribers requesting registered securities will be required to furnish appropriate identifying numbers as required on tax returns and other documents submitted to the Internal Revenue Service.

Subscriptions 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 from all others must be accompanied by deposit of eligible securities in an amount equal to 10% of the securities applied for.

8. **Denominations and other characteristics of new securities:**

The bonds will be issued in denominations of $500, $1,000, $5,000, $10,000, $100,000

Terms and Conditions of the Advance Refunding Offer

1. To all holders of the following outstanding Treasury securities:

Description of securities	Issue date	Final maturity date	Remaining term to maturity Yrs.	- Mos.	Amount outstandi (in billio
3-3/4% note E-1964	Aug. 1, 1961	Aug. 15, 1964	-	6-3/4	$5.0
5% note B-1964	Oct. 15, 1959	Aug. 15, 1964	-	6-3/4	2.3
3-3/4% note F-1964	Aug. 15, 1963	Nov. 15, 1964	-	9-3/4	6.4
4-7/8% note C-1964	Feb. 15, 1960	Nov. 15, 1964	-	9-3/4	4.2
2-5/8% bond 1965	June 15, 1958	Feb. 15, 1965	1	3/4	4.7
4-5/8% note A-1965	May 15, 1960	May 15, 1965	1	3-3/4	2.1

2. New securities to be issued (or additional amount of an outstanding issue):

Description of securities	Issue date	Amount outstanding (in billions)	Interest starts 1/	Interest paya
4% bond of Aug. 15, 1970	June 20, 1963	$1.9	Jan. 22, 1964	Feb. 15 & Aug
4-1/4% bond of May 15, 1975-85	April 5, 1960	0.5	Jan. 22, 1964	May 15 & Nov

1/ Interest on the securities surrendered stops on January 22, 1964.

3. Terms of the exchange:

Exchanges will be made on the basis of equal face amounts, with payments to or by the s scriber, and with adjustments of accrued interest to January 22, 1964, on the securiti surrendered and on the additional issue of bonds (per $100 face amount) as indicated be

Securities to be exchanged	Amounts to be paid to or by subscribers: Payable to subscriber on account of purchase price of securities to be issued 1/	On account of accrued interest to: Payable to subscriber on securities to be exchanged	On account of accrued interest to: Payable by subscriber on securities to be issued	Net amount: To be paid to sub-scriber	Net amount: To be collected from sub-scriber	Extensio of maturity Yrs.-Mos
		FOR THE 4% BONDS OF 1970				
3-3/4% note E-1964	$0.95	$1.630435	$2.357915	$0.222520	-	6 - 0
5% note B-1964	1.65	2.173913	2.357915	1.465998	-	6 - 0
3-3/4% note F-1964	0.95	0.700549	2.357915	-	$0.707366	5 - 9
4-7/8% note C-1964	1.85	0.910714	2.357915	0.402799	-	5 - 9
2-5/8% bond 1965	(0.25)	1.141304	2.357915	-	1.466611	5 - 6
4-5/8% note A-1965	1.80	0.864011	2.357915	0.306096	-	5 - 3
		FOR THE 4-1/4% BONDS OF 1975-85				
3-3/4% note E-1964	$0.05	$1.630435	$0.793956	$0.886479	-	20 - 9
5% note B-1964	0.75	2.173913	0.793956	2.129957	-	20 - 9
3-3/4% note F-1964	0.05	0.700549	0.793956	-	$0.043407	20 - 6
4-7/8% note C-1964	0.95	0.910714	0.793956	1.066758	-	20 - 6
2-5/8% bond 1965	(1.15)	1.141304	0.793956	-	0.802652	20 - 3
4-5/8% note A-1965	0.90	0.864011	0.793956	0.970055	-	20 - 0

1/ Amounts payable by subscribers are included within parenthesis.

The following coupons should be attached to the securities in bearer form when they are surrendered:

Securities	Coupons to be attached
3-3/4% note E-1964, 5% note B-1964 and 2-5/8% bond 1965	Feb. 15, 1964, and subsequ
3-3/4% note F-1964, 4-7/8% note C-1964 and 4-5/8% note A-1965	May 15, 1964, and subseque

TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR IMMEDIATE RELEASE January 8, 1964

ADVANCE REFUNDING OFFER

The Treasury today announced that it will offer holders of six outstanding Treasury securities an opportunity to extend their holdings at attractive yields. The public holds $15.3 billion of the securities eligible for exchange; about $9.4 billon are held by official accounts. The outstanding total is $24.7 billion.

Holders of securities eligible for exchange have the option of exchanging them, as of January 22, 1964, (with payment for the new bonds to be completed by and delivery to be made on January 29) for two issues of bonds as follows:

Securities eligible for exchange and their maturity dates			Securities offered in exchange and their maturity dates	
3-3/4%	notes, E-1964	8/15/64	4% bonds, 1970 (additional issue)	8/15/70
5%	notes, B-1964	8/15/64	4-1/4% bonds, 1975-85 (additional issue)	5/15/75-85
3-3/4%	notes, F-1964	11/15/64		
4-7/8%	notes, C-1964	11/15/64		
2-5/8%	bonds, 1965	2/15/65		
4-5/8%	notes, A-1965	5/15/65		

The Treasury is placing an outside limit of $4 billion, or thereabouts, on the aggregate amount of the 4 percent bonds of 1970, and $750 million, or thereabouts, on the aggregate amount of the 4-1/4 percent bonds of 1975-85 to be issued; therefore, all subscriptions will be received subject to allotment. Cash subscriptions are not invited.

The exchanges will be made on the basis of par for par with accrued interest adjustments as of January 22, 1964, and with cash payments to or by the subscribers which will approximately equalize current market values among eligible issues having different coupons and maturities, and provide an attractive exchange value for each of the issues offered.

The exchanges will not be treated as a sale and purchase for tax purposes; therefore, there will be no recognition of gain or loss for Federal income tax purposes solely on account of the exchange of old for new securities. Details are presented in the following paragraph No. 9.

The subscription books will be open beginning Monday, January 13, and will remain open through Friday, January 17, 1964, for all classes of subscribers.

Further details of the offering, including amounts of cash payments due to or by subscribers, and the amounts of accrued interest adjustments, are described below.

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Securities eligible for exchange and their maturity dates		Securities offered in exchange and their maturity dates	
3-3/4% notes, E-1964	8/15/64	4% bonds, 1970 (additional issue)	8/15/70
5% notes, B-1964	8/15/64	4-1/4% bonds, 1975-85 (additional issue)	5/15/75-85
3-3/4% notes, F-1964	11/15/64		
4-7/8% notes, C-1964	11/15/64		
2-5/8% bonds, 1965	2/15/65		
4-5/8% notes, A-1965	5/15/65		

The Treasury is placing an outside limit of $4 billion, or thereabouts, on the aggregate amount of the 4 percent bonds of 1970, and $750 million, or thereabouts, on the aggregate amount of the 4-1/4 percent bonds of 1975-85 to be issued; therefore, all subscriptions will be received subject to allotment. Cash subscriptions are not invited.

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Further details of the offering, including amounts of cash payments due to or by subscribers, and the amounts of accrued interest adjustments, are described below.

Terms and Conditions of the Advance Refunding Offer

1. To all holders of the following outstanding Treasury securities:

Description of securities	Issue date	Final maturity date	Remaining term to maturity Yrs.	Mos.	Amount outstanding (in billions)
3-3/4% note E-1964	Aug. 1, 1961	Aug. 15, 1964	-	6-3/4	$5.0
5% note B-1964	Oct. 15, 1959	Aug. 15, 1964	-	6-3/4	2.3
3-3/4% note F-1964	Aug. 15, 1963	Nov. 15, 1964	-	9-3/4	6.4
4-7/8% note C-1964	Feb. 15, 1960	Nov. 15, 1964	-	9-3/4	4.2
2-5/8% bond 1965	June 15, 1958	Feb. 15, 1965	1	3/4	4.7
4-5/8% note A-1965	May 15, 1960	May 15, 1965	1	3-3/4	2.1

2. New securities to be issued (or additional amount of an outstanding issue):

Description of securities	Issue date	Amount outstanding (in billions)	Interest starts 1/	Interest payable
4% bond of Aug. 15, 1970	June 20, 1963	$1.9	Jan. 22, 1964	Feb. 15 & Aug. 15
4-1/4% bond of May 15, 1975-85	April 5, 1960	0.5	Jan. 22, 1964	May 15 & Nov. 15

1/ Interest on the securities surrendered stops on January 22, 1964.

3. Terms of the exchange:
Exchanges will be made on the basis of equal face amounts, with payments to or by the subscriber, and with adjustments of accrued interest to January 22, 1964, on the securities surrendered and on the additional issue of bonds (per $100 face amount) as indicated below:

Securities to be exchanged	Amounts to be paid to or by subscribers: Payable to subscriber on account of purchase price of securities to be issued 1/	On account of accrued interest to: Payable to subscriber on securities to be exchanged	On account of accrued interest to: Payable by subscriber on securities to be issued	Net amount: To be paid to subscriber	Net amount: To be collected from subscriber	Extension of maturity Yrs.-Mos.
		FOR THE 4% BONDS OF 1970				
3-3/4% note E-1964	$0.95	$1.630435	$2.357915	$0.222520	-	6 - 0
5% note B-1964	1.65	2.173913	2.357915	1.465998	-	6 - 0
3-3/4% note F-1964	0.95	0.700549	2.357915	-	$0.707366	5 - 9
4-7/8% note C-1964	1.85	0.910714	2.357915	0.402799	-	5 - 9
2-5/8% bond 1965	(0.25)	1.141304	2.357915	-	1.466611	5 - 6
4-5/8% note A-1965	1.80	0.864011	2.357915	0.306096	-	5 - 3
		FOR THE 4-1/4% BONDS OF 1975-85				
3-3/4% note E-1964	$0.05	$1.630435	$0.793956	$0.886479	-	20 - 9
5% note B-1964	0.75	2.173913	0.793956	2.129957	-	20 - 9
3-3/4% note F-1964	0.05	0.700549	0.793956	-	$0.043407	20 - 6
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4-5/8% note A-1965	0.90	0.864011	0.793956	0.970055	-	20 - 0

1/ Amounts payable by subscribers are included within parenthesis.
The following coupons should be attached to the securities in bearer form when they are surrendered:

Securities	Coupons to be attached
3-3/4% note E-1964, 5% note B-1964 and 2-5/8% bond 1965	Feb. 15, 1964, and subsequent
3-3/4% note F-1964, 4-7/8% note C-1964 and 4-5/8% note A-1965	May 15, 1964, and subsequent

4. Payment:

Payment for the new securities allotted and the net amount to be collected from subscribers, as shown in the table in the preceding paragraph, must be completed by January 29, 1964. Where the table shows a net amount payable to subscribers, the payment will be made by the Treasury, if bearer securities are surrendered following their acceptance, and if registered securities are surrendered following discharge of registration in accordance with the assignments on the securities. The new securities will be delivered January 29, 1964.

5. Limitation on amount of securities to be issued:

While it is not practicable to estimate the extent of investor acceptance, the Treasury is placing an outside limit of $4 billion, or thereabouts, on the aggregate amount of the 4 percent bonds of 1970, and $750 million, or thereabouts, on the aggregate amount of the 4-1/4 percent bonds of 1975-85 to be issued. In the event the limit on either issue is exceeded, subscriptions to the respective issue will be subject to allotment.

6. Books open for subscriptions for the new securities:

The books will be open for the receipt of subscriptions from Monday, January 13, through Friday, January 17, 1964. Subscriptions placed in the mail by midnight, January 17, addressed to any Federal Reserve Bank or Branch or the Office of the Treasurer of the United States, Washington, D. C. 20220, will be considered as timely. The use of registered mail is recommended for the security holders' protection in submitting securities to be exchanged.

If securities eligible for exchange are pledged with a State or Federal Government agency or authority and such securities cannot or will not be released by such authority to the pledgor in time for use in making payment for the securities offered in this exchange, the pledgor may, nevertheless, enter a subscription. Such subscriptions should be accompanied by a letter signed by an authorized official of the pledgor explaining the circumstances and, if the authority will not release the securities, a request and authorization for the Federal Reserve Bank, or Branch, or the Treasurer of the United States (according to where the subscription is directed) to deliver the new securities to the State or Federal authority in exchange for the old securities held by such authority.

7. 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. 20220. Banking institutions generally may submit subscriptions for account of customers, provided the names of the customers are set forth in such subscriptions. All subscribers requesting registered securities will be required to furnish appropriate identifying numbers as required on tax returns and other documents submitted to the Internal Revenue Service.

Subscriptions 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 from all others must be accompanied by deposit of eligible securities in an amount equal to 10% of the securities applied for.

8. Denominations and other characteristics of new securities:

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

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

(a) General-- The Secretary of the Treasury has declared pursuant to Section 1037(a) of the Internal Revenue Code that no gain or loss shall be recognized for Federal income tax purposes solely on account of the exchange of the securities; however, section 1031(b) of the Code requires recognition of any gain realized on the exchange to the extent that money (other than interest) is received by the security holder in connection with the exchange as indicated in (b).

(b) Where the securities to be issued are offered by the Treasury with a payment to the investor-- If the fair market value 1/ of the securities to be issued plus the amount paid to the investor (discount) exceeds the cost basis to the investor of the securities to be exchanged, such gain (but not to exceed the amount of the payment) must be recognized and accounted for as gain for the taxable year of exchange. He will carry the new securities on his books at the same amount as he is now carrying the old securities except that he will reduce the cost basis by the amount of the payment and increase it by the amount of the gain recognized. If the fair market value of the new securities plus the amount of the payment does not exceed the cost basis of the old securities, the basis in the new securities will be the cost basis in the old securities reduced by the amount of the payment.

(c) Where premium is paid by the subscriber-- If a premium is paid by the subscriber no gain or loss will be recognized; but his tax basis in the new securities will be his cost basis in the old securities increased by the amount of the premium.

(d) Gain to the extent not recognized under (b) (or loss), if any, upon the old securities surrendered in exchange will be taken into account upon the disposition or redemption of the new securities. (See appendix to paragraph 9 attached.)

1/ The mean of the bid and asked quotations on date subscriptions are submitted.

10. Federal estate tax option on the 4-1/4% bonds of 1975-85:

The 4-1/4% bonds of 1975-85 will be redeemable at par and accrued interest prior to maturity for the purpose of using the proceeds in payment of Federal estate taxes but only if they are owned by the decedent at the time of his death and thereupon constitute part of his estate.

11. Book value of new securities to banking institutions:

The Comptroller of the Currency, the 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 securities received in exchange on their books at any amount not greater than the amount at which the eligible securities surrendered by them are carried on their books plus the amount of premium, if any, paid on the new securities, or reduced by the amount of discount, if any, received by the subscriber and increased by the amount of gain, if any, which will be recognized as indicated in paragraph 9.

12. Computation of reinvestment rate for the extension of maturity:

A holder of the outstanding eligible securities has the option of accepting the Treasury's exchange offer or of holding them to maturity. Consequently, he can compare the interest plus (or minus) any payment, other than the adjustment of accrued interest, he will receive resulting from exchanging now with the total of the interest on the eligible issues and what he might obtain by reinvesting the proceeds of the eligible securities at maturity.

The income before tax for making the extension now through exchange will be the coupon rates plus (or minus) any payment on the new issues. If a holder of the eligible securities does not make the exchange he would receive the coupon rates on the eligible issues to their maturity and would have to reinvest at that time at a rate equal to that indicated in paragraph 13 below for the remaining terms of the issues now offered, in order to equal the return (including any payment) he would receive by accepting the exchange offer. For example, if the 3-3/4% notes of 11/15/64 are exchanged for the 4% bonds of 8/15/70, the investor receives 4% for the entire 6 years and six and three-fourth months plus $0.95 (per $100 face value) immediately. If the exchange if not made, a 3-3/4% rate will be received until November 15, 1964, requiring reinvestment of the proceeds of the 3-3/4's of November 1964 at that time at a rate of at least 4.24% for the remaining five years and nine months, all at compound interest, to average out to a 4% rate for six years and six and three-fourth months plus the $0.95 immediate payment. This minimum reinvestment rate for the extension period is shown in the table under paragraph 13. The minimum reinvestment rates for the other issues included in the exchange are also shown in the table under paragraph 13.

13. Payments on issue price and investment rates on the new bonds offered in exchange to holders of the eligible securities:

	3-3/4% Notes 8/15/64	5% Notes 8/15/64	3-3/4% Notes 11/15/64	4-7/8% Notes 11/15/64	2-5/8% Bonds 2/15/65	4-5/8% Notes 5/15/6
FOR THE NEW 4% BONDS OF AUGUST 15, 1970						
Payments on account of $100 issue price:						
To subscriber--------------	$0.95	$1.65	$0.95	$1.85	-	$1.80
By subscriber--------------	-	-	-	-	$0.25	-
Approximate investment yield from exchange date (1/22/64) to maturity of bonds offered in exchange based on price of securities eligible for exchange 1/------------------	4.16%	4.15%	4.16%	4.15%	4.15%	4.16
Approximate minimum reinvestment rate for the extension period 2/----------	4.21	4.21	4.24	4.24	4.25	4.23
FOR THE NEW 4-1/4% BONDS OF MAY 15, 1975-85						
Payments on account of $100 issue price:						
To subscriber--------------	$0.05	$0.75	$0.05	$0.95	-	$0.90
By subscriber--------------	-	-	-	-	$1.15	-
Approximate investment yield from exchange date (1/22/64) to first call date or to maturity of bonds offered in exchange based on price of securities eligible for exchange 1/-----------------	4.25%	4.25%	4.25%	4.25%	4.25%	4.25
Approximate minimum reinvestment rate for the extension period: 2/						
To first call date--------	4.29	4.29	4.30	4.31	4.32	4.31
To maturity---------------	4.27	4.27	4.28	4.28	4.29	4.28

1/ Yield to nontaxable holder or before tax. Based on mean of bid and asked prices (adjusted for payments on account of issue price) at noon on January 7, 1964.

2/ Rate for nontaxable holder or before tax. For explanation see paragraph 12 above.

APPENDIX TO PARAGRAPH NO. 9
NONRECOGNITION OF GAIN OR LOSS FOR FEDERAL INCOME TAX PURPOSES

Where a bond is offered by the Treasury with a payment (other than the accrued interest adjustment) to the investor.

Examples:

1. Assume that:

   (a) The fair market value of the security offered by the Treasury on the date the subscription is submitted is \$99.50 (per \$100 face value).

   (b) The payment to the subscriber (discount) on account of \$100 issue price is \$.80.

   (c) The amortised cost basis of the security surrendered on the books of the subscriber is \$100.50 (per \$100 face value). (It is assumed that the security surrendered was bought at a price above \$100.50 and that the original premium was reduced prorata over the period from purchase date to maturity.)

   The sum of the fair market value of the security offered by the Treasury and the payment to the subscriber is \$99.50 + \$.80 or \$100.30. This is less than the cost basis of the issue surrendered, therefore, no gain is recognized. The new issue will be entered on the books of the subscriber at a cost basis of \$99.70, the cost basis of the issue surrendered less \$.80. The gain or loss between this cost basis and the proceeds of a subsequent sale or redemption of the new issue will be a capital gain or loss to all investors, except those to whom the securities are stock in trade. Under present law, if the combined time that the security surrendered and the new security received in exchange were held exceeds 6 months, the capital gain or loss is long-term, otherwise it is short-term.

2. The assumptions are the same as in example 1 except that the payment (discount) to the subscriber is now \$1.20 (per \$100 face value) instead of \$.80 in example 1.

   The sum of the fair market value of the new security received in exchange by the subscriber plus the \$1.20 payment (discount) is \$100.70. This exceeds the cost basis of the security surrendered by \$.20. This excess is a recognized gain reportable for the year in which the exchange takes place. The gain is a capital gain except to those to whom the securities are stock in trade. Under present law, if the time the security surrendered was held exceeds 6 months, the capital gain is long-term, otherwise it is short-term.

   The subscriber will carry the new issue received in exchange at a cost basis equal to the basis of the issue surrendered (\$100.50), less the payment (\$1.20), plus the amount of the recognized gain (\$.20), or (\$100.50 - \$1.20 + \$.20) \$ 99.50.

3. The assumptions are the same as in example 1, except that the cost basis on the books of the subscriber, of the security surrendered is \$99.00 (per \$100 face value) instead of \$100.50 in example 1.

   The sum of the fair market value of the new issue received in exchange by the subscriber plus the \$.80 payment (discount) is \$100.30 (as in example 1). This exceeds the \$99.00 cost basis by more than \$.80. However, the amount of the gain reportable for the year of the exchange is \$.80, since the amount of gain recognized cannot exceed the amount of the payment. The nature of the recognized gain and its treatment is the same as in example 2.

   ~~In this case, the subs~~criber will enter the new security received in exchange on his books at \$99.00, the same cost basis as the security surrendered.

FOR RELEASE: UPON DELIVERY

STATEMENT OF THE HONORABLE JOHN C. BULLITT
ASSISTANT SECRETARY OF THE TREASURY
AND
U.S. EXECUTIVE DIRECTOR
INTERNATIONAL DEVELOPMENT ASSOCIATION
BEFORE THE HOUSE COMMITTEE ON BANKING AND CURRENCY
ON LEGISLATION AFFECTING
THE INTERNATIONAL DEVELOPMENT ASSOCIATION
JANUARY 8, 1964, 10:00 A.M. EST

Mr. Chairman and Members of the Committee:

It is a pleasure to appear before you today in connection with the participation of the United States in an important increase in the financial resources of the International Development Association (IDA). The legislation before you would authorize the United States to subscribe its proportionate share of this increase. The National Advisory Council on International Monetary and Financial Problems has considered and reported on this matter, and has strongly recommended early and favorable action by the Congress. Copies of its report are before you.

Today's request is for authority which would permit the United States to participate with sixteen other economically advanced members of IDA in an increase of $750 million in the Association's hard currency resources, to be paid in over a three-year period, beginning in fiscal 1966, at the rate of $250 million a year. In comparison with the annual payments initially subscribed to IDA, the present proposal means an increase of two-thirds in the amounts we and these other countries are providing for use by this effective, multilateral institution.

Action on this matter is required now, because the Association will very shortly exhaust its authority to make credit commitments against its existing subscribed resources. These present resources are still in the process of being paid in under a five-year schedule, with the final payment falling due in November, 1964. Thus, while IDA currently has funds with which to make disbursements on commitments already made, it needs prompt assurance of the future availability of new funds if it is to continue to make new commitments. Although authorization for our participation is required now in order to permit IDA to continue operations, no appropriation of funds would be required until fiscal year 1966.

As of January 3, 1964, eighty-four of the ninety members of IDA,representing 70.56% of total voting strength, had cast their votes in favor of the increase in resources. All of the advanced members of IDA who are to contribute to the increase have voted favorably, with the exception of Italy and the United States.

Structure and Operations of IDA

I would like to review briefly the nature of the International Development Association and its accomplishments to date. IDA came into existence in September, 1960, as an affiliate of the World Bank, and is located here in Washington. Any member country of the World Bank may join the Association, and as of December 31, 1963, 90 of the 101 members of the Bank were also members of the Association. IDA has no staff separate from its parent institution; instead, for reasons both of economy and coordination, the regular World Bank staff performs IDA's loan appraisal and other functions, and IDA reimburses the Bank for these services. Similarly, IDA's Board of Executive Directors, which oversees day-to-day operations, consists of the World Bank's Executive Directors serving *ex officio*. The senior policy body of IDA, the Board of Governors, consists of the IBRD Governors of IDA member countries, also serving *ex officio*.

IDA's membership is divided into two categories: the Part I countries are the economically advanced countries of the free world and supply the great bulk of the Association's hard currency resources, while the Part II countries are the developing nations, which are the recipients of IDA's credits. Member countries initially subscribed to IDA in approximate proportion to their subscriptions to the International Bank, and voting strength is based on the relative size of subscriptions. Part I countries are required to pay their entire initial subscriptions in convertible currencies, whereas Part II countries are required to pay 10% of their initial subscriptions in convertible currency and the remaining 90% in local currency which may not be used outside the member country without its permission. Total subscriptions as of December 31, 1963, were \$984.4 million, of which \$766.9 million was due in convertible currency and \$217.5 million in restricted local currency. Initial subscriptions were made payable in five annual installments, the fourth of which fell due on November 8, 1963. The subscription of the United States to IDA amounts to \$320.29 million, on which \$258.6 million has already been paid in.

IDA makes credits for the same general purposes as the World Bank, but its terms differ sharply from those carried by the World Bank's loans, which are now at 5-1/2% interest and for period up to about 25 years. All IDA credits are made for a term of 50 years, and bear no interest, but carry a service charge of 3/4% per annum. There is a 10-year grace period on repayment of principal; in the next ten years, 1% of principal is repaid annually; and in the final thirty years, 3% of principal is repaid annually.

Out of its total lendable resources in hard currency of just over $750 million, IDA had committed $577 million on 47 credits in 20 countries by December 31, 1963. Disbursements as of that date were approximately $130 million.

A major part of IDA's commitments has gone to projects in Asia and the Middle East. Latin America has been the next largest recipient, followed by Africa and Europe. The European activities of IDA have been confined exclusively to Turkey.

Need for Finance on IDA Terms

The external public debt of developing countries more than doubled between 1955 and 1961. However, this dramatic increase was not matched by a comparable increase in the foreign exchange earnings required to meet this heavier debt servicing burden. The developing countries are thus caught in a dilemma. On the one hand, they can incur further debt on conventional terms, which in most cases would be imprudent in the light of their over-all debt servicing capacity and would have adverse repercussions on the stability of the international monetary system. On the other hand, they can curtail sharply the inflow of external resources, which may slow down or even reverse the forward motion of their development, with dangerous political and social consequences.

IDA was established a little over three years ago as one way of mobilizing the resources of the economically advanced countries to alleviate this dangerous situation. Many of the developed countries recognize the seriousness of the problem of accumulation of short-term, high-interest debt by the developing countries. They are -- increasingly -- providing funds to finance development at a cost the developing countries can afford. One of the most effective ways we can get other countries to share in this effort is by this proposed increase in IDA resources, although IDA can only meet a portion of the demand for development funds on appropriate terms.

Details of the Proposal

In brief outline, the proposal recommended to the IDA Governors by the Executive Directors in their report of September 9, 1963 is for an increase of $750 million in the hard currency resources of the Association, such increase to be entirely paid in by seventeen Part I countries over a three-year period commencing in FY 1966. The Part II countries will have no part in this increase in capital. Compared with the initial subscriptions to the Association, which are being paid over a five-year period, the new resources represent a two-thirds increase in the annual volume of funds being made available.

Except in the case of Belgium and Luxembourg, the new resources take the form of additional contributions to IDA, without voting rights, rather than subscriptions which would carry voting rights. The U.S. already enjoys over a quarter of the total voting power, and this favorable position will not be significantly changed. Belgium and Luxembourg, which have not previously joined IDA, are now doing so, and half of their participation in the new resources will be considered as their initial subscriptions with voting rights and the other half will be on the same non-voting basis as the remaining participants.

The share of the United States in the new resources is $312 million, or 41.6% of the $750 million total. This represents a slight reduction from our 43% share in the initial subscriptions to the Association. There has been a significant increase in the shares pledged by Canada, France, Germany, Italy, Japan, and Sweden, while at the same time there were significant reductions in the shares of the United Kingdom and the Netherlands. These changes are a reflection of changed conditions in the countries concerned since the initial subscriptions were agreed upon and provide a sounder basis for the future. South Africa also reduced its share significantly. Kuwait, which was not initially a member of IDA, joined as a Part I country on September 13, 1962, but is not participating in the new contributions. The shares of the other Part I countries show only minor variations from their initial subscriptions. The attached table shows amounts and shares of each Part I country's initial subscription and their participation in the proposed new resources.

By the terms of the resolution, the Governors of IDA were originally required to vote by December 31, 1963 to authorize the Association to accept the resources to be provided by the Part I members, but this date has been extended by the Executive Directors to March 1, 1964. The understanding among the participating countries provides that no country's commitment will become effective unless twelve of the seventeen contributors, representing $600 million of the $750 million total, agree -- also by March 1, 1964 -- to make their contributions on the proposed terms. It is evident that the proposal cannot come into effect without affirmative action by the United States. IDA's need for an early assurance of additional funds argues for prompt action by the March 1 deadline, in order to avoid an interruption in the smooth flow of IDA's credit activities.

The Proposed Legislation

The bill before you would amend the International Development Association Act in order to provide for three things. First, it would authorize Secretary Dillon, as U.S. Governor of IDA, to vote in favor of an increase in the resources of the Association. Second, it would authorize him to agree, on behalf of the United States, to contribute $312 million to the Association as the U.S. share of the increase in resources, and would authorize the appropriation of that sum, without fiscal year limitation. Finally, it would eliminate existing language which limits the issuance of non-interest bearing notes to the amount of the initial subscription of the United States. This is necessary to permit the United States to substitute non-interest bearing notes for the new resources until IDA actually requires cash for disbursement, and thereby to minimize the cost to the Treasury of this contribution.

I wish to re-emphasize that the authority being requested today for IDA does not carry with it any requirement for an immediate appropriation, and will not impose any budgetary burden during the next fiscal year. No payment is required until fiscal 1966; assuming enactment of the authorizing legislation we are seeking, an appropriation request will be presented in January, 1965 as part of the 1966 Budget Message.

Advantage of IDA to the United States

No discussion of IDA can be complete if it omits reference to a fundamental fact: IDA, like no other multilateral institution, mobilizes substantial amounts of development funds from the other advanced countries for lending on terms that are fully adapted to the needs of the developing countries. For every dollar the United States has put up of the initial subscriptions, other Part I countries have put up $1.32. For every dollar the United States will put up in additional resources, other Part I participants will put up

$1.40. In both cases, the funds of others are contributed to IDA on exactly the same terms as the U.S. funds. For some of the smaller countries, IDA is the only mechanism through which they engage in any significant amount of foreign development lending, and therefore IDA is the only technique we have available for getting these countries to share the aid burden with us.

Action by Subcommittee

It is my understanding that the Subcommittee on International Finance, which held hearings on this legislation in December, has recommended it favorably to this Committee, and that in doing so, the Subcommittee also recommended the addition of a new section to H.R. 9022 which would urge U.S. representatives on the World Bank and IDA to follow certain lines of policy relating to these institutions. In brief these would be (a) to seek to reduce the U.S. share in any future replenishment of IDA, (b) to promote the transfer of an appropriate part of future net income of the World Bank to its affiliates for use in their lending operations, and (c) to encourage a further shift in the emphasis of IBRD financial operations, particularly borrowings, toward the capital markets of Western Europe.

We are glad to have these expressions of Congressional views, which coincide with the Administration's policy. This being the case, we would think that they could be confined to the Committee Report, rather than being included in the legislation. In the replenishment for which we are presently seeking authorization, we have reduced our share somewhat, and under present economic circumstances, we would want to reduce it somewhat further for any additional replenishment of IDA. As I noted in my testimony before the Subcommittee, significant progress has been made toward a transfer of some part of the World Bank's future net income to its affiliates, and I expect that a concrete proposal will be offered by the management before the end of this year. Finally, we have continued to urge the World Bank to develop its borrowing operations in Western European markets. Only one World Bank bond sale has been made in the United States since 1960, and the volume of portfolio sales to U.S. investors is now a fraction of such sales to non-U.S. investors.

Conclusion

Mr. Chairman, much of the impetus for the establishment of IDA originally came from the Congress itself and the Congress has reaffirmed its confidence in the institution through annual appropriations for our initial subscription. The United States has in the past assumed a position of leadership regarding IDA, and has done so again in playing the major role in obtaining the agreement of others to this substantial augmentation of the Association's resources. I therefore urge that you act favorably on this bill.

Thank you, Mr. Chairman.

PROPOSED PARTICIPATION IN INCREASE OF IDA RESOURCES

[In millions of U.S. dollars and percentages]

Country	Initial resources		Proposed amount of new resources		Percent share of initial resources	Percent share of new resources
	Total	Annual rate	Total	Annual rate		
Australia	20.18	4.04	19.80	6.60	2.72	2.64
Austria	5.04	1.01	5.04	1.68	0.67	.67
Belgium	--	--	16.50	5.50	--	2.20
Canada	37.83	7.57	41.70	13.90	5.09	5.56
Denmark	8.74	1.75	7.50	2.50	1.18	1.00
Finland	3.83	.766	2.298	.766	0.52	.31
France	52.96	10.59	61.872	20.624	7.13	8.25
Germany	52.96	10.59	72.60	24.20	7.13	9.68
Italy	18.16	3.63	30.00	10.00	2.45	4.00
Japan	33.59	6.72	41.25	13.75	4.52	5.50
Kuwait	3.36	.67	--	--	0.45	--
Luxembourg	--	--	.75	.25	--	.10
Netherlands	27.74	5.55	16.50	5.50	3.73	2.20
Norway	6.72	1.34	6.60	2.20	0.90	.88
South Africa	10.09	2.02	3.99	1.33	1.36	.53
Sweden	10.09	2.02	15.00	5.00	1.36	2.00
United Kingdom	131.14	26.23	96.00	32.20	17.66	12.88
United States	320.29	64.06	312.00	104.00	43.12	41.60
Total	742.72	148.56	750.00	250.00	100.00	100.00

Note: Detail may not add to totals due to rounding.

FOR RELEASE A. M. NEWSPAPERS,
Friday, January 10, 1964.

January 9, 1964

RESULTS OF TREASURY'S $2.5 BILLION 159-DAY TAX ANTICIPATION BILL OFFERING

The Treasury Department announced last evening that the tenders for $2,500,000,000, or thereabouts, of Tax Anticipation Series 159-day Treasury bills to be dated January 15, 1964, and to mature June 22, 1964, which were offered on January 2, were opened at the Federal Reserve Banks on January 9.

The details of this issue are as follows:

Total applied for - $2,779,619,000
Total accepted - 2,500,109,000 (includes $105,569,000 entered on a noncompetitive basis and accepted in full at the average price shown below)

Range of accepted competitive bids:

High	- 98.400	Equivalent rate of discount approx. 3.623% per annum
Low	- 98.370	" " " " " 3.691% " "
Average	- 98.388	" " " " " 3.650% " " 1/

(18% of the amount bid for at the low price was accepted)

Federal Reserve District	Total Applied For	Total Accepted
Boston	$ 18,565,000	$ 8,155,000
New York	2,184,731,000	1,928,731,000
Philadelphia	20,825,000	11,725,000
Cleveland	63,225,000	63,225,000
Richmond	4,778,000	4,778,000
Atlanta	25,281,000	25,281,000
Chicago	216,359,000	213,359,000
St. Louis	19,692,000	18,692,000
Minneapolis	14,988,000	14,988,000
Kansas City	12,057,000	12,057,000
Dallas	20,958,000	20,958,000
San Francisco	178,160,000	178,160,000
TOTAL	$2,779,619,000	$2,500,109,000

1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide a yield of 3.77%. 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.

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~~announced Wednesday~~

In response to numerous inquiries, announced Wednesday, the Treasury stated today that, in its ~~the~~ forthcoming advance refunding, it will not allot beyond the limits already announced for accepted subscriptions. The Treasury will not allot more than \$4 billion of the 4 percent bonds of August, 1970, nor more than \$3/4 billion of the $4\frac{1}{4}$ percent bonds of May, 1975-85.

TREASURY DEPARTMENT

WASHINGTON, D.C.

January 10, 1964

MEMORANDUM TO CORRESPONDENTS:

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oOo

Proof coin sets, are manufactured only at the Philadelphia Mint, and the operation is entirely separate from the manufacture of regular domestic coins. Their production has no effect on the Mint's output of regular coins, which this year will be in excess of 4 billion pieces. The making of proofs is a special operation, whereas regular coin production is on a mass basis. The tools and techniques of each are not interchangeable.

oOo

4

Proof coins are made from specially prepared ~~special prepared coin~~ blanks and dies, ~~and~~ have a mirror like finish and are produced ~~made~~ for numismatic purposes.

MINT STOPS ORDERS FOR 1964 PROOF COIN SETS

The Director of the Mint, Miss Eva Adams, announced today that the Mint has stopped accepting orders for 1964 proof coin sets.

An unprecedented number of orders for the proof coin sets has been received by the Philadelphia Mint and orders have already exceeded the limit of production for the year. As a result, many of the orders, cannot be filled, Miss Adams said.

The Philadelphia Mint will contunue to open and sort the large backlog of mail orders and return as promptly as possible all orders it cannot fill ~~as promptly as possible~~.

4 Proof coin sets produced by the Mint during the past ten years have been as follows:

1954	-	233,350	1959	-	1,149,291
1955	-	378,200	1960	-	1,691,602
1956	-	669,384	1961	-	3,028,244
1957	-	1,247,952	1962	-	3,218,019
1958	-	875,652	1963	-	3,075,645

D-1094

TREASURY DEPARTMENT

WASHINGTON, D.C.

January 10, 1964

FOR RELEASE SUNDAY NEWSPAPERS
JANUARY 12, 1964

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D-1094

TREASURY DEPARTMENT

WASHINGTON, D.C.

January 10, 1964

FOR IMMEDIATE RELEASE

TREASURY MARKET TRANSACTIONS IN DECEMBER

During December 1963, 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 $33,843,750.00.

oOo

D-1095

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WASHINGTON, D.C.

January 10, 1964

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D-1095

FOR RELEASE A.M. NEWSPAPERS,
Tuesday, January 14, 1964.

January 13, 1964

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 October 17, 1963, and the other series to be dated January 16, 1964, which were offered on January 8, were opened at the Federal Reserve Banks on January 13. Tenders were invited for $1,300,000,000, or thereabouts, of 91-day bills and for $800,000,000, 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 16, 1964		182-day Treasury bills maturing July 16, 1964	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.109	3.525%	98.154	3.651%
Low	99.100	3.560%	98.136	3.687%
Average	99.103	3.549% 1/	98.140	3.679% 1/

15% of the amount of 91-day bills bid for at the low price was accepted
20% 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	$ 94,996,000	$ 84,996,000	$ 13,374,000	$ 8,374,000
New York	1,562,659,000	691,167,000	1,315,798,000	534,798,000
Philadelphia	36,317,000	21,317,000	10,295,000	5,295,000
Cleveland	41,247,000	41,247,000	40,583,000	31,583,000
Richmond	16,417,000	16,417,000	4,862,000	4,862,000
Atlanta	46,610,000	40,423,000	14,618,000	[illegible]
Chicago	213,427,000	142,930,000	[illegible]	113,585,000
St. Louis	52,509,000	46,509,000	12,814,000	[illegible]
Minneapolis	24,728,000	21,028,000	[illegible]	[illegible]
Kansas City	47,426,000	46,041,000	17,128,000	[illegible]
Dallas	34,819,000	27,869,000	19,037,000	11,237,000
San Francisco	177,586,000	120,786,000	90,702,000	[illegible]
TOTALS	$2,348,741,000	$1,300,730,000 a/	$1,740,866,000	$800,168,000 b/

a/ Includes $326,550,000 noncompetitive tenders accepted at the average price of 99.103
b/ Includes $91,878,000 noncompetitive tenders accepted at the average price of 98.140
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.64%, for the 91-day bills, and 3.81%, 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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New York	1,562,659,000	691,167,000	:	1,315,798,000	534,798,000
Philadelphia	36,317,000	21,317,000	:	10,295,000	5,295,000
Cleveland	41,247,000	41,247,000	:	40,583,000	31,583,000
Richmond	16,417,000	16,417,000	:	4,862,000	4,862,000
Atlanta	46,610,000	40,423,000	:	14,618,000	13,618,000
Chicago	213,427,000	142,930,000	:	192,385,000	113,585,000
St. Louis	52,509,000	46,509,000	:	12,818,000	10,818,000
Minneapolis	24,728,000	21,028,000	:	9,268,000	7,268,000
Kansas City	47,426,000	46,041,000	:	17,128,000	14,928,000
Dallas	34,819,000	27,869,000	:	19,037,000	13,237,000
San Francisco	177,586,000	120,786,000	:	90,702,000	41,802,000
TOTALS	$2,348,741,000	$1,300,730,000 a/		$1,740,868,000	$800,168,000 b

a/ Includes $326,550,000 noncompetitive tenders accepted at the average price of 99.103
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D-1096

STATUTORY DEBT LIMITATION

As of December 31, 1963 Washington, Jan. 14, 1964

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 November 26, 1963 (P.L. 88-187 88th Congress) provides that during the period beginning on December 1, 1963, and ending on June 30, 1964, the above limitation shall be temporarily increased to $309,000,000,000. Because of variations in the timing of revenue receipts, the public debt limit as increased by the preceding sentence is further increased through June 29, 1964, by $6,000,000,000.

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			$315,000,000,000
Outstanding obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing:			
Treasury bills	$51,539,049,000		
Certificates of indebtedness	10,939,435,000		
Treasury notes	58,679,816,000	$121,158,300,000	
Bonds —			
Treasury	86,413,160,150		
*Savings (Current redemption value)	48,827,039,502		
United States Retirement Plan bonds	1,288,302		
Depositary	97,748,000		
R. E. A. series	25,233,000		
Investment series	3,684,860,000	139,049,328,954	
Certificates of Indebtedness —			
Foreign series	419,000,000		
Foreign Currency series	30,120,482		
Treasury notes —			
Foreign series	163,118,258		
Treasury bonds —			
Foreign Currency series	730,183,292	1,342,422,032	
Treasury certificates	5,012,569	5,012,569	
Special Funds —			
Certificates of indebtedness	6,746,850,083		
Treasury notes	2,375,051,000		
Treasury bonds	34,536,451,000	43,658,352,083	
Total interest-bearing		305,213,415,638	
Matured, interest-ceased		346,382,369	
Bearing no interest:			
United States Savings Stamps	53,121,523		
Excess profits tax refund bonds	690,898		
Internat'l Monetary Fund notes	3,036,000,000		
Internat'l Develop. Ass'n. notes	164,261,000		
Inter-American Develop. Bank notes	125,000,000		
United Nations Children's Fund bonds	6,000,000		
United Nations Special Fund bonds	37,189,267	3,422,262,688	
Total		308,982,060,695	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A. & DC Stad. Bds.	741,272,050		
Matured, interest-ceased	524,675	741,796,725	
Grand total outstanding			309,723,857,420
Balance face amount of obligations issuable under above authority			5,276,142,580

RECONCILEMENT WITH TABLE III OF THE DAILY STATEMENT OF THE UNITED STATES TREASURY

As of December 31, 1963

Gross public debt this date	309,346,845,059
Guaranteed obligations not owned by Treasury	741,796,725
Total gross public debt and guaranteed obligations	310,088,641,784
Deduct debt not subject to statutory limitation	364,784,364
Total debt subject to limitation	309,723,857,420

D-1097

STATUTORY DEBT LIMITATION

As of December 31, 1963 Washington, Jan. 14, 1964

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 November 26, 1963 (P.L. 88-187 88th Congress) provides that during the period beginning on December 1, 1963, and ending on June 30, 1964, the above limitation shall be temporarily increased to $309,000,000,000. Because of variations in the timing of revenue receipts, the public debt limit as increased by the preceding sentence is further increased through June 29, 1964, by $6,000,000,000.

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			$315,000,000,000
Outstanding obligations issued under Second Liberty Bond Act, as amended			
Interest-bearing:			
Treasury bills	$51,539,049,000		
Certificates of indebtedness	10,939,435,000		
Treasury notes	58,679,816,000	$121,158,300,000	
Bonds —			
Treasury	86,413,160,150		
*Savings (Current redemption value)	48,827,039,502		
United States Retirement Plan bonds	1,288,302		
Depositary	97,748,000		
R. E. A. series	25,233,000		
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D-1097

TREASURY DEPARTMENT

WASHINGTON, D.C.

January 14, 1964

FOR IMMEDIATE RELEASE

TREASURY DECISION ON CAST IRON SOIL PIPE
UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that cast iron soil pipe from Australia 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 1962 was approximately $100,000.

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The country urgently wants the tax bill -- expects the tax bill -- and needs the tax bill. The need is clear, the need is great, the need is <u>now</u>.

o o 0 o o

and active support for prompt passage by the Senate of H.R. 8363, substantially in the form approved by the House, with its effective date retroactive to January 1, 1964."

May I dare to express the hope that your organization will join in this sentiment?

With every month of delay, we deny the American businessman the heightened incentives in the tax bill for new and greater investment in plant and equipment. With every month of delay, we restrain the execution of business and personal expenditure plans that only the certainty of an $11.2 billion tax cut can provide. With every month of delay, we hold back the full confidence in the economic outlook, both long term and short range, that the passage of the tax bill will inspire. With every month of delay, we deprive ourselves of added economic impetus for greater growth in 1964 and greater assurance against any loss of momentum.

"The only major opposition to the pending tax bill has come from those who feared that a reduction in tax rates might lead to mounting Federal deficits. It seems to us that in light of your demonstrated determination to make a successful attack against unnecessary spending and to cut the Federal deficit, it would be most difficult to oppose enactment of H.R. 8363 on grounds of fiscal irresponsibility. On the contrary, prudent economics now demands more than ever the immediate enactment of this legislation as a necessary stimulant to the private sector of the economy.

"Mr. President, the Executive Committee of The Business Committee for Tax Reduction and its more than 2,800 members pledge to you their full

It is no wonder that organizations which feel that the national need for general tax reduction is immediate and pressing, but that action should be taken only if at the same time additional expenditure control steps accompany it, are encouraged to re-examine their reservations. The American Bankers Association is such an organization. Dr. Charls Walker, its Executive Vice President, in speaking of President Johnson's 1965 Budget announcement, had this to say:

> ". . . he has done much to remove the major stumbling block in the way of the income tax cut. Prospects for early enactment of the pending bill are much improved."

The President's decisive action also moved Mr. Stuart Saunders, Co-chairman of the Business Committee for Tax Reduction, to say to the President last week:

annually. In the last three years the average increase has been $5.7 billion annually. . . . If increases were to continue at the rate established in the past 3 years, our administrative budget for fiscal year 1965 would amount to $104.5 billion."

Now, the tax cut will be accompanied by a budget which calls for expenditures in fiscal 1965 -- not of $104.5 billion -- or of $101.9 billion -- or of $99.9 billion -- or even $98.9 billion -- but of $97.9 billion, almost $1 billion below the budget presented to Congress a year ago this month and a half billion less than projected expenditures for fiscal 1964. That is expenditure control in action; that is full performance running over of the earlier pledges that a substantial part of tax revenue increases from expansion will be used to reduce the budgetary deficit until balance is reached.

quickest way of bringing the nation to balanced budgets and surpluses in a manner consistent with our national needs and responsibilities.

It is no longer necessary to review in detail the specific pledges and steps toward their execution. For President Johnson, in submitting a budget for fiscal 1965, is giving concrete reality to the pledges that have heretofore been made. We who accepted and relied on pledges of fiscal responsibility can now be joined by those who wanted to see the deeds as well as the words.

The sharp break with the past pattern of substantial projected expenditure increases can be measured in an excerpt from the recent statement of your own President, Mr. Charles Stewart, that:

> ". . . in 11 years federal administrative budget expenditures have increased by some 46 percent or an average of $2.8 billion

with effective control of the increase in government expenditures.

On our part, from early last year, we have repeatedly espoused this economic program as having two elements: first, a substantial reduction in income taxes and rates, and, second, as the tax cut becomes fully effective and the economy expands in response, the allocation of a substantial part of the resulting revenue increases toward eliminating a transitional budget deficit.

We did so because the late President Kennedy had specifically and consistently coupled his tax proposals last year with a commitment to expenditure control in his messages on the State of the Union, the Budget, and Taxes.

Moreover, both he and the House of Representatives recognized and accepted the responsibility of accompanying tax reduction with expenditure control as the surest and

There is yet one more factor that bears importantly on the consensus and the propriety of President Johnson's request that the Congress take prompt action. That is his statement in the State of the Union Message last week that both the expenditure level in the administrative budget for fiscal 1965 and the request for new obligational authority would be below the levels requested last year.

Some fine people have been unwilling to support a tax reduction from which they might personally benefit unless persuaded that it is not at the cost of weakening the fabric of our national fiscal and financial position. The basis of concern was the enactment of tax reduction at a time when there is a sizeable budget deficit, following on years of deficits.

Both your organization and the Treasury Department during the past year have been in the forefront of those who felt and voiced the necessity of coupling the proposed tax cut being debated another $1 million is drawn from the American economy into the Treasury tax and loan accounts.

To be sure, the money so lost will be returned to the spending stream in the form of tax refunds a year from now <u>if</u> the bill is eventually passed. But, not many businessmen are likely to make investment decisions today on the basis of an expected upswing in purchasing power a year from now that comes from a tax bill that they think <u>might</u> be passed months from now.

the present 18 percent to 14 percent. Under the bill as now drawn, the withholding rate would go to 15 percent when the bill is passed and to 14 percent next year. But because, among other things, of the loss of economic stimulus which has already resulted from delay in the bill, the President judged it necessary to broaden the economic impact of the bill.

That means that regardless of whether the bill is made retroactive to January 1st, regardless of the reduction in tax liabilities for the entire year, every month that the withholding rate stays at its present 18 percent instead of the proposed 14 percent deprives the economy of the additional $800 million of purchasing power. That is what delay is drawing from the economy each month -- $800 million a month, $25 million a day. That means that each hour this bill is

In fact, if all figures are converted to a full employment basis for purposes of comparison, it becomes evident that not only is the 1964 stimulus to the economy from the Federal budget (based mainly on the tax program) three times as great as in any of the last three years, it is in fact more than $3 billion greater than in any other peacetime year -- if the tax program is enacted soon.

That is another reason why delay in final passage is so important. There are those who excuse delay or overlook its importance because they assume that the bill, when passed, will be retroactive to January 1 of this year. They overlook the fact that much of the hard, tangible benefit of the tax cut cannot really begin to be felt until it becomes law.

Only when the bill is signed can the withholding rate on all wages and salaries be reduced.

President Johnson has recommended that the bill be changed to reduce the withholding rate immediately upon passage from

As Mr. Edwin Dale, the distinguished economic correspondent of the New York Times, put it last Friday:

> "Despite the severe spending squeeze, the new budget is still highly stimulative in its economic impact, in the view of many private analysts as well as Administration economists."

This stimulus, as the article points out, comes mainly from the proposed tax cut. This is a rather significant aspect of the combination in this year's economic policy of strong emphasis on economy together with reduction in taxes. This budget will cut the deficit in half -- from this year's $10 billion to just under $5 billion for 1965. Yet, despite this strong holddown in government spending, the net fiscal stimulus to the economy in 1964 from the Federal government, the stimulus to jobs and income, to production and to profits, will be greater than in any other peacetime year in the history of the United States.

point and I would like to read from that portion of his speech:

> ". . . as things stand now the prospect of tax reduction has been so thoroughly built into expectations and planning and to some extent also into the financial commitments of individuals and businesses that it would be seriously deflationary to call it off."

I would add that it is an equally serious restraint on the economy to put it off.

There is general agreement among almost all economists and business and financial leaders on that point. The reason is not hard to find -- and it is not only psychological or intangible. It is hard cash -- six to eight hundred million dollars worth of it that is being withheld from taxpayers and put into the Treasury each month the tax bill is not enacted.

"Until the bill is signed its investment incentives cannot be deemed certain and the withholding rate cannot be reduced and the most damaging and devastating thing you can do to any businessman in America is to keep him in doubt and to keep him guessing on what our tax policy is."

There is broad agreement on the damage and the threat inherent in further delay, in further haggling, in further fussing and fuming. A recent speech by Dr. Raymond J. Saulnier, former Chairman of President Eisenhower's Council of Economic Advisers, put the situation in realistic terms. As Dr. Saulnier points out, he has serious reservations about a number of aspects of the Administration's economic policy. In a speech last October he went on to describe those doubts in detail. Then he made what I consider a very important

The tax program has become the leading psychological factor in the world of business and finance. It is viewed as the touchstone for sustained expansion and the element of promise for the long term future. Business expansion and consumer buying in a large measure reflect confidence in the future. Expectations of the enactment of the tax program have become a built-in factor in the aspirations of the business and financial world and a basis for hopes for continued good times by the consumer. To frustrate those expectations by delay and doubts as to the future passage of the bill entails serious economic risks that flow from diminished confidence and uncertainty.

As businessmen, many of you will agree wholeheartedly with President Johnson's comment in his State of the Union Message that, and again I quote:

This brings me to another equally current aspect of the consensus that backs up a prompt enactment of the tax bill -- the general agreement that failure or delay to pass it will retard the expansion of the economy.

The year-end predictions of the economists, business and academic, the commentaries of the trained observers, the statements of leading businessmen -- in formal forecasts, in annual reports, in news articles, in market analyses -- are all in general agreement on one point -- the outlook for the economy would be drastically different without a tax cut than it would be with one. Forecasts of gross national product in 1964, however optimistic, invariably give two figures -- a higher one assuming an early passage of the tax bill. Even more telling, for investment purposes, the outlook for the last six months of 1964 and 1965 is said, by many, to depend upon the early enactment of the tax bill.

In 1964 alone corporate taxes will be reduced by $1-1/2 billion. In 1965 corporate taxes will be reduced by $2-1/3 billion.

That means that the total effect of the investment tax credit, depreciation reform and corporate rate reduction would be to reduce business taxes by about $5 billion a year plus the individual rate reductions going to unincorporated businessmen. In other words, direct business incentives will have received about 40 percent of the total tax reduction provided for under these three tax programs.

It has been estimated that the total effect of this program will be to increase the profitability of new investment in a ten-year asset, for example, by more than 35 percent. I think you will agree that this is indeed a significant stimulus to new investment and one which should be brought into full play without delay.

balanced budget without skimping on our national needs.

It should not be surprising that increasing investment has been a major part of the problem to which tax and economic policy has been directed for the past several years. That is why top priority was given to the investment credit and to depreciation liberalization. That is why corporate rate reduction is a major part of the bill now before the Senate Finance Committee and why the Treasury welcomes the improvement in the investment credit that will come with the provision eliminating the requirement that assets which qualify for the credit must be placed on the books for depreciation at only 93 percent of their actual cost. For this bill is a complementary part of a program designed to maximize the opportunities of our free-market economy. By increasing the rate of profit after taxes this bill will help to make the most of the investment incentives which have been so important in developing the competitive vitality of American industry.

As the noted commentator on economic affairs, Harold Dorsey, recently noted: "Increasing efficiency in production and distribution is the very heart of standard of living growth."

Unless we get a substantial increase in investment, our economy will not develop the dynamic expansionary momentum we need to keep domestic investment funds at home and attract foreign investment in greater quantity from abroad.

Unless we get a substantial increase in investment, we aren't going to step up productive efficiency to the point where we can make significant gains in meeting and overcoming the increasing challenge from foreign producers in competitive markets around the world.

Unless we get an increase in investment, we aren't going to step up the expansion of our economy enough, we aren't going to increase its rate of growth enough, and we won't move fast enough toward the time when we can plan and accomplish a of new investment is the most effective way to make more attractive the investment decisions which are not being taken today. It is the most effective way to make today's marginal project the acceptable venture of tomorrow. It is the most effective way to maximize the benefits of the tremendous technological, educational, and human resources of the United States. As new techniques and new products are developed and as new markets are opened up, new demand will be created, new investment will be fostered, and new jobs will be available that would never have been available otherwise.

In short, unless we get a substantial increase in investment, we aren't going to create the jobs we need to reduce unemployment, the jobs we need to keep in phase with automation or the jobs we need to provide productive work for the huge number of young people who will shortly enter the Labor Force.

And it is important that we do not sacrifice increasing efficiency to our failure to meet the unemployment problem.

investment capital, of sales, or of the corporate portion of Gross National Product." They presented to the Committee a comparison of the figures since 1957 on the three major forces in economic growth -- government expenditures, consumer demand and private investment -- to indicate that the investment lag was playing a major role in the failure of the economy to move closer to full employment.

These figures indicated that from 1957 to 1962, in real terms, Federal purchases of goods and services rose more than 13 percent, total national output went up more than 16 percent, consumer expenditures went up more than 17 percent, state and local government purchases went up 28 percent, but plant and equipment spending declined by more than one percent.

One of the most important aspects of creating a sustained economic expansion is the need to utilize the fruits of new technology in the form of new products or the adaptation of existing products to new markets. Increasing the profitability

That is why we included as the most important part of the Revenue Act of 1962 a provision setting up a seven percent tax credit for new investment. That is why we hastened to complete in that same year a thorough revision of depreciation guidelines and procedures. These two measures together reduced tax revenues from business by $2-1/2 billion a year increasing profitability and cash flow and reducing the period of risk. Together they provided a powerful stimulus to increased investment. But clearly they were not enough. The economy of the United States still is not moving rapidly enough toward full employment, and inadequate investment is a major reason behind our lagging growth and stubborn unemployment.

Not long ago Henry Ford II and Stuart T. Saunders, Co-chairmen of the Business Committee for Tax Reduction, told the Senate Finance Committee and I quote, "corporate profits after taxes have come down, whether measured as a percent of customers and more profits and incentives with the producers and suppliers.

That is why it includes a reduction in individual tax rates that will leave $8.9 billion with the customers who will spend about $8 billion of that amount on additional consumption. These expenditures will set in motion the familiar economic process in which money circulates and ultimately increases consumer spending by several times the amount of the initial tax cut. That strong and sustained rise in consumer demand -- and thus in markets and profits for industry -- will complement the direct incentives to investment.

But those additional and direct incentives -- increasing the rate of return after taxes and reducing the period of risk -- must be there if savings and self-generated cash are to be put to work in expanding old businesses and creating new ones.

In 1956 and 1957, eleven out of every one hundred dollars of total national output was devoted to fixed business investment. Since that time the figure has fallen to about nine dollars. Since 1957 the rate of increase in our stock in business plant and equipment has risen by less than two percent a year. During the first postwar decade, it was twice that rate. It should surprise no one that the proportion of our machinery and equipment over ten years old has risen alarmingly.

What are the answers? There are many. But they should not include a withdrawal from our responsibilities for sharing in Free World security and development because our economic prospects no longer attract investment from capital sources at home and abroad or our competitive efficiency no longer enables us to achieve equilibrium in our balance of international payments.

The tax bill would help, immediately and directly, to meet these problems by leaving more spending money with the technological advance, to reduce unemployment from the six percent it has averaged for over five years.

The tax cut is the first order of business in meeting the unemployment problem. Other complementary measures addressed to structural faults are highly desirable. But it is urgently necessary to try to attack unemployment through a more rapidly expanding, job creating, private economy. Otherwise we will reap the harvest of massive government spending, spread-the-work schemes and a resistance to increased productivity that spells slower growth and lesser competitive efficiency.

Idle and obsolete capacity is still holding back the flood-tide of investment in modernization and expansion the nation has so long needed. Well over ten percent of our overall industrial capacity continues idle despite improving rates of utilization early in the expansion.

before and after taxes and countless other indices caused the national desire for the tax bill to abate one whit. Indeed, one of the interesting aspects of the consensus is that comparative prosperity has not caused it to fall apart.

Why?

Simply because the problems to which it is addressed are still very much with us. There is a realization that, unless they are solved through a healthy, dynamic, private economy, other solutions destructive of our national strength will be forged. Consider a few examples.

Unemployment looms as an increasing threat. True, our economy is producing more than a million new jobs a year. But it isn't enough. We need five million additional jobs in the next few years to meet the rapidly expanding youth force that is pouring into the labor market in increasing numbers, to provide opportunities for those idled by

These leaders supporting the tax bill, speaking for economic America, seek its enactment now because, out of their experience, they believe the resulting tax structure will bring more jobs, wages, salaries, profits, consumption and investment, with eventually greater Federal revenues than would be true of the existing system.

They believe this time of unused manpower, inadequate demand and relative price stability is the ideal time to reduce the constraints which war-time rate schedules imposed to hold back excessive demand and inflation. These rates, under a highly different situation, now constitute a drag on our private economy which ever tightens as a rising standard of living puts increasing millions in ever higher brackets. Their reduction now would release inherent expansionary forces in our great private market economy.

Nor has the euphoria of a record breaking 1963 in gross national product, industrial production, employment, profits

And yet, although progressive and forward-looking in its purpose, this consensus is traditional in its choice of method. It represents a natural national preference for expansion through our free market economy, rather than through a massive increase in government expenditures. The tax bill and the rationale supporting it would stimulate the economy at the outset by placing increased purchasing power in the hands of private consumers, by offering more incentives to increased earnings and investment, and by encouraging the fullest exercise of private initiative. This expansion of demand and harnessing of incentives through a program of tax reduction and revision would be coupled with demonstrable prudence and frugality in Federal expenditures.

For the long pull, this program would begin to lift from our private enterprise economy the repressive weight of high tax rates on people and business at all levels of income, placed there over the last 30 years in emergency and war-time and allowed to become fixed.

This support from diverse sectors and points of view is all the more remarkable when one considers that the tax bill is the most significant piece of economic legislation in the last 15 years. Indeed, it is difficult to recall an instance in the nation's peace-time history when its economic brains and leadership from all sectors of the private community have been in such accord on a key economic policy as that which supports the prompt enactment of the proposed Revenue Act of 1964.

Past failures to do anything about the general complaint concerning the repressive weight of taxes on the national economy have been explained by the statement that: "The existing tax system persists, not because we are agreed in support of it, but because we are unable to agree on how to change it."

Finally, this log-jam on national tax policy has been broken. A meaningful national consensus has developed on an area of significant change. A clear opportunity exists to take a step forward. The time is <u>now</u>.

National Coal Association (see "Coal News" of September 13);

American Retail Federation (R.998);

American Textile Manufacturers Institute (R.958);

Electronics Industries Association (R.2672);

Investment Bankers Association of America (R.2509);

Financial Executives Institute (R.1915);

National Farmers Union (R.796);

Americans for Democratic Action (R.793);

Council of State Chambers of Commerce (R.935);

Associated Industries of Alabama (R.1321);

Chicago Association of Commerce and Industry (R.1016);

Illinois State Chamber of Commerce (R.1437);

American Federation of Musicians, AFL-CIO (R.2526);

Government Employees Council, AFL-CIO (R.2543), and

International Union of Electrical, Radio and Machine Workers (R. 2627).

National Association of Small Business Investment Companies (R.1551);

National Association of Home Builders (R.1983);

National Association of Real Estate Boards (R.2283);

National League of Insured Savings Associations (see letter of September 20 reporting on national poll of membership);

American Life Convention, Life Insurance Conference, and Life Insurance Association of America (R.951);

National Association of Retail Grocers (see telegram of September 23);

U. S. Wholesale Grocers Association, Inc. (see telegram of September 23);

Associated Retail Bakers of America (R.2571 and wire of September 24);

National Food Brokers Association (wire of September 24);

National Machine Tool Builders Association (see press release of September 19);

enactment of the tax bill.

-- A group of over 400 leading academic economists at 43 major colleges and universities who presented their support of the tax measure in a joint statement to the Senate Finance Committee.

-- Both of the leading permanent, private organizations speaking for business and labor, the U. S. Chamber of Commerce speaking for business, and the AFL-CIO speaking for labor, so often on opposite sides, support the enactment of the tax bill.

Many other organizations prominent in the economy have supported the enactment of the bill in communications to the Congress and press and in appearances before the Senate Finance Committee, as noted below:

The National Small Business Association (telegram of September 23);

National Federation of Independent Business (R.1767);

These statements of basic support for the bill despite individual differences came from such varied groups as:

-- The Business Committee for Tax Reduction, a temporary, nonpartisan body organized in April of last year, which has brought together over 2,800 of the nation's leading businessmen and bankers in a truly remarkable individual expression of their belief that the Congress should enact during the present session net reductions of corporate and individual taxes totaling at least $10 billion.

-- The Citizens Committee for Tax Reduction and Revision in 1963, which has brought together in a consensus 45 nationally recognized leaders of labor, small business, agriculture, housing, education and welfare groups, who have reached common agreement on the need for the prompt substantial top-to-bottom cuts, staged in two years, in both corporate and individual tax rates which, when the bill is fully effective, would leave in the private economy upwards of $11 billion more each year than under existing rates.

During the House passage of the tax bill there were an impressive number of endorsements of the bill and its general principles by a broad cross-section of organizations representing those who are actively engaged in the practical day to day workings of the American economy. Equally impressive has been the consistent pattern of testimony before the Senate Finance Committee of those witnesses who spoke in a representative voice for many of the important organizations that make up our private economy. Although these representatives had changes to suggest, when questioned they made it clear that if their recommendations were not followed, they would support the bill as it passed the House.

legislative deliberations have been carefully observed.

But, beyond that, the very emergence of the national consensus on the tax bill is itself persuasive that the President's timing proposal is right. For it reflects the people's will and we do live in a representative democracy.

There is clear and overwhelming support among the people at large for this proposal. It is strongly supported by business leaders of the country, the leaders of labor, and financial and economic specialists in all walks of life. There is no regional minority. People in the North, South, West and East are for the early adoption by the Congress of a tax measure generally similar to that which passed the House in September. This solid national conviction has been shared by two Presidents, the House of Representatives and over forty State Governors; namely, that the national interest will be served by the early enactment of a tax bill -- a measure that includes

President Johnson in his State of the Union Message gave his answer to the question of the timing of the tax cut by saying: "I therefore urge the Congress to take final action on this bill by the first of February."

Tonight I propose to examine some aspects of the current situation which support the President's timing proposal.

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TREASURY DEPARTMENT
Washington

FOR RELEASE: A.M. NEWSPAPERS
WEDNESDAY, JANUARY 15, 1964

REMARKS OF THE HONORABLE HENRY H. FOWLER,
UNDER SECRETARY OF THE TREASURY, BEFORE
THE MACHINERY AND ALLIED PRODUCTS INSTITUTE,
THE STATLER HILTON HOTEL, TUESDAY,
JANUARY 14, 1964, 7:30 P.M., EST

THE TIMING OF THE TAX CUT

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Today, that is no longer necessary. During the past year an expanding consensus among all groups of our society has created support for the proposed tax program to such a degree that there is very little organized opposition to it remaining. To be sure there are still differences in details, but the real question is now no longer why or how we should have a tax cut but simply when.

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But, beyond that, the very emergence of the national consensus on the tax bill is itself persuasive that the President's timing proposal is right. For it reflects the people's will and we do live in a representative democracy.

There is clear and overwhelming support among the people at large for this proposal. It is strongly supported by business leaders of the country, the leaders of labor, and financial and economic specialists in all walks of life. There is no regional minority. People in the North, South, West and East are for the early adoption by the Congress of a tax measure generally similar to that which passed the House in September. This solid national conviction has been shared by two Presidents, the House of Representatives and over forty State Governors; namely, that the national interest will be served by the early enactment of a tax bill -- a measure that includes substantial top-to-bottom cuts, staged in two years, in both corporate and individual tax rates which, when the bill is fully effective, would leave in the private economy upwards of $11 billion more each year than under existing rates.

During the House passage of the tax bill there were an impressive number of endorsements of the bill and its general principles by a broad cross-section of organizations representing those who are actively engaged in the practical day to day workings of the American economy. Equally impressive has been the consistent pattern of testimony before the Senate Finance Committee of those witnesses who spoke in a representative voice for many of the important organizations that make up our private economy. Although these representatives had changes to suggest, when questioned they made it clear that if their recommendations were not followed, they would support the bill as it passed the House.

These statements of basic support for the bill despite individual differences came from such varied groups as:

-- The Business Committee for Tax Reduction, a temporary, nonpartisan body organized in April of last year, which has brought together over 2,800 of the nation's leading businessmen and bankers in a truly remarkable individual expression of their belief that the Congress should enact during the present session net reductions of corporate and individual taxes totaling at least $10 billion.

-- The Citizens Committee for Tax Reduction and Revision in 1963, which has brought together in a consensus 45 nationally recognized leaders of labor, small business, agriculture, housing, education and welfare groups, who have reached common agreement on the need for the prompt enactment of the tax bill.

-- A group of over 400 leading academic economists at 43 major colleges and universities who presented their support of the tax measure in a joint statement to the Senate Finance Committee.

-- Both of the leading permanent, private organizations speaking for business and labor, the U. S. Chamber of Commerce speaking for business, and the AFL-CIO speaking for labor, so often on opposite sides, support the enactment of the tax bill.

Many other organizations prominent in the economy have supported the enactment of the bill in communications to the Congress and press and in appearances before the Senate Finance Committee, as noted below:

The National Small Business Association (telegram of September 23);

National Federation of Independent Business (R.1767);

National Association of Small Business Investment Companies (R.1551);

National Association of Home Builders (R.1983);

National Association of Real Estate Boards (R.2283);

National League of Insured Savings Associations (see letter of September 20 reporting on national poll of membership);

American Life Convention, Life Insurance Conference, and Life Insurance Association of America (R.951);

National Association of Retail Grocers (see telegram of September 23);

U. S. Wholesale Grocers Association, Inc. (see telegram of September 23);

Associated Retail Bakers of America (R.2571) and wire of September 24);

National Food Brokers Association (wire of September 24);

National Machine Tool Builders Association (see press release of September 19);

National Coal Association (see "Coal News" of September 13);

American Retail Federation (R.998);

American Textile Manufacturers Institute (R.958);

Electronics Industries Association (R.2672);

Investment Bankers Association of America (R.2509);

Financial Executives Institute (R.1915);

National Farmers Union (R.796);

Americans for Democratic Action (R.793);

Council of State Chambers of Commerce (R.935);

Associated Industries of Alabama (R.1321);

Chicago Association of Commerce and Industry (R.1016);

Illinois State Chamber of Commerce (R.1437);

American Federation of Musicians, AFL-CIO (R.2526);

Government Employees Council, AFL-CIO (R.2543), and

International Union of Electrical, Radio and Machine Workers (R.2627).

This support from diverse sectors and points of view is all the more remarkable when one considers that the tax bill is the most significant piece of economic legislation in the last 15 years. Indeed, it is difficult to recall an instance in the nation's peace-time history when its economic brains and leadership from all sectors of the private community have been in such accord on a key economic policy as that which supports the prompt enactment of the proposed Revenue Act of 1964.

Past failures to do anything about the general complaint concerning the repressive weight of taxes on the national economy have been explained by the statement that: "The existing tax system persists, not because we are agreed in support of it, but because we are unable to agree on how to change it."

Finally, this log-jam on national tax policy has been broken. A meaningful national consensus has developed on an area of significant change. A clear opportunity exists to take a step forward. The time is <u>now</u>.

Apart from the very existence of this consensus, the nature of its rationale also supports decisive action now. For it is not action taken on the spur of the moment to take care of a passing or temporary situation. This is no "quickie" tax cut. It is action responsive to a long-felt need, long overdue -- a structural change of a considered and permanent nature. Nor has this tax program been advanced on the traditional argument supporting tax reduction, namely, that every taxpayer is entitled to retain from the tax collector a larger share of his earnings, regardless of the public needs.

This support of the tax bill expresses a deep sense of national purpose -- a determination to move the country forward to greater economic strength, vitality, growth and effectiveness. It reflects a desire to do away promptly with idle manpower and unused or obsolete capacities, inadequate demand and investment, a succession of substantial budgetary deficits and imbalances in our international payments -- which have persisted since 1957.

And yet, although progressive and forward-looking in its purpose, this consensus is traditional in its choice of method. It represents a natural national preference for expansion through our free market economy, rather than through a massive increase in government expenditures. The tax bill and the rationale supporting it would stimulate the economy at the outset by placing increased purchasing power in the hands of private consumers, by offering more incentives to increased earnings and investment, and by encouraging the fullest exercise of private initiative. This expansion of demand and harnessing of incentives through a program of tax reduction and revision would be coupled with demonstrable prudence and frugality in Federal expenditures.

For the long pull, this program would begin to lift from our private enterprise economy the repressive weight of high tax rates on people and business at all levels of income, placed there over the last 30 years in emergency and war-time and allowed to become fixed.

These leaders supporting the tax bill, speaking for economic America, seek its enactment now because, out of their experience, they believe the resulting tax structure will bring more jobs, wages, salaries, profits, consumption and investment, with eventually greater Federal revenues than would be true of the existing system.

They believe this time of unused manpower, inadequate demand and relative price stability is the ideal time to reduce the constraints which war-time rate schedules imposed to hold back excessive demand and inflation. These rates, under a highly different situation, now constitute a drag on our private economy which ever tightens as a rising standard of living puts increasing millions in ever higher brackets. Their reduction now would release inherent expansionary forces in our great private market economy.

Nor has the euphoria of a record breaking 1963 in gross national product, industrial production, employment, profits before and after taxes and countless other indices caused the national desire for the tax bill to abate one whit. Indeed, one of the interesting aspects of the consensus is that comparative prosperity has not caused it to fall part.

Why?

Simply because the problems to which it is addressed are still very much with us. There is a realization that, unless they are solved through a healthy, dynamic, private economy, other solutions destructive of our national strength will be forged. Consider a few examples.

Unemployment looms as an increasing threat. True, our economy is producing more than a million new jobs a year. But it isn't enough. We need five million additional jobs in the next few years to meet the rapidly expanding youth force that is pouring into the labor market in increasing numbers, to provide opportunities for those idled by technological advance, to reduce unemployment from the six percent it has averaged for over five years.

The tax cut is the first order of business in meeting the unemployment problem. Other complementary measures addressed to structural faults are highly desirable. But it is urgently necessary to try to attack unemployment through a more rapidly expanding, job creating, private economy. Otherwise we will reap the harvest of massive government spending, spread-the-work schemes and a resistance to increased productivity that spells slower growth and lesser competitive efficiency.

Idle and obsolete capacity is still holding back the flood-tide of investment in modernization and expansion the nation has so long needed. Well over ten percent of our overall industrial capacity continues idle despite improving rates of utilization early in the expansion.

In 1956 and 1957, eleven out of every one hundred dollars of total national output was devoted to fixed business investment. Since that time the figure has fallen to about nine dollars. Since 1957 the rate of increase in our stock in business plant and equipment has risen by less than two percent a year. During the first postwar decade, it was twice that rate. It should surprise no one that the proportion of our machinery and equipment over ten years old has risen alarmingly.

What are the answers? There are many. But they should not include a withdrawal from our responsibilities for sharing in Free World security and development because our economic prospects no longer attract investment from capital sources at home and abroad or our competitive efficiency no longer enables us to achieve equilibrium in our balance of international payments.

The tax bill would help, immediately and directly, to meet these problems by leaving more spending money with the customers and more profits and incentives with the producers and suppliers.

That is why it includes a reduction in individual tax rates that will leave $8.9 billion with the customers who will spend about $8 billion of that amount on additional consumption. These expenditures will set in motion the familiar economic process in which money circulates and ultimately increases consumer spending by several times the amount of the initial tax cut. That strong and sustained rise in consumer demand -- and thus in markets and profits for industry -- will complement the direct incentives to investment.

But those additional and direct incentives -- increasing the rate of return after taxes and reducing the period of risk -- must be there if savings and self-generated cash are to be put to work in expanding old businesses and creating new ones.

That is why we included as the most important part of the Revenue Act of 1962 a provision setting up a seven percent tax credit for new investment. That is why we hastened to complete in that same year a thorough revision of depreciation guidelines and procedures. These two measures together reduced tax revenues from business by $2-1/2 billion a year increasing profitability and cash flow and reducing the period of risk. Together they provided a powerful stimulus to increased investment. But clearly they were not enough. The economy of the United States still is not moving rapidly enough toward full employment, and inadequate investment is a major reason behind our lagging growth and stubborn unemployment.

Not long ago Henry Ford, II and Stuart T. Saunders, Co-Chairmen of the Business Committee for Tax Reduction, told the Senate Finance Committee and I quote, "corporate profits after taxes have come down, whether measured as a percent of investment capital, of sales, or of the corporate portion of Gross National Product." They presented to the Committee a comparison of the figures since 1957 on the three major forces in economic growth -- government expenditures, consumer demand and private investment -- to indicate that the investment lag was playing a major role in the failure of the economy to move closer to full employment.

These figures indicated that from 1957 to 1962, in real terms, Federal purchases of goods and services rose more than 13 percent, total national output went up more than 16 percent, consumer expenditures went up more than 17 percent, state and local government purchases went up 28 percent, but plant and equipment spending declined by more than one percent.

One of the most important aspects of creating a sustained economic expansion is the need to utilize the fruits of new technology in the form of new products or the adaptation of existing products to new markets. Increasing the profitability of new investment is the most effective way to make more attractive the investment decisions which are not being taken today. It is the most effective way to make today's marginal project the acceptable venture of tomorrow. It is the most effective way to maximize the benefits of the tremendous technological, educational, and human resources of the United States As new techniques and new products are developed and as new markets are opened up, new demand will be created, new investment will be fostered, and new jobs will be available that would never have been available otherwise.

In short, unless we get a substantial increase in investment, we aren't going to create the jobs we need to reduce unemployment, the jobs we need to keep in phase with automation or the jobs we need to provide productive work for the huge number of young people who will shortly enter the Labor Force.

And it is important that we do not sacrifice increasing efficiency to our failure to meet the unemployment problem. As the noted commentator on economic affairs, Harold Dorsey, recently noted: "Increasing efficiency in production and distribution is the very heart of standard of living growth."

Unless we get a substantial increase in investment, our economy will not develop the dynamic expansionary momentum we need to keep domestic investment funds at home and attract foreign investment in greater quantity from abroad.

Unless we get a substantial increase in investment, we aren't going to step up productive efficiency to the point where we can make significant gains in meeting and overcoming the increasing challenge from foreign producers in competitive markets around the world.

Unless we get an increase in investment, we aren't going to step up the expansion of our economy enough, we aren't going to increase its rate of growth enough, and we won't move fast enough toward the time when we can plan and accomplish a balanced budget without skimping on our national needs.

It should not be surprising that increasing investment has been a major part of the problem to which tax and economic policy has been directed for the past several years. That is why top priority was given to the investment credit and to depreciation liberalization. That is why corporate rate reduction is a major part of the bill now before the Senate Finance Committee and why the Treasury welcomes the improvement in the investment credit that will come with the provision eliminating the requirement that assets which qualify for the credit must be placed on the books for depreciation at only 93 percent of their actual cost. For this bill is a complementary part of a program designed to maximize the opportunities of our free-market economy. By increasing the rate of profit after taxes this bill will help to make the most of the investment incentives which have been so important in developing the competitive vitality of American industry.

In 1964 alone corporate taxes will be reduced by $1-1/2 billion. In 1965 corporate taxes will be reduced by $2-1/3 billion.

That means that the total effect of the investment tax credit, depreciation reform and corporate rate reduction would be to reduce business taxes by about $5 billion a year plus the individual rate reductions going to unincorporated businessmen. In other words, direct business incentives will have received about 40 percent of the total tax reduction provided for under these three tax programs.

It has been estimated that the total effect of this program will be to increase the profitability of new investment in a ten-year asset, for example, by more than 35 percent. I think you will agree that this is indeed a significant stimulus to new investment and one which should be brought into full play without delay.

This brings me to another equally current aspect of the consensus that backs up a prompt enactment of the tax bill -- the general agreement that failure or delay to pass it will retard the expansion of the economy.

The year-end predictions of the economists, business and academic, the commentaries of the trained observers, the statements of leading businessmen -- in formal forecasts, in annual reports, in news articles, in market analyses -- are all in general agreement on one point -- the outlook for the economy would be drastically different without a tax cut than it would be with one. Forecasts of gross national product in

1964, however optimistic, invariably give two figures -- a higher one assuming an early passage of the tax bill. Even more telling, for investment purposes, the outlook for the last six months of 1964 and 1965 is said, by many, to depend upon the early enactment of the tax bill.

The tax program has become the leading psychological factor in the world of business and finance. It is viewed as the touchstone for sustained expansion and the element of promise for the long term future. Business expansion and consumer buying in a large measure reflect confidence in the future. Expectations of the enactment of the tax program have become a built-in factor in the aspirations of the business and financial world and a basis for hopes for continued good times by the consumer. To frustrate those expectations by delay and doubts as to the future passage of the bill entails serious economic risks that flow from diminished confidence and uncertainty.

As businessmen, many of you will agree wholeheartedly with President Johnson's comment in his State of the Union Message that, and again I quote:

> "Until the bill is signed its investment incentives cannot be deemed certain and the withholding rate cannot be reduced and the most damaging and devastating thing you can do to any businessman in America is to keep him in doubt and to keep him guessing on what our tax policy is."

There is broad agreement on the damage and the threat inherent in further delay, in further haggling, in further fussing and fuming. A recent speech by Dr. Raymond J. Saulnier, former Chairman of President Eisenhower's Council of Economic Advisers, put the situation in realistic terms. As Dr. Saulnier points out, he has serious reservations about a number of aspects of the Administration's economic policy. In a speech last October he went on to describe those doubts in detail. Then he made what I consider a very important point and I would like to read from that portion of his speech:

> ". . . as things stand now the prospect of tax reduction has been so thoroughly built into expectations and planning and to some extent also into the financial commitments of individuals and businesses that it would be seriously deflationary to call it off."

I would add that it is an equally serious restraint on the economy to put it off.

There is general agreement among almost all economists and business and financial leaders on that point. The reason is not hard to find -- and it is not only psychological or intangible. It is hard cash -- six to eight hundred million dollars worth of it that is being withheld from taxpayers and put into the Treasury each month the tax bill is not enacted.

As Mr. Edwin Dale, the distinguished economic correspondent of the New York Times, put it last Friday:

> "Despite the severe spending squeeze, the new budget is still highly stimulative in its economic impact, in the view of many private analysts as well as Administration economists."

This stimulus, as the article points out, comes mainly from the proposed tax cut. This is a rather significant aspect of the combination in this year's economic policy of strong emphasis on economy together with reduction in taxes. This budget will cut the deficit in half -- from this year's $10 billion to just under $5 billion for 1965. Yet, despite this strong holddown in government spending, the net fiscal stimulus to the economy in 1964 from the Federal government, the stimulus to jobs and income, to production and to profits, will be greater than in any other peacetime year in the history of the United States.

In fact, if all figures are converted to a full employment basis for purposes of comparison, it becomes evident that not only is the 1964 stimulus to the economy from the Federal budget (based mainly on the tax program) three times as great as in any of the last three years, it is in fact more than $3 billion greater than in any other peacetime year -- if the tax program is enacted soon.

That is another reason why delay in final passage is so important. There are those who excuse delay or overlook its importance because they assume that the bill, when passed, will be retroactive to January 1 of this year. They overlook the fact that much of the hard, tangible benefit of the tax cut cannot really begin to be felt until it becomes law.

Only when the bill is signed can the withholding rate on all wages and salaries be reduced.

President Johnson has recommended that the bill be changed to reduce the withholding rate immediately upon passage from the present 18 percent to 14 percent. Under the bill as now drawn, the withholding rate would go to 15 percent when the bill is passed and to 14 percent next year. But because, among other things, of the loss of economic stimulus which has already resulted from delay in the bill, the President judged it necessary to broaden the economic impact of the bill.

That means that regardless of whether the bill is made retroactive to January 1st, regardless of the reduction in tax liabilities for the entire year, every month that the withholding rate stays at its present 18 percent instead of the proposed 14 percent deprives the economy of the additional $800 million of purchasing power. That is what delay is drawing from the economy each month -- $800 million a month, $25 million a day. That means that each hour this bill is being debated another $1 million is drawn from the American economy into the Treasury tax and loan accounts.

To be sure, the money so collected will be returned to the spending stream in the form of tax refunds a year from now _if_ the bill is eventually passed. But, not many businessmen are likely to make investment decisions today on the basis of an expected upswing in purchasing power a year from now that comes from a tax bill that they think _might_ be passed months from now.

There is yet one more factor that bears importantly on the consensus and the propriety of President Johnson's request that the Congress take prompt action. That is his statement in the State of the Union Message last week that both the expenditure level in the administrative budget for fiscal 1965 and the request for new obligational authority would be below the levels requested last year.

Some fine people have been unwilling to support a tax reduction from which they might personally benefit unless persuaded that it is not at the cost of weakening the fabric of our national fiscal and financial position. The basis of concern was the enactment of tax reduction at a time when there is a sizeable budget deficit, following on years of deficits.

Both your organization and the Treasury Department during the past year have been in the forefront of those who felt and voiced the necessity of coupling the proposed tax cut with effective control of the increase in government expenditures.

On our part, from early last year, we have repeatedly espoused this economic program as having two elements: first, a substantial reduction in income taxes and rates, and, second, as the tax cut becomes fully effective and the economy expands in response, the allocation of a substantial part of the resulting revenue increases toward eliminating a transitional budget deficit.

We did so because the late President Kennedy had specifically and consistently coupled his tax proposals last year with a commitment to expenditure control in his messages on the State of the Union, the Budget, and Taxes.

Moreover, both he and the House of Representatives recognized and accepted the responsibility of accompanying tax reduction with expenditure control as the surest and quickest way of bringing the nation to balanced budgets and surpluses in a manner consistent with our national needs and responsibilities.

It is no longer necessary to review in detail the specific pledges and steps toward their execution. For President Johnson, in submitting a budget for fiscal 1965, is giving concrete reality to the pledges that have heretofore been made. We who accepted and relied on pledges of fiscal responsibility can now be joined by those who wanted to see the deeds as well as the words.

The sharp break with the past pattern of substantial projected expenditure increases can be measured in an excerpt from the recent statement of your own President, Mr. Charles Stewart, that:

> ". . . in 11 years federal administrative budget expenditures have increased by some 46 percent or an average of $2.8 billion annually. In the last three years the average increase has been $5.7 billion annually. . . . If increases were to continue at the rate established in the past 3 years, our administrative budget for fiscal year 1965 would amount to $104.5 billion."

Now, the tax cut will be accompanied by a budget which calls for expenditures in fiscal 1965 -- not of $104.5 billion -- or of $101.9 billion -- or of $99.9 billion -- or even $98.9 billion -- but of $97.9 billion, almost $1 billion below the budget presented to Congress a year ago this month and a half billion less than projected expenditures for fiscal 1964. That is expenditure control in action; that is full performance running over of the earlier pledges that a substantial part of tax revenue increases from expansion will be used to reduce the budgetary deficit until balance is reached.

It is no wonder that organizations which feel that the national need for general tax reduction is immediate and pressing, but that action should be taken only if at the same time additional expenditure control steps accompany it, are encouraged to re-examine their reservations. The American Bankers Association is such an organization. Dr. Charls Walker, its Executive Vice President, in speaking of President Johnson's 1965 Budget announcement, had this to say:

> ". . . he has done much to remove the major stumbling block in the way of the income tax cut. Prospects for early enactment of the pending bill are much improved."

The President's decisive action also moved Mr. Stuart Saunders, Co-Chairman of the Business Committee for Tax Reduction, to say to the President last week:

> "The only major opposition to the pending tax bill has come from those who feared that a reduction in tax rates might lead to mounting Federal deficits. It seems to us that in light of your demonstrated determination to make a successful attack against unnecessary spending and to cut the Federal deficit, it would be most difficult to oppose enactment of H.R. 8363 on grounds of fiscal irresponsibility. On the contrary, prudent economics now demands more than ever the immediate enactment of this legislation as a necessary stimulant to the private sector of the economy.
>
> "Mr. President, the Executive Committee of The Business Committee for Tax Reduction and its more than 2,800 members pledge to you their full and active support for prompt passage by the Senate of H.R. 8363, substantially in the form approved by the House, with its effective date retroactive to January 1, 1964."

May I dare to express the hope that your organization will join in this sentiment?

With every month of delay, we deny the American businessman the heightened incentives in the tax bill for new and greater investment in plant and equipment. With every month of delay, we restrain the execution of business and personal expenditure plans that only the certainty of an $11.2 billion tax cut can provide. With every month of delay, we hold back the full confidence in the economic outlook, both long term and short range, that the passage of the tax bill will inspire. With every month of delay, we deprive ourselves of added economic impetus for greater growth in 1964 and greater assurance against any loss of momentum.

The country urgently wants the tax bill -- expects the tax bill -- and needs the tax bill. The need is clear, the need is great, the need is <u>now</u>.

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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 (current revision) 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.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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 October 24, 1963 ~~(17)~~, (91 ~~(18)~~ days remaining until maturity date on April 23, 1964 ~~(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 Banks on January 23, 1964 ~~(22)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 23, 1964 ~~(23)~~. Cash

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TREASURY DEPARTMENT
Washington

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

January 15, 1964

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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 $ 2,100,000,000 , or thereabouts, for cash and in exchange for Treasury bills maturing January 23, 1964 , in the amount of $ 2,102,865,000 , as follows:

91 -day bills (to maturity date) to be issued January 23, 1964 , in the amount of $ 1,300,000,000 , or thereabouts, representing an additional amount of bills dated October 24, 1963 , and to mature April 23, 1964 , originally issued in the amount of $ 799,739,000 , the additional and original bills to be freely interchangeable.

182 -day bills, for $ 800,000,000 , or thereabouts, to be dated January 23, 1964 , and to mature July 23, 1964 .

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, $50,000, $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 p.m., Eastern Standard time, Monday, January 20, 1964 . 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.

January 15, 1964

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 $2,100,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing January 23, 1964, in the amount of $2,102,865,000, as follows:

91-day bills (to maturity date) to be issued January 23, 1964, in the amount of $1,300,000,000, or thereabouts, representing an additional amount of bills dated October 24, 1963, and to mature April 23, 1964, originally issued in the amount of $799,739,000, the additional and original bills to be freely interchangeable.

182 -day bills, for $800,000,000, or thereabouts, to be dated January 23, 1964, and to mature July 23, 1964.

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, $50,000, $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 p.m., Eastern Standard time, Monday, January 20, 1964. 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.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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.

D-1099

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 October 24,1963, (91-days remaining until maturity date on April 23, 1964) 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 Banks on January 23, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 23, 1964. 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 (current revision) 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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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 October 24,1963, (91-days remaining until maturity date on April 23, 1964) 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 Banks on January 23, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 23, 1964. 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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TREASURY DEPARTMENT

WASHINGTON, D.C.

January 16, 1964

FOR IMMEDIATE RELEASE

TREASURY DECISION ON PEAT MOSS
UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that peat moss, horticultural and poultry grade, from Atkins and Durbrow Ltd., Vancouver, B. C., and Western Peat Company Ltd., New Westminister, B. C. (shipments from Manitoba plant only), Canada, 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 from these two firms during the first 6 months of 1962 was approximately $2,500,000.

The investigation covered the sales of several Canadian firms in addition to those specified above. The result as to the other firms was that they were not selling at less than fair value.

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The investigation covered the sales of several Canadian firms in addition to those specified above. The result as to the other firms was that they were not selling at less than fair value.

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, 1963, to January 13, 1964	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1963, to January 13, 1964
United Kingdom	4,323,457	530,106	1,441,152	72,166
Canada	239,690	239,690	-	-
France	227,420	187,675	75,807	55,151
India and Pakistan	69,627	-	-	-
Netherlands	68,240	11,249	22,747	-
Switzerland	44,388	34,147	14,796	-
Belgium	38,559	33,022	12,853	-
Japan	341,535	-	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	37,280	25,443	25,128
Italy	21,263	-	7,088	-
Other, including the U. S.	-	-	-	-
	5,482,509	1,073,169	1,599,886	152,445

1/ Included in total imports, column 2.

The country designations listed in this press release are those specified in Presidential Proclamation No. 2351 of September 5, 1939, as modified by the Tariff Schedules of the United States. Since that date the names of certain countries have been changed. The outmoded names are being retained because of their geographical coverage and have no political connotation.

D-1100

Prepared in the Bureau of Customs.

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE

FRIDAY, JANUARY 17,1964

D-1100

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, as modified by the Tariff Schedules of the United States which became effective August 31, 1963.

COTTON (other than linters) (in pounds)
Cotton under 1-1/8 inches other than rough or harsh under 3/4"
Imports September 20, 1963- January 13, 1964

Country of Origin	Established Quota	Imports	Country of Origin	Established Quota	Imports
Egypt and Sudan	783,816	628,215	Honduras	752	-
Peru	247,952	11,094	Paraguay	871	-
India and Pakistan	2,003,483	157,300	Colombia	124	-
China	1,370,791	-	Iraq	195	-
Mexico	8,883,259	8,883,259	British East Africa	2,240	-
Brazil	618,723	600,000	Indonesia and Netherlands New Guinea	71,388	-
Union of Soviet Socialist Republics	475,124	-	1/British W. Indies	21,321	-
Argentina	5,203	-	Nigeria	5,377	-
Haiti	237	-	2/British W. Africa	16,004	-
Ecuador	9,333	-	Other, including the U.S.	-	-

1/ Except Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
2/ Except Nigeria and Ghana.

Cotton 1-1/8" or more
Established Yearly Quota - 45,656,420 lbs.

Imports August 1, 1963, January 13, 1964

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	81,759
1-1/8" or more and under 1-3/8"	4,565,642	4,565,642

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE

FRIDAY, JANUARY 17,1964

D-1100

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China......................	1,370,791	-	Iraq........................	195	-
Mexico.....................	8,883,259	8,883,259	British East Africa.........	2,240	-
Brazil.....................	618,723	600,000	Indonesia and Netherlands New Guinea................	71,388	-
Union of Soviet Socialist Republics.......	475,124	-	1/British W. Indies...........	21,321	-
Argentina..................	5,203	-	Nigeria.....................	5,377	-
Haiti......................	237	-	2/British W. Africa..........	16,004	-
Ecuador....................	9,333	-	Other, including the U.S....		-

1/ Except Barbados, Bermuda, Jamaica, Trinidad, and Tobago.
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(In pounds)

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Country of Origin	Established TOTAL QUOTA	Total Imports Sept. 20, 1963, to January 13, 1964	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1963, to January 13, 1964
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Canada....................	239,690	239,690	-	-
France....................	227,420	187,675	75,807	55,151
India and Pakistan........	69,627	-	-	-
Netherlands...............	68,240	11,249	22,747	-
Switzerland...............	44,388	34,147	14,796	-
Belgium...................	38,559	33,022	12,853	-
Japan.....................	341,535	-	-	-
China.....................	17,322	-	-	-
Egypt.....................	8,135	-	-	-
Cuba......................	6,544	-	-	-
Germany...................	76,329	37,280	25,443	25,128
Italy.....................	21,263	-	7,088	-
Other, including the U. S.	-	-	-	-
	5,482,509	1,073,169	1,599,886	152,445

1/ Included in total imports, column 2.

The country designations listed in this press release are those specified in Presidential Proclamation No. 2351 of September 5, 1939, as modified by the Tariff Schedules of the United States. Since that date the names of certain countries have been changed. The outmoded names are being retained because of their geographical coverage and have no political connotation.

D-1100

Prepared in the Bureau of Customs.

IMMEDIATE RELEASE
FRIDAY, JANUARY 17, 1964

D-1101

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, AS MODIFIED BY THE TARIFF SCHEDULES OF THE UNITED STATES, WHICH BECAME EFFECTIVE AUGUST 31, 1963.

QUARTERLY QUOTA PERIOD – January 1 – March 31, 1964

IMPORTS – January 1 – January 10, 1964 (or as noted)

Country of Production	ITEM 925.01* Lead-bearing ores and materials: Quarterly Quota Dutiable lead (Pounds)	Imports	ITEM 925.03* Unwrought lead and lead waste and scrap: Quarterly Quota Dutiable lead (Pounds)	Imports	ITEM 925.02* Zinc-bearing ores and materials: Quarterly Quota Zinc Content (Pounds)	Imports	ITEM 925.04* Unwrought zinc (except alloys of zinc and zinc dust) and zinc waste and scrap: Quarterly Quota By Weight (Pounds)	Imports
Australia	11,220,000	11,220,000	22,540,000	1,140,042	-	-	-	-
Belgium and Luxemburg (total)	-	-	-	-	-	-	7,520,000	7,520,000
Bolivia	5,040,000	**4,716,467	-	-	-	-	-	-
Canada	13,440,000	**329,468	15,920,000	3,961,381	66,480,000	66,480,000	37,840,000	5,056,724
Italy	-	-	-	-	-	-	3,600,000	-
Mexico	-	-	36,880,000	3,768,231	70,480,000	3,105,828	6,320,000	-
Peru	16,160,000	**3,309,776	12,880,000	399,910	35,120,000	4,756,687	3,760,000	1,919,667
Republic of the Congo (formerly Belgian Congo)	-	-	-	-	-	-	5,440,000	-
Un. So. Africa	14,880,000	14,880,000	-	-	-	-	-	-
Yugoslavia	-	-	15,760,000	-	-	-	-	-
All other foreign countries (total)	6,560,000	**95,201	6,080,000	6,080,000	17,840,000	**10,102,718	6,080,000	6,080,000

*See Part 2, Appendix to Tariff Schedules.
**Imports as of January 13, 1964

PREPARED IN THE BUREAU OF CUSTOMS

[redacted]
Washington, D. C.

IMMEDIATE RELEASE
FRIDAY, JANUARY 17, 1964

D-1101

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, AS MODIFIED BY THE TARIFF SCHEDULES OF THE UNITED STATES, WHICH BECAME EFFECTIVE AUGUST 31, 1963.

QUARTERLY QUOTA PERIOD – January 1 - March 31, 1964

IMPORTS – January 1 - January 10, 1964 (or as noted)

Country of Production	ITEM 925.01• Lead-bearing ores and materials: Quarterly Quota Dutiable lead (Pounds)	ITEM 925.01• Imports	ITEM 925.03• Unwrought lead and lead waste and scrap: Quarterly Quota Dutiable lead (Pounds)	ITEM 925.03• Imports	ITEM 925.02• Zinc-bearing ores and materials: Quarterly Quota Zinc Content (Pounds)	ITEM 925.02• Imports	ITEM 925.04• Unwrought zinc (except alloys of zinc and zinc dust) and zinc waste and scrap: Quarterly Quota By Weight (Pounds)	ITEM 925.04• Imports
Australia	11,220,000	11,220,000	22,540,000	1,140,042	-	-	-	-
Belgium and Luxemburg (total)	-	-	-	-	-	-	7,520,000	7,520,000
Bolivia	5,040,000	**4,716,467	-	-	-	-	-	-
Canada	13,440,000	**329,468	15,920,000	3,961,381	66,480,000	66,480,000	37,840,000	5,056,724
Italy	-	-	-	-	-		3,600,000	-
Mexico	-	-	36,880,000	3,768,231	70,480,000	3,105,828	6,320,000	-
Peru	16,160,000	**3,309,776	12,880,000	399,910	35,120,000	4,756,687	3,760,000	1,919,667
Republic of the Congo (formerly Belgian Congo)	-	-	-	-	-	-	5,440,000	-
Un. So. Africa	14,880,000	14,880,000	-	-	-	-	-	-
Yugoslavia	-	-	15,760,000	-	-	-	-	-
All other foreign countries (total)	6,560,000	**95,201	6,080,000	6,080,000	17,840,000	**10,102,718	6,080,000	6,080,000

•See Part 2, Appendix to Tariff Schedules.
••Imports as of January 13, 1964

PREPARED IN THE BUREAU OF CUSTOMS

IMMEDIATE RELEASE
FRIDAY, JANUARY 17, 1964

D-1102

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, AS MODIFIED BY THE TARIFF SCHEDULES OF THE UNITED STATES, WHICH BECAME EFFECTIVE AUGUST 31, 1963.

QUARTERLY QUOTA PERIOD – October 1 – December 31, 1963

IMPORTS – October 1 – December 31, 1963

Country of Production	ITEM 925.01* Lead-bearing ores and materials		ITEM 925.03* Unwrought lead and lead waste and scrap		ITEM 925.02* Zinc-bearing ores and materials		ITEM 925.04* Unwrought zinc (except alloys of zinc and zinc dust) and zinc waste and scrap	
	Quarterly Quota Dutiable lead (Pounds)	Imports	Quarterly Quota Dutiable lead (Pounds)	Imports	Quarterly Quota Zinc Content (Pounds)	Imports	Quarterly Quota By Weight (Pounds)	Imports
Australia	11,220,000	11,220,000	22,540,000	22,540,000	-	-	-	-
Belgium and Luxemburg (total)	-	-	-	-	-	-	7,520,000	7,520,000
Bolivia	5,040,000	5,040,000	-	-	-	-	-	-
Canada	13,440,000	6,619,121	15,920,000	15,920,000	66,480,000	66,480,000	37,840,000	37,840,000
Italy	-	-	-	-	-	-	3,600,000	-
Mexico	-	-	36,880,000	36,024,211	70,480,000	70,480,000	6,320,000	6,319,014
Peru	16,160,000	16,160,000	12,880,000	12,878,531	35,120,000	35,120,000	3,760,000	3,758,879
Republic of the Congo (formerly Belgian Congo)	-	-	-	-	-	-	5,440,000	5,438,847
Un. So. Africa	14,880,000	14,880,000	-	-	-	-	-	-
Yugoslavia	-	-	15,760,000	15,757,665	-	-	-	-
All other foreign countries (total)	6,560,000	5,301,413	6,080,000	6,080,000	17,840,000	17,840,000	6,080,000	6,080,000

*See Part 2, Appendix to Tariff Schedules.

PREPARED IN THE BUREAU OF CUSTOMS

WASHINGTON, D. C.

IMMEDIATE RELEASE
FRIDAY, JANUARY 17, 1964

D-1102

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, AS MODIFIED BY THE TARIFF SCHEDULES OF THE UNITED STATES, WHICH BECAME EFFECTIVE AUGUST 31, 1963.

QUARTERLY QUOTA PERIOD — October 1 - December 31, 1963

IMPORTS — October 1 - December 31, 1963

Country of Production	ITEM 925.01* Lead-bearing ores and materials		ITEM 925.03* Unwrought lead and lead waste and scrap		ITEM 925.02* Zinc-bearing ores and materials		ITEM 925.04* Unwrought zinc (except alloys of zinc and zinc dust) and zinc waste and scrap	
	Quarterly Quota Dutiable lead (Pounds)	Imports	Quarterly Quota Dutiable lead (Pounds)	Imports	Quarterly Quota Zinc Content (Pounds)	Imports	Quarterly Quota By Weight (Pounds)	Imports
Australia	11,220,000	11,220,000	22,540,000	22,540,000	-	-	-	-
Belgium and Luxemburg (total)	-	-	-	-	-	-	7,520,000	7,520,000
Bolivia	5,040,000	5,040,000	-	-	-	-	-	-
Canada	13,440,000	6,619,121	15,920,000	15,920,000	66,480,000	66,480,000	37,840,000	37,840,000
Italy	-	-	-	-	-	-	3,600,000	-
Mexico	-	-	36,880,000	36,024,211	70,480,000	70,480,000	6,320,000	6,319,014
Peru	16,160,000	16,160,000	12,880,000	12,878,531	35,120,000	35,120,000	3,760,000	3,758,879
Republic of the Congo (formerly Belgian Congo)	-	-	-	-	-	-	5,440,000	5,438,847
Un. So. Africa	14,880,000	14,880,000	-	-	-	-	-	-
Yugoslavia	-	-	15,760,000	15,757,665	-	-	-	-
All other foreign countries (total)	6,560,000	5,301,413	6,080,000	6,080,000	17,840,000	17,840,000	6,080,000	6,080,000

*See Part 2, Appendix to Tariff Schedules.

PREPARED IN THE BUREAU OF CUSTOMS

Commodity	Period and Quantity		Unit of Quantity	Imports as of Jan. 4, 1964
solute Quotas:				
tter substitutes containing over 45% of butterfat, and butter oil.....................	Calendar Year	1,200,000	Pound	Quota Filled
bers of cotton processed but not spun..................	12 mos. from Sept. 11, 1963	1,000	Pound	1/ 530
anuts, shelled or not shelled, blanched, or otherwise prepared or preserved (except peanut butter).......................	12 mos. from August 1, 1963	1,709,000	Pound	Quota Filled

Imports through January 13, 1964.

TREASURY DEPARTMENT
Washington

MMEDIATE RELEASE
RIDAY, JANUARY 17,1964

D-1103

The Bureau of Customs announced today preliminary figures on imports for consump-ion of the following commodities from the beginning of the respective quota periods hrough January 4, 1964:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Jan. 4, 1964
ariff-Rate Quotas:				
ream, fresh or sour.............	Calendar Year	1,500,000	Gallon	-
hole Milk, fresh or sour........	Calendar Year	3,000,000	Gallon	-
attle, 700 lbs. or more each (other than dairy cows)........	Jan. 1, 1964- March 31, 1964	120,000	Head	1
attle less than 200 lbs. each...	12 mos. from April 1, 1963	200,000	Head	50,161
ish, fresh or frozen, filleted, etc., cod, haddock, hake, pol-lock, cusk, and rosefish.......	Calendar Year	To be announced	Pound	3,024,782
una Fish........................	Calendar Year	To be announced	Pound	662,708
hite or Irish potatoes:				
Certified seed.................	12 mos. from	114,000,000	Pound	32,700,000
Other..........................	Sept. 15, 1963	45,000,000	Pound	2,850,505
nives, forks, and spoons with stainless steel handles...	Nov. 1, 1963- Oct. 31, 1964	69,000,000	Pieces	31,810,028

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
FRIDAY, JANUARY 17, 1964

D-1103

The Bureau of Customs announced today preliminary figures on imports for consumption of the following commodities from the beginning of the respective quota periods through January 4, 1964:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Jan. 4, 1964
Tariff-Rate Quotas:				
Cream, fresh or sour.............	Calendar Year	1,500,000	Gallon	-
Whole Milk, fresh or sour........	Calendar Year	3,000,000	Gallon	-
Cattle, 700 lbs. or more each (other than dairy cows)........	Jan. 1, 1964-March 31, 1964	120,000	Head	1
Cattle less than 200 lbs. each...	12 mos. from April 1, 1963	200,000	Head	50,161
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish.......	Calendar Year	To be announced	Pound	3,024,782
Tuna Fish........................	Calendar Year	To be announced	Pound	662,708
White or Irish potatoes:				
Certified seed.................	12 mos. from	114,000,000	Pound	32,700,000
Other..........................	Sept. 15, 1963	45,000,000	Pound	2,850,505
Knives, forks, and spoons with stainless steel handles...	Nov. 1, 1963-Oct. 31, 1964	69,000,000	Pieces	31,810,028

Commodity	Period and Quantity		Unit of Quantity	Imports as of Jan. 4, 1964
solute Quotas:				
tter substitutes containing over 45% of butterfat, and butter oil......................	Calendar Year	1,200,000	Pound	Quota Filled
bers of cotton processed but not spun..................	12 mos. from Sept. 11, 1963	1,000	Pound	530 1/
anuts, shelled or not shelled, blanched, or otherwide prepared or preserved (except peanut butter)......................	12 mos. from August 1, 1963	1,709,000	Pound	Quota Filled

1/ Imports through January 13, 1964.

Commodity	Period and Quantity		Unit of Quantity	Imports as of Dec. 31, 1963
ısolute Quotas:				
ıtter substitutes, including butter oil, containing 45% or more butterfat...............	Calendar Year	1,200,000	Pound	Quota Filled
.bers of cotton processed but not spun...................	12 mos. from Sept. 11, 1963	1,000	Pound	1/ 530
›anuts, shelled or not shelled, blanched, or otherwise prepared or preserved (except peanut butter)........................	12 mos. from August 1, 1963	1,709,000	Pound	Quota Filled

Imports through January 4, 1964.

TREASURY DEPARTMENT
Washington

MEDIATE RELEASE

DAY, JANUARY 17,1964

D-1104

The Bureau of Customs announced today preliminary figures on imports for consump-
n of the following commodities from the beginning of the respective quota periods
rough December 31, 1963:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Dec. 31, 1963
riff-Rate Quotas:				
eam, fresh or sour.............	Calendar Year	1,500,000	Gallon	850,433
ole Milk, fresh or sour........	Calendar Year	3,000,000	Gallon	105
ttle, 700 lbs. or more each (other than dairy cows)........	Oct. 1, 1963- Dec. 31, 1963	120,000	Head	12,768
ttle less than 200 lbs. each...	12 mos. from April 1, 1963	200,000	Head	50,161*
sh, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish.......	Calendar Year	24,874,871	Pound	Quota Filled
na Fish.......................	Calendar Year	63,130,642	Pound	56,413,638
ite or Irish potatoes:				
Certified seed.................	12 mos. from	114,000,000	Pound	32,700,000 *
Other..........................	Sept. 15, 1963	45,000,000	Pound	2,850,505 *
ives, forks, and spoons with stainless steel handles...	Nov. 1, 1963- Oct. 31, 1964	69,000,000	Pieces	31,810,028 *

mports through January 4, 1964

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
FRIDAY, JANUARY 17,1964

D-1104

The Bureau of Customs announced today preliminary figures on imports for consumption of the following commodities from the beginning of the respective quota periods through December 31, 1963:

Commodity	Period and Quantity		Unit of Quantity	Imports as of Dec. 31, 1963
Tariff-Rate Quotas:				
Cream, fresh or sour.............	Calendar Year	1,500,000	Gallon	850,433
Whole Milk, fresh or sour........	Calendar Year	3,000,000	Gallon	105
Cattle, 700 lbs. or more each (other than dairy cows)........	Oct. 1, 1963-Dec. 31, 1963	120,000	Head	12,768
Cattle less than 200 lbs. each...	12 mos. from April 1, 1963	200,000	Head	50,161*
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish.......	Calendar Year	24,874,871	Pound	Quota Filled
Tuna Fish........................	Calendar Year	63,130,642	Pound	56,413,638
White or Irish potatoes:				
Certified seed.................	12 mos. from Sept. 15, 1963	114,000,000	Pound	32,700,000 *
Other..........................		45,000,000	Pound	2,850,505 *
Knives, forks, and spoons with stainless steel handles...	Nov. 1, 1963-Oct. 31, 1964	69,000,000	Pieces	31,810,028 *

*Imports through January 4, 1964

Commodity	Period and Quantity		Unit of Quantity	Imports as of Dec. 31, 1963
solute Quotas:				
tter substitutes, including butter oil, containing 45% or more butterfat...............	Calendar Year	1,200,000	Pound	Quota Filled
bers of cotton processed but not spun....................	12 mos. from Sept. 11, 1963	1,000	Pound	1/ 530
anuts, shelled or not shelled, blanched, or otherwise prepared or preserved (except peanut butter)........................	12 mos. from August 1, 1963	1,709,000	Pound	Quota Filled

mports through January 4, 1964.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE

FRIDAY, JANUARY 17, 1964

D-1105

The Bureau of Customs has announced the following preliminary figures showing the imports for consumption from January 1, 1963, to December 31, 1963, inclusive, of commodities under quotas established pursuant to the Philippine Trade Agreement Revision Act of 1955:

Commodity	Established Annual Quota Quantity	Unit of Quantity	Imports as of December 31, 1963
Buttons.............	680,000	Gross	285,538
Cigars..............	160,000,000	Number	13,402,337
Coconut oil.........	358,400,000	Pound	355,785,325
Cordage.............	6,000,000	Pound	5,221,205
Tobacco.............	5,200,000	Pound	Quota Filled

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE

FRIDAY, JANUARY 17, 1964

D-1105

The Bureau of Customs has announced the following preliminary figures showing the imports for consumption from January 1, 1963, to December 31, 1963, inclusive, of commodities under quotas established pursuant to the Philippine Trade Agreement Revision Act of 1955:

Commodity	Established Annual Quota Quantity	Unit of Quantity	Imports as of December 31, 1963
Buttons.............	680,000	Gross	285,538
Cigars..............	160,000,000	Number	13,402,337
Coconut oil.........	358,400,000	Pound	355,785,325
Cordage.............	6,000,000	Pound	5,221,205
Tobacco.............	5,200,000	Pound	Quota Filled

TREASURY DEPARTMENT
Washington

MEDIATE RELEASE

RIDAY, JANUARY 17, 1964

D-1106

The Bureau of Customs has announced the following preliminary figures showing ie imports for consumption from January 1, 1964, to January 4, 1964, inclusive, of mmodities under quotas established pursuant to the Philippine Trade Agreement vision Act of 1955:

Commodity	Established Annual Quota Quantity	Unit of Quantity	Imports as of January 4, 1964
ittons.............	680,000	Gross	-
gars..............	160,000,000	Number	325
conut oil.........	358,400,000	Pound	27,867,664
rdage.............	6,000,000	Pound	-
bacco.............	5,200,000	Pound	-

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE

FRIDAY, JANUARY 17, 1964

D-1106

The Bureau of Customs has announced the following preliminary figures showing the imports for consumption from January 1, 1964, to January 4, 1964, inclusive, of commodities under quotas established pursuant to the Philippine Trade Agreement Revision Act of 1955:

Commodity	Established Annual Quota Quantity	Unit of Quantity	Imports as of January 4, 1964
Buttons.............	680,000	Gross	-
Cigars..............	160,000,000	Number	325
Coconut oil.........	358,400,000	Pound	27,867,664
Cordage.............	6,000,000	Pound	-
Tobacco.............	5,200,000	Pound	-

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R RELEASE A. M. NEWSPAPERS,
day, January 21, 1964.

January 20, 1964

RESULTS OF TREASURY'S WEEKLY BILL OFFERING

The Treasury Department announced last evening that the tenders for two series of asury bills, one series to be an additional issue of the bills dated October 24, 1963, the other series to be dated January 23, 1964, which were offered on January 15, e opened at the Federal Reserve Banks on January 20. Tenders were invited for 300,000,000, or thereabouts, of 91-day bills and for $800,000,000, or thereabouts, of -day bills. The details of the two series are as follows:

S OF ACCEPTED ETITIVE BIDS:	91-day Treasury bills maturing April 23, 1964		:	182-day Treasury bills maturing July 23, 1964	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.108	3.529%	:	98.161	3.638%
Low	99.105	3.541%	:	98.154	3.651%
Average	99.106	3.538% 1/	:	98.156	3.648% 1/

67% of the amount of 91-day bills bid for at the low price was accepted
77% of the amount of 182-day bills bid for at the low price was accepted

AL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

strict	Applied For	Accepted	:	Applied For	Accepted
ston	$ 60,385,000	$ 14,521,000	:	$ 2,935,000	$ 2,297,000
York	1,904,404,000	849,690,000	:	1,334,715,000	631,585,000
iladelphia	30,548,000	15,248,000	:	9,517,000	4,517,000
eveland	31,011,000	28,627,000	:	66,173,000	34,825,000
chmond	11,673,000	11,564,000	:	7,056,000	4,562,000
lanta	31,822,000	22,656,000	:	6,525,000	5,425,000
icago	251,811,000	135,049,000	:	182,995,000	69,419,000
. Louis	44,100,000	34,874,000	:	10,149,000	8,034,000
nneapolis	24,189,000	13,060,000	:	7,877,000	3,877,000
nsas City	32,977,000	26,912,000	:	9,376,000	9,207,000
llas	33,392,000	21,273,000	:	10,814,000	5,814,000
n Francisco	178,560,000	129,854,000	:	85,375,000	21,673,000
TOTALS	$2,634,872,000	$1,303,328,000 a/		$1,733,507,000	$800,735,000 b/

ncludes $265,858,000 noncompetitive tenders accepted at the average price of 99.106
ncludes $68,575,000 noncompetitive tenders accepted at the average price of 98.156
n a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.63%, for the 91-day bills, and 3.78%, for the -day bills. Interest rates on bills are quoted in terms of bank discount with the turn related to the face amount of the bills payable at maturity rather than the ount invested and their length in actual number of days related to a 360-day year. n 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 ment period to the actual number of days in the period, with semiannual compounding f more than one coupon period is involved.

D-1107

TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR RELEASE A. M. NEWSPAPERS,
Tuesday, January 21, 1964.

January 20, 1964

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 October 24, 19 and the other series to be dated January 23, 1964, which were offered on January 15, were opened at the Federal Reserve Banks on January 20. Tenders were invited for $1,300,000,000, or thereabouts, of 91-day bills and for $800,000,000, or thereabouts, 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing April 23, 1964		:	182-day Treasury bills maturing July 23, 1964	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equi Annual Rate
High	99.108	3.529%	:	98.161	3.638%
Low	99.105	3.541%	:	98.154	3.651%
Average	99.106	3.538% 1/	:	98.156	3.648% 1

67% of the amount of 91-day bills bid for at the low price was accepted
77% 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	$ 60,385,000	$ 14,521,000	:	$ 2,935,000	$ 2,297,000
New York	1,904,404,000	849,690,000	:	1,334,715,000	631,585,000
Philadelphia	30,548,000	15,248,000	:	9,517,000	4,517,000
Cleveland	31,011,000	28,627,000	:	66,173,000	34,325,000
Richmond	11,673,000	11,564,000	:	7,056,000	4,562,000
Atlanta	31,822,000	22,656,000	:	6,525,000	5,425,000
Chicago	251,811,000	135,049,000	:	182,995,000	69,419,000
St. Louis	44,100,000	34,874,000	:	10,149,000	8,034,000
Minneapolis	24,189,000	13,060,000	:	7,877,000	3,877,000
Kansas City	32,977,000	26,912,000	:	9,376,000	9,207,000
Dallas	33,392,000	21,273,000	:	10,814,000	5,814,000
San Francisco	178,560,000	129,854,000	:	85,375,000	21,673,000
TOTALS	$2,634,872,000	$1,303,328,000 a/		$1,733,507,000	$800,735,000

a/ Includes $265,858,000 noncompetitive tenders accepted at the average price of 99.10
b/ Includes $68,575,000 noncompetitive tenders accepted at the average price of 98.15
1/ On a coupon issue of the same length and for the same amount invested, the return these bills would provide yields of 3.63%, for the 91-day bills, and 3.78%, for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with 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 inter payment period to the actual number of days in the period, with semiannual compound if more than one coupon period is involved.

D-1107

It has been requested that witnesses provide three copies of their testimony at the time of the hearing.

Similar hearings were held on these regulations in 1954. The last amendment to the regulations was made in 1960.

The Treasury Department has in the past welcomed suggestions for improvement in its regulations whether made at hearings or not. However after a lapse of ten years, the Treasury considers it appropriate at this time to give everyone interested a formal opportunity to offer further suggestions in the light of developing experience with the administration of the Act.

The Treasury began a review of the regulations some time ago and has engaged the services of consultants from the fields of economics and accounting in the expectation that the fresh approach which they could bring to bear on the problems relating to the administration of the Antidumping Act would be helpful.

If the review proceedings, including the January 23 hearings, indicate that particular changes in the antidumping regulations may be desirable, these proposed changes will be published and the public will be given an opportunity to comment on them before a final decision is reached whether or not to adopt them.

DRAFT

For Release
Immediate Release

HEARINGS ON ANTIDUMPING REGULATIONS

The Treasury has set January 23 as the date on which a public hearing would be held on the customs regulations relating to procedures under the Antidumping Act. Intention to hold such a hearing was announced on December 24, 1963. The hearing will be held in Room 4121 of the Main Treasury Building in Washington.

James A. Reed, Assistant Secretary of the Treasury, will preside at the hearing. The following have asked to be heard:

Barnes, Richardson and Colburn
William J. Barnhard, Esquire
Bethlehem Steel Corporation
Committee for a National Trade Policy
Graubard, Moskowitz and McCauley
Japan Iron and Steel Exporters Association
Jones and Laughlin Steel Corporation
Kaiser Steel Corporation
Laclede Steel Company
Lamb and Lerch
Lone Star Steel Company
Manufacturing Chemists' Association
National Council of American Importers
Frank G. Parker, Esquire
Pittsburgh Steel Company
Republic Steel Corporation
Sharp and Bogan
Steadman, Leonard and Hennessey
United States-Japan Trade Council
United States Steel Corporation
United Steelworkers of America
Wheatland Tube Company
Youngstown Sheet and Tube Company

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TREASURY DEPARTMENT

WASHINGTON, D.C.

January 20, 1964

FOR IMMEDIATE RELEASE

HEARINGS ON ANTIDUMPING REGULATIONS

The Treasury has set January 23 as the date on which a public hearing would be held on the customs regulations relating to procedures under the Antidumping Act. Intention to hold such a hearing was announced on December 24, 1963. The hearing will be held in Room 4121 of the Main Treasury Building in Washington.

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Similar hearings were held on these regulations in 1954. The last amendment to the regulations was made in 1960.

The Treasury Department has in the past welcomed suggestions for improvement in its regulations whether made at hearings or not, however, the Treasury considers it appropriate at this time to give everyone interested a formal opportunity to offer further suggestions in the light of developing experience with the administration of the Act.

The Treasury began a review of the regulations some time ago and has engaged the services of consultants from the fields of economics and accounting in the expectation that the fresh approach which they could bring to bear on the problems relating to the administration of the Antidumping Act would be helpful.

If the review proceedings, including the January 23 hearings, indicate that particular changes in the antidumping regulations may be desirable, these proposed changes will be published and the public will be given an opportunity to comment on them before a final decision is reached whether or not to adopt them.

D-1108

The following have asked to be heard:

Barnes, Richardson and Colburn
William J. Barnhard, Esquire
Bethlehem Steel Corporation
Committee for a National Trade Policy
Graubard, Moskowitz and McCauley
Japan Iron and Steel Exporters Association
Jones and Laughlin Steel Corporation
Kaiser Steel Corporation
Laclede Steel Company
Lamb and Lerch
Lone Star Steel Company
Manufacturing Chemists' Association
National Council of American Importers
Frank G. Parker, Esquire
Pittsburgh Steel Company
Republic Steel Corporation
Sharp and Bogan
Steadman, Leonard and Hennessey
United States-Japan Trade Council
United States Steel Corporation
United Steelworkers of America
Wheatland Tube Company
Youngstown Sheet and Tube Company

Witnesses are requested to provide three copies of their testimony at the time of the hearing.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

January 21, 1964

FOR IMMEDIATE RELEASE

JOSEPH M. BOWMAN NAMED ASSISTANT TO THE
SECRETARY OF THE TREASURY (CONGRESSIONAL RELATIONS)

Treasury Secretary Douglas Dillon today announced his intention to appoint Joseph M. Bowman as Assistant to the Secretary. His responsibilities will include Congressional Liaison and related duties.

Mr. Bowman will succeed Joseph W. Barr, whose appointment by President Johnson as a member of the Board of Directors of the Federal Deposit Insurance Corporation was confirmed by the Senate yesterday. Mr. Bowman has served as Mr. Barr's Deputy since May 31, 1963.

Mr. Bowman was Legislative Assistant to Congressman John J. Flynt of Georgia from 1957 to 1958. Following this, he practiced law in Barnesville, Georgia. In 1962 Mr. Bowman joined the Department of Labor where he served as a congressional liaison officer until he joined the Treasury.

A native of Georgia, Mr. Bowman was born at Valdosta, June 23, 1931, and received his education in public schools at Quitman and earned his LL.B. from Emory University in 1957.

He served in the U. S. Air Force from 1952 to 1956 as a navigator, attaining the rank of Captain.

Mr. Bowman is affiliated with the American and Georgia State Bar Associations. He is also a member of Phi Delta Theta, and of Phi Delta Phi fraternities. He has been active in Barnesville, Georgia, civic and religious activities, including Rotary and Junior Chamber of Commerce. He is now a member of the Official Board, Washington Street Methodist Church of Alexandria, Virginia.

He is married to the former Isabella Nichols of Griffin, Georgia. Mr. and Mrs. Bowman have a son, Joseph Nichols, 9, and a daughter, Mary Bayne, 6, and they reside at 3204 Old Dominion Boulevard, Alexandria, Virginia.

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D-1109

TREASURY DEPARTMENT

WASHINGTON, D.C.

January 21, 1964

FOR IMMEDIATE RELEASE

JOSEPH M. BOWMAN NAMED ASSISTANT TO THE
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D-1109

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE

January 21, 1964

TREASURY'S ADVANCE REFUNDING RESULTS

The Treasury Department today announced that preliminary reports from the Federal Reserve Banks show that total subscriptions of about $3,105 million have been received for the 4 percent Treasury Bonds of August 15, 1970, and the 4-1/4 percent Treasury Bonds of May 15, 1975-85, included in the Department's current advance refunding operation. Subscriptions include $2,213 million for the 4 percent bonds, and $892 million for the 4-1/4 percent bonds.

The Treasury will allot in full all subscriptions received for the 4 percent bonds. On subscriptions to the 4-1/4 percent bonds the Treasury will allot in full subscriptions up to $50,000 and other subscriptions will be subject to a 83-1/2% allotment with a minimum of $50,000 per subscription.

This is the first allotment of bonds to be necessary in an advance refunding since June, 1960. However, the total of accepted subscriptions for both bond offerings, representing about 20 percent of the public holdings of the issues that had been eligible for exchange, appears to be well within the distributive and absorptive capacity of the market. These results represent further progress in the Treasury's continuing program of extending debt maturities and maintaining a well-balanced debt structure without unduly disturbing the financial markets.

Details by Federal Reserve Banks as to subscriptions and allotments and of the eligible securities exchanged for the 4 percent and 4-1/4 percent bonds will be announced later.

Following is a breakdown of subscriptions by various classes of subscribers (dollar amounts are in millions):

	4% Bonds of 1970		4-1/4% Bonds of 1975-85		TOTAL	
	Amount	No. Sub.	Amount	No. Sub.	Amount	No. Sub.
Individuals 1/	$ 42	3,175	$ 14	1,074	$ 56	4,249
Commercial Banks (Own account)	1,234	4,100	251	266	1,485	4,366
All Others 2/	748	2,021	477	504	1,225	2,525
Totals	$2,024	9,296	$742	1,844	$2,766	11,140
Government Accounts	$ 189		$150		$ 339	
Grand Totals	$2,213		$892		$3,105	

1/ Includes partnerships and personal trust accounts.

2/ Includes insurance companies, mutual savings banks, corporations exclusive of commercial banks, private pension and retirement funds, pension, retirement and other funds of State and local governments, and dealers and brokers.

TREASURY DEPARTMENT

WASHINGTON, D.C.

IMMEDIATE RELEASE   January 21, 1964

TREASURY'S ADVANCE REFUNDING RESULTS

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This is the first allotment of bonds to be necessary in an advance refunding since June, 1960. However, the total of accepted subscriptions for both bond offerings, representing about 20 percent of the public holdings of the issues that had been eligible for exchange, appears to be well within the distributive and absorptive capacity of the market. These results represent further progress in the Treasury's continuing program of extending debt maturities and maintaining a well-balanced debt structure without unduly disturbing the financial markets.

Details by Federal Reserve Banks as to subscriptions and allotments and of the eligible securities exchanged for the 4 percent and 4-1/4 percent bonds will be announced later.

Following is a breakdown of subscriptions by various classes of subscribers (dollar amounts are in millions):

	4% Bonds of 1970		4-1/4% Bonds of 1975-85		TOTAL	
	Amount	No. Sub.	Amount	No. Sub.	Amount	No. Sub.
Individuals 1/	$ 42	3,175	$ 14	1,074	$ 56	4,249
Commercial Banks (Own account)	1,234	4,100	251	266	1,485	4,366
All Others 2/	748	2,021	477	504	1,225	2,525
Totals	$2,024	9,296	$742	1,844	$2,766	11,140
Government Accounts	$ 189		$150		$ 339	
Grand Totals	$2,213		$892		$3,105	

1/ Includes partnerships and personal trust accounts.

2/ Includes insurance companies, mutual savings banks, corporations exclusive of commercial banks, private pension and retirement funds, pension, retirement and other funds of State and local governments, and dealers and brokers.

D-1110

TREASURY DEPARTMENT

WASHINGTON, D.C.

January 22, 1964

FOR IMMEDIATE RELEASE

WITHHOLDING OF APPRAISEMENT ON
VITAL WHEAT GLUTEN

Press release dated August 6, 1963, is hereby corrected as follows: The words "Ogilvie Flour Mills Co., Limited" should be amended wherever they appear to read "Ogilvie Flour Mills Co., Limited, or its subsidiary, Industrial Grain Products Limited."

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WASHINGTON, D.C.

January 22, 1964

FOR IMMEDIATE RELEASE

TREASURY DECISION ON TITANIUM DIOXIDE
UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that titanium dioxide from Japan 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 1962 was approximately $950,000.

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~~[illegible]~~

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 (current revision) 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.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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 October 31, 1963 , (91 days remaining until maturity date on April 30, 1964) 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 Banks on January 30, 1964 , in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 30, 1964 . Cash

[illegible]

[illegible]

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE, January 22, 1964

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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 $ 2,100,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing January 30, 1964, in the amount of $ 2,100,224,000, as follows:

91 -day bills (to maturity date) to be issued January 30, 1964, in the amount of $ 1,300,000,000, or thereabouts, representing an additional amount of bills dated October 31, 1963, and to mature April 30, 1964, originally issued in the amount of $ 800,313,000, the additional and original bills to be freely interchangeable.

182 -day bills, for $ 800,000,000, or thereabouts, to be dated January 30, 1964, and to mature July 30, 1964.

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, $50,000, $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 p.m., Eastern Standard time, Monday, January 27, 1964. 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.

January 22, 1964

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Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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 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 October 31, 1963, (91-days remaining until maturity date on April 30, 1964) 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 Banks on January 30, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 30,1964. 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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oOo

CITATION

Alexander Hamilton Award

Joseph W. Barr

As the first man appointed to the position of Assistant to the Secretary of the Treasury for Congressional Relations, Mr. Barr organized and for the last three years supervised the Department's Congressional liaison activities. He played a major role in formulating the Department's extraordinarily heavy legislative program which included two major revenue acts, a number of proposals designed to improve the nation's balance of payments position, the repeal of outmoded silver legislation, acts to strengthen international financial organizations, and debt ceiling extention legislation. His drive, his good will, and his imaginative leadership were indispensable to the success of the Department's program, and his record of achievement is without question in the Hamilton tradition.

business communities. We are all fortunate indeed to have him as Chairman of the Federal Deposit Insurance Corporation.

With a sense of profound loss because he must leave us, but with gratitude for his unselfish service to the Treasury and to the Country, I will now, on behalf of Secretary Dillon, who is prevented from being with us by illness, present to Joseph W. Barr, the Alexander Hamilton Award.

I will read the citation:

stimulating the country's economic growth, and in the necessity of restoring balance to our international payments position, that he could not have acted with the vigor and effect he has so clearly displayed.

Further than that, he is a "man of all seasons," and we shall miss his brisk good humor, his quick and sound good judgement, and his ability to make those qualities a part of the whole team effort.

I hasten to add that the Treasury in making this award has not been alone in recognizing Joe Barr's values and virtues. He is a man whom two Presidents have appointed to the same job, and who has been enthusiastically confirmed by the Senate to a Federal position of great importance to the financial and a host of friends in the Congress who trust his judgement and respect his opinions. His college years gave him a sound groundwork in government and economics, and his successful business career provided him with the practical experience of the market place.

But over and above these qualifications is another that particularly equips Joe Barr as a most valuable public servant: He has a sure instinct for quickly recognizing proposals and ideas that are in the best interests of his country, and then concentrating his total energy into helping to attain those goals. All of us who have worked with him, and who have depended upon him, know that if he had not believed so heartily in our tax legislation this year and last, in the need for strongly

TREASURY DEPARTMENT
Washington

FOR RELEASE: UPON DELIVERY

REMARKS BY ACTING TREASURY SECRETARY HENRY H. FOWLER
IN PRESENTING THE ALEXANDER HAMILTON AWARD
TO JOSEPH W. BARR, JANUARY 22, 1964, 4:30 P.M.
ROOM 4121, MAIN TREASURY BUILDING

The Alexander Hamilton Award is the highest recognition we can bestow for leadership and achievement in the service of the Treasury Department.

No one has more clearly demonstrated his qualifications for that award than Joseph W. Barr. His accomplishments have consistently been in the Hamilton tradition. He has compressed into the past five years a wealth of experience as an outstanding public servant -- first as an able and energetic Congressman and, for the past three years, as Assistant to Secretary Dillon for Congressional Relations.

Mr. Barr's service in the Congress provided him with an intimate knowledge of how that body operates, and

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FOR RELEASE A. M. NEWSPAPERS,
Tuesday, January 28, 1964.

January 27, 1964

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 October 31, 1963, and the other series to be dated January 30, 1964, which were offered on January 22, were opened at the Federal Reserve Banks on January 27. Tenders were invited for $1,300,000,000, or thereabouts, of 91-day bills and for $800,000,000, 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 30, 1964		:	182-day Treasury bills maturing July 30, 1964	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.118	3.489%	:	98.180	3.600%
Low	99.113	3.509%	:	98.170	3.620%
Average	99.115	3.501% 1/	:	98.174	3.613% 1/

79% of the amount of 91-day bills bid for at the low price was accepted
74% 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	$ 31,374,000	$ 16,374,000	:	$ 2,624,000	$ 2,624,000
New York	1,576,808,000	661,818,000	:	1,257,621,000	586,481,000
Philadelphia	29,730,000	14,080,000	:	6,964,000	1,964,000
Cleveland	27,339,000	27,318,000	:	37,082,000	37,050,000
Richmond	11,954,000	11,786,000	:	2,113,000	2,057,000
Atlanta	22,568,000	16,948,000	:	6,825,000	6,695,000
Chicago	259,517,000	199,707,000	:	166,325,000	84,465,000
St. Louis	29,670,000	23,670,000	:	9,340,000	7,340,000
Minneapolis	23,451,000	18,136,000	:	8,233,000	6,633,000
Kansas City	46,983,000	44,783,000	:	13,865,000	13,839,000
Dallas	23,638,000	15,328,000	:	9,588,000	7,278,000
San Francisco	83,982,000	50,462,000	:	51,399,000	43,841,000
TOTALS	$2,167,014,000	$1,300,410,000 a/		$1,571,979,000	$800,267,000 b/

a/ Includes $239,112,000 noncompetitive tenders accepted at the average price of 99.115
b/ Includes $60,766,000 noncompetitive tenders accepted at the average price of 98.174
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.59%, for the 91-day bills, and 3.74%, 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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New York	1,576,808,000	861,818,000	:	1,257,621,000	586,481,000
Philadelphia	29,730,000	14,080,000	:	6,964,000	1,964,000
Cleveland	27,339,000	27,318,000	:	37,082,000	37,050,000
Richmond	11,954,000	11,786,000	:	2,113,000	2,057,000
Atlanta	22,568,000	16,948,000	:	6,825,000	6,695,000
Chicago	259,517,000	199,707,000	:	166,325,000	84,465,000
St. Louis	29,670,000	23,670,000	:	9,340,000	7,340,000
Minneapolis	23,451,000	18,136,000	:	8,233,000	6,633,000
Kansas City	46,983,000	44,783,000	:	13,865,000	13,839,000
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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 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 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 February 6, 1964.

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

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TREASURY DEPARTMENT
Washington

OR IMMEDIATE RELEASE, January 23, 1964

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX Treasury offers $1 Billion One-year Bills

The Treasury Department, by this public notice, invites tenders for $ 1,000,000,000 , r thereabouts, of 360 -day Treasury bills, to be issued on a discount basis under ompetitive and noncompetitive bidding as hereinafter provided. The bills of this eries will be dated February 6, 1964 , and will mature January 31, 1965 , en the face amount will be payable without interest. They will be issued in bearer orm only, and in denominations of $1,000, $5,000, $10,000, $50,000, $100,000, $500,000 d $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing our, one-thirty p.m., Eastern Standard time, Thursday, January 30, 1964 . Tenders ll not be received at the Treasury Department, Washington. Each tender must be for even multiple of $1,000, and in the case of competitive tenders the price offered st be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. ctions may not be used. It is urged that tenders be made on the printed forms and warded in the special envelopes which will be supplied by Federal Reserve Banks or anches on application therefor.

Banking institutions generally may submit tenders for account of customers proded the names of the customers are set forth in such tenders. Others than banking stitutions will not be permitted to submit tenders except for their own account. nders will be received without deposit from incorporated banks and trust companies l from responsible and recognized dealers in investment securities. Tenders from ers must be accompanied by payment of 2 percent of the face amount

TREASURY DEPARTMENT

WASHINGTON, D.C.

January 23, 1964

FOR IMMEDIATE RELEASE

TREASURY OFFERS $1 BILLION ONE-YEAR BILLS

The Treasury Department, by this public notice, invites tenders for $1,000,000,000, or thereabouts, of 360-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 dated February 6, 1964, and will mature January 31, 1965, 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, $50,000, $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 p.m., Eastern Standard time, Thursday, January 30, 1964. 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.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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 without stated price from any one bidder will be ccepted in full at the average price (in three decimals) of accepted ompetitive bids. Payment of accepted tenders at the prices offered ust be made or completed at the Federal Reserve Banks in cash or ther immediately available funds on February 6, 1964.

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

Treasury Department Circular No. 418 (current revision) and this otice, prescribe the terms of the Treasury bills and govern the onditions of their issue. Copies of the circular may be obtained rom any Federal Reserve Bank or Branch.

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FOR RELEASE A.M. NEWSPAPERS,
MONDAY, JANUARY 27, 1964

SECRETARY DILLON COMMENTS ON INTEREST EQUALIZATION TAX

The attached reprint from the Investment Dealers' Digest of January 27, 1964 contains a letter from Secretary of the Treasury Douglas Dillon giving the administration's comments on the proposed foreign security tax.

D-1114

TREASURY DEPARTMENT

WASHINGTON, D.C.

January 24,1964

FOR RELEASE A.M. NEWSPAPERS
MONDAY, JANUARY 27, 1964

SECRETARY DILLON COMMENTS
ON INTEREST EQUALIZATION TAX

The attached reprint from the Investment Dealers' Digest of January 27, 1964 contains a letter from Secretary of the Treasury Douglas Dillon giving the administration's comments on the proposed foreign security tax.

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D-1114

~~Meanwhile,~~ I should emphasize again that, valuable as these studies of international liquidity will doubtless prove to be, their relevance for the present United States balance of payments situation is very limited. There is no prospect of somehow obtaining relief from the urgent necessity of ~~removing~~ eliminating our balance of payments deficit. The ~~studies~~ now ~~being conducted are~~ based on the prospect that our balance of payments deficit will in fact be ended. The responsibility inescapably rests upon us to make that assumption an accomplished fact.

examining the present system as it has heretofore evolved, assessing the likely needs of the future, and developing possible approaches toward meeting these needs, for review by the finance ministers next ~~summer~~ Fall.

of whom is represented by a senior official in the discussion

At present, this working group is still in the process of isolating the major issues in this vast and complicated area through the process of frank and full discussion, with each representative setting aside the details of his daily work ~~for several days at a time~~ so that he can participate intensively in this review. The group ~~has~~ also draw~~n~~s upon the resources of the International Monetary Fund, the Bank for International Settlements, and the Organization for Economic Cooperation and Development, providing further assurance of a thoroughgoing, realistic appraisal. It is expected that the stage of more active negotiation, preliminary to any specific recommendations ~~and~~ review by the finance ministers themselves, will be

during the

reached ~~within a few months~~.

helped to focus attention on the potential problems that may arise over the years ahead in assuring an adequate supply of international liquidity once the United States is no longer supplying dollars on balance to the rest of the world. In order that these problems may be anticipated and the further evolution of the international monetary system guided along constructive and agreed lines, the same Group of Ten nations that in 1962 agreed to supplement the ordinary resources of the IMF with the Special Borrowing Arrangements agre~~ed last September~~ ~~to jointly re-~~examine the ~~potential needs~~ of the system and to develop ~~recommendations for meeting them.~~

this end, a working group of deputy finance ministers from each country has been established under the chairmanship of Under Secretary Roosa, and has been meeting periodically since October. These senior ~~Treasury~~ officials, each accompanied by representatives of their central banks, have been assigned the task of systematically

1963 also saw a marked decline in the drain on our gold stocks. To some degree, this reflected the added supply of gold reaching world markets from ~~Russia,~~ ~~and~~ the continued usefulness of the informal cooperation among leading countries in dealings on the London gold market. ~~in dissipating potential speculative pressures.~~ But in addition, foreigners -- and particularly private foreigners -- chose to build their dollar balances at a more rapid rate. For the twelve months as a whole, our loss of gold came to $461 million, well below the average of $873 million in 1961 and 1962 and the much larger outflows, averaging nearly $1.7 billion, of the years 1958 to 1960. This in itself is a sign of sustained confidence in the stability of the dollar and in the strength of existing monetary arrangements. But this strength can be preserved only if there is continuing evidence that our balance of payments is indeed under firm control.

The International Payments Mechanism

The prospect of the elimination of our deficit has, in turn, These encouraging developments deserve mention. But at the same time, we must all recognize that the gains are still far too limited, and that temporary improvement is not enough. The need for resolute action on the balance of payments problem is no less a matter of national concern than it was six months ago. Action on the Interest Equalization tax must be completed without ~~crippling modifications or concessions that would erode~~ its effectiveness. The comprehensive program announced last July to reduce the balance of payments cost of our military and foreign aid programs must be pressed forward with undiminished vigor and resolution to realize the anticipated ~~savings~~ of $1 billion on Government payments abroad by the end of this year. And imaginative and energetic efforts by business and Government to capitalize on our fine record of price stability and to expand export markets are particularly necessary if we are to move into early payments balance.

in somewhat smaller volume than in 1962, because of smaller debt prepayments and smaller advance payments on military exports. Nevertheless, our over-all deficit -- measuring the increase in our liquid liabilities to foreigners and the decline in our reserves -- fully reflected the sharp improvement in the second half of the year. If the special, non-marketable, medium-term convertible Treasury securities sold to foreign official institutions are considered a balance of payments receipt rather than a liquid liability, preliminary reports indicate that the over-all deficit for 1963 should be about \$1.9 billion, as compared to \$2.2 billion last year and \$2.4 billion in 1961. If the \$700 million of ~~special convertible~~ These issues sold during the year are disregarded, the over-all deficit would be about \$2.6 billion. Thus, despite the sharp deterioration in the early months of the year, we were able in 1963 to maintain the pattern of improvement from the [illegible].7 billion ~~[illegible]~~ that

~~[illegible] deficits of the~~ 1958-1960 period, ~~[illegible]~~.

Balance of Payments Improvement

The sharp declines in ~~the~~ capital outflow after July were reflected in a substantial improvement in our entire balance of payments position. The deficit on regular transactions, after reaching the clearly unsustainable seasonally adjusted annual rate of over \$5.0 billion during the second quarter, dropped to a rate of \$1.6 billion during the third quarter. While final data for the full year are still lacking, this third quarter rate appears to have been maintained or improved ~~slightly further~~ during the fourth quarter. ~~By this measure,~~ the deficit during the entire second half of 1963 was the smallest for any equivalent period since 1957. For the year as a whole, ~~the deficit on regular transactions~~ appears to have been reduced to about \$3 billion, roughly \$600 million below the figure for 962 ~~despite the sharp deterioration over the first six months.~~

Special intra-Governmental transactions that have the effect of sorbing a portion of the dollars flowing into foreign hands were become more fully capable of meeting the financial needs generated by their own growth. In this connection, the Treasury has recently completed an intensive survey of European capital markets and provided it to your Committee for publication. I am hopeful that this review of those markets will be useful in developing greater understanding ~~in this country~~ of both the problems and the potential for progress.

curtailing the outward flow of capital was strikingly demonstrated during the second half of the year, when reductions in the outflow of private capital were largely responsible for the dramatic improvement in our payments position.

The Interest Equalization Tax is a transitional measure. The fundamental solution to the problem of long-term capital outflows must be found in other efforts at home and abroad. One essential is to strengthen our own economy, so that investment in the United States is more attractive for our own citizens and foreigners alike. More specifically, one of the important benefits of the tax reduction program will be to increase the profitability of domestic investment and to generate more outlets at home for our savings.

At the same time, the danger of massive demands from abroad onverging on our market ~~will~~ can be greatly relieved by improvement in the apital markets of other industrialized countries so ~~that they can~~

President Kennedy on July 18 announced the proposed Interest Equalization Tax. By increasing the cost of capital to foreigners borrowing in our market by the equivalent of about 1% per year, the effects of this excise tax in diverting foreign borrowers to other markets are closely analogous to an increase in the entire structure of domestic interest rates.

No one can be happy with the necessity of taking action of this type to restrain the outward flow of capital. But the need was clear; flotations of new foreign securities in our market had reached an annual rate of over $2 billion a year during the first half of 1963, almost double the already high rate of 1962 and more than triple the more normal volume of the years from 1959 to 1961. Moreover, there were no indications that the flow would fall back to earlier levels of its own accord.

The effectiveness of the moderate upward pressures on the short-term rate structure and the proposed Interest Equalization Tax in gradual, but steady, progress we had been making in other directions to restore balance in our international payments was overwhelmed. Prompt and effective action to staunch this capital outflow could not be deferred. Therefore, use was made of the traditional tools of monetary policy -- including a rise in the Federal Reserve discount rate from 3 to 3-1/2 per cent in July -- to bring our structure of short-term money market rates into better alignment with those prevailing abroad.

But the enormous volume of our savings seeking long-term nvestment outlets clearly indicated that any attempt to bring about the sharply higher long-term interest rate ~~levels~~ required o restrain the outflow of long-term capital to more sustainable amounts ould not have been practicable, and, ~~the attempt~~ would have necessitated degree of credit contraction entirely out of keeping with our omestic economic situation. It was in these circumstances that

Interest Rates and the Problem of International Capital Flows

These market developments and ~~the~~ appropriate debt management and monetary policies cannot, of course, be fully appraised without considering their relationship to our pressing balance of payments problem. In a world of convertible currencies and increasingly free capital movements among countries, no industrialized nation can expect to keep its own money markets entirely insulated from developments in the principal markets abroad. Certainly, develop-ments during 1963, when swelling outflows of long- and short-erm capital for a time threatened to undermine the dollar and ring unbearable strains on the international financial system, ave pointed unambiguously to the need to achieve a reasonable alance between the costs and returns on capital in our market and hose abroad.

The recorded outflow of capital in the second quarter of 1963 ached an annual rate of about $5.8 billion. As a result, the benefiting from the stimulus of tax reduction, should generate still higher demands for credit from business and individuals, just as these demands have risen over the past three years. But, unlike the situation a year ago (even after considering the impact of the [illegible] 1964 budget, we can ~~also~~ look forward to a sharp reduction in the fiscal 1965 deficit [illegible], ~~and that the~~ ~~in the volume of good financing required to meet the anticipated~~ ~~[illegible]~~ ~~budget deficit,~~ a fact that should help relieve the concern that has been expressed in some quarters that financing requirements will outpace our savings potential. With a surplus in trust accounts and the normal purchases of the Federal Reserve, foreigners and others that regularly absorb~~ing~~ Treasury securities, the residue to be financed in the market should be quite manageable. ~~despite~~ While we will face the usual large seasonal needs during the first half of the coming fiscal year, ~~this will~~ a large portion will (be offset by a substantial surplus during the second half of the fiscal year. ~~later in the year.~~ Moreover, the volume of savings seeking long-term investment outlets has remained very large throughout the expansion period, and it should not be forgotten that the higher incomes generated by reduced taxes and ~~higher~~ recent levels of business activity will further enlarge this flow.

activity is at new peaks -- a sharp contrast to the pattern of tightening markets and declining volume characteristic of earlier postwar expansion.

Market yields on state and local government securities, while tending to rise [illegible] during the latter part of the year, averaged lower than during all but one of the past 7 years, while the volume of financing reached a new record of ~~[illegible]~~ $11 billion. Rates charged by banks for business loans remained stable at the lower levels reached in the last recession, and new corporate bond financing remained available at rates very close to -- and in the case of medium quality credits ~~appreciably~~ somewhat below -- the levels prevailing when the current expansion began.

It is against this background that we intend to continue to finance our future deficits in a manner that will avoid contributing either to a buildup of excessive liquidity in the economy or to unnecessary pressures on key market interest rates. In doing so, we are of course conscious of the fact that an expanding economy, one month, the longest for any December since ~~1955. Moreover,~~ the entire increase in the debt was placed outside the commercial banking system. Commercial bank holdings of Government securities actually declined during calendar year 1963 by $3½ billion and their total holdings of Government securities today are only 1 per cent higher than when the current expansion got under way.

Last year also saw a record volume of long-term credit flowing nto the private sector of the economy and to state and local governments. his accelerated flow provided ample evidence that our progress in estructuring the Federal debt has not inhibited economic activity. ortgage rates -- perhaps the most significant of all interest rates terms of their potential impact on private spending -- actually eclined, even while almost $30 billion of additional mortgage credit -- far the largest amount in any single year -- was being made available liberal terms to builders and homebuyers. Today, mortgage rates are low as at any time since the recession year of 1958 and building

Over $14-3/4 billion of new marketable Treasury securities maturing in more than five years, including $3-3/4 billion maturing in more than ten years, were placed with individuals and institutional investors during calendar year 1963. On two occasions long-term bonds were sold through competitive bidding. And The further development and refinement of the advance refunding technique, which provides a means of encouraging investors to extend their commitments in Government securities with a minimum impact on the capital markets, greatly facilitated our accomplishment. The net result was a reduction of $3 billion in the outstanding 1-5 year debt ~~and~~ Overall there was a further increase in the average maturity of our marketable debt to five years and [illegible] the longest for many [illegible].

Debt maturing within one year was increased by $2 billion, reflecting the decision to concentrate much of our new cash financing in the bill market to help keep short-term interest rates in line with those abroad. ~~An increase in~~ the short-term debt ~~of this size could be~~ absorbed without creating excessive liquidity -- a fact symbolized by a further increase in the average maturity of all our marketable debt to five years and

Tax Reduction, the Budget, and Financing the Deficit

The tax reduction program reflects a deliberate decision to rely upon the private sector of the economy to provide the motive force for the more rapid economic progress that our situation demands. The essential corollary of that decision -- firm restraint on the total of Federal spending -- is unambiguously statedin the President's budget. With expenditures in check, all the added revenues that will be generated by economic expansion during fiscal 1965 can be devoted to reducing the deficit and putting us securely on the path toward early restoration of budgetary balance. When joined with continued sound financing of our transitional deficits, this budgetary outlook offers assurance that neither inflationary excesses nor capital market congestion will impede our progress toward the achievement of full employment.

The events of the past year have clearly illustrated that we can soundly finance our budgetary deficit during an orderly advance in business activity without bringing heavy pressures on the capital market.

[illegible] insistent that [illegible] Congressional [illegible]

these

While drastically cutting ~~[illegible]~~ excessively high, war-born rate schedules, the tax bill gives its greatest proportional benefits to low income individuals. It imposes a smaller proportion of the total tax liability on lower income taxpayers. And, in the Senate Finance committee version, which in this respect is much to be preferred, the bill gives no further benefits to capital gains. For all those reasons, there can be no question but that the tax bill will mean a marked and healthy improvement in our income tax structure. It will not [illegible]

Expectations that the tax program will be enacted have already helped to account for the strength of business activity in recent months. But expectations of tax reduction cannot alone provide the needed stimulus. Not until the bill is actually passed by the Congress and signed by the President can withholding rates be reduced and the new spending power generated for consumers, at a rate of close to $800 million per month, work its way through the market into expanded employment. And not until then can our citizens plan ahead in the sure knowledge of greater after-tax returns for new investment and productive effort.

tax load. Taxpayers in the bottom income group -- earning $3,000 or less -- will get three times the percentage tax reduction of those earning $50,000 and up.

Those who have suggested that the individual tax reductions favor the upper income groups forget that, by the very nature of our steeply progressive tax rate structure, any across-the-board rate reductions must inevitably mean greater increases in the after-tax income those in ~~middle and upper~~ the higher brackets. To achieve equal percentage increases in after-tax income would require maintenance of a rate schedule reaching at [illegible] running up a top rate of 90 or 91%, ~~and~~ It would mean total abandonment of any thought of across-the-board reductions in our current excessively high rates. But this would be to abandon one of the chief objectives of the bill -- a decisive shift away from the excessively high marginal rates that inhibit incentives and serve as a source or excuse for many of the distortions in our tax structure.

[redacted] individual tax reduction. Consequently, the combination of rate reduction and structural reform will shift to the higher income brackets a somewhat larger share of the reductions for those at the bottom end of the scale. Although most [illegible] ~~poor~~ families pay little if any income tax, those that do will obtain substantial relief. For families with total personal income of $3,000 or less and for individuals with personal income of $1,500 or less -- including not only sources of income reported on tax returns but also social security and other transfer payments -- taxes would be cut by an average of ~~over 80%~~. And many of the 1.5 million taxpayers who, under the bill, will no longer pay any income tax whatsoever are in this group.

Over-all, the bill, as reported by the Senate Finance Committee, provides a net reduction in personal tax liabilities of nearly $9.5 billion, or about 80% of the total tax ~~relief~~ provided. The great bulk of this money will move directly into consumer markets. Over $5.5 billion of the net reduction in personal tax goes to taxpayers with incomes of $10,000 or less. These people -- 85% of all taxpayers -- now carry 50% of the individual tax load. Under both House and Senate versions, they will receive 60% of the of the bill, Tax reduction is not a cure-all. To overcome stubborn pockets of poverty, lack of adequate training for too many workers, and ~~the~~ remaining ~~substantial~~ barriers to equal employment opportunity will require the kind of coordinated and many-sided effort -- by business and labor as well as by the Federal Government, by states, and by local communities -- that the President has outlined for us. But tax reduction, with its stimulating effects permeating into every sector of the economy, must be the centerpiece of any effective attack on unemployment and poverty, for the more specific remedies for these problems can be fully effective only in a more buoyant economic environment -- an environment in which a trained man can find employment for his skills and in which there are strong economic incentives for upgrading workers and overcoming barriers of race and color.

The tax bill as passed by the House and approved by a bipartisan 12-5 vote in the Senate Finance Committee provides particularly large year, ~~the [illegible] and waste implicit in~~ excessive ~~unemployment~~ [illegible] ~~[illegible] reminder of the~~ failure ~~of our performance to measure up to the needs of our society~~. ~~At year end~~ more of our citizens were unemployed during December than was the case ~~at~~ a year earlier. We can and must do better.

The true measure of our task is not ~~simply~~ simply the 5½% of our labor force that is currently unemployed. In addition, we must provide jobs for ~~the millions of~~ the rapidly increasing number of younger workers who will be entering the labor force over the remaining years of this decade, and for those further millions who will be displaced from existing jobs by ~~the already rapid pace of~~ mechanization and automation.

A broad consensus has been reached among leaders in all sectors of our economy -- and I believe within the Congress too -- that thoroughgoing tax reduction, lifting from the private economy the shackles of wartime tax rates, is the greatest single step that can be taken to speed the creation of new job opportunities.

TREASURY DEPARTMENT
Washington

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FOR RELEASE: ~~ON~~ Upon DELIVERY

STATEMENT OF THE HONORABLE DOUGLAS DILLON
SECRETARY OF THE TREASURY
BEFORE THE
JOINT ECONOMIC COMMITTEE
JANUARY ~~2~~ 28, 196~~3~~ 4
10:00 A.M.

Mr. Chairman and Members of the Joint Economic Committee:

to explore with you some of the implications of recent and prospective developments for the broad range of financial and economic policies -- both domestic and international -- with which I am directly concerned.

Unfilled Needs at Home

The current advance in business activity -- now extending over three full years -- has remained remarkably well balanced. But I think it is now abundantly clear to all that we cannot be satisfied simply to head off a new recession, or to continue with the current gradual expansion in output. For, despite the growth in the economy last

TREASURY DEPARTMENT
Washington

FOR RELEASE: UPON DELIVERY

STATEMENT OF THE HONORABLE DOUGLAS DILLON
SECRETARY OF THE TREASURY
BEFORE THE
JOINT ECONOMIC COMMITTEE
JANUARY 28, 1964
10:00 A.M.

Mr. Chairman and Members of the Joint Economic Committee:

The performance of the American economy during 1963 has already been reviewed in detail in the Economic Report. Consequently, I shall not dwell upon this past record today. Instead, I should like to explore with you some of the implications of recent and prospective developments for the broad range of financial and economic policies -- both domestic and international -- with which I am directly concerned.

Unfilled Needs at Home

The current advance in business activity -- now extending over three full years -- has remained remarkably well balanced. But I think it is now abundantly clear to all that we cannot be satisfied simply to head off a new recession, or to continue with the current gradual expansion in output. For, despite the growth in the economy last year more of our citizens were unemployed during December than was the case a year earlier. We can and must do better.

The true measure of our task is not simply the 5-1/2 percent of our labor force that is currently unemployed. In addition, we must provide jobs for the rapidly increasing number of younger workers who will be entering the labor force over the remaining years of this decade, and for those further millions who will be displaced from existing jobs by mechanization and automation.

A broad consensus has been reached among leaders in all sector of our economy -- and I believe within the Congress too -- that thoroughgoing tax reduction, lifting from the private economy the shackles of wartime tax rates, is the greatest single step than can be taken to speed the creation of new job opportunities.

Tax reduction is not a cure-all. To overcome stubborn pockets of poverty, lack of adequate training for too many workers, and remaining barriers to equal employment opportunity will require the kind of coordinated and many-sided effort -- by business and labor as well as by the Federal Government, by states, and by local communities -- that the President has outlined for us. But tax reduction, with its stimulating effects permeating into every sector of the economy, must be the centerpiece of any effective attack on unemployment and poverty, for the more specific remedies for these problems can be fully effective only in a more buoyant economic environment -- an environment in which a trained man can find employment for his skills and in which there are strong economic incentives for upgrading workers and overcoming barriers of race and color.

The tax bill as passed by the House and approved by a bipartisan 12-5 vote in the Senate Finance Committee provides particularly large reductions for those at the bottom end of the scale. Although mc low income families pay little if any income tax, those that do will obtain substantial relief. For families with total personal income of $3,000 or less and for individuals with personal income of $1,500 or less -- including not only sources of income reported on tax returns but also social security and other transfer payments -- taxes would be cut by an average of more than sixty percent. And many of the 1.5 million taxpayers who, under the bill, will no longer pay any income tax whatsoever are in this group.

Over-all, the bill, as reported by the Senate Finance Committee, provides a net reduction in personal tax liabilities of nearly $9.5 billion, or about 80 percent of the total tax reduction provided. The great bulk of this money will move directly into consumer markets. Over $5.5 billion of the net reduction in personal tax goes to taxpayers with incomes of $10,000 or less. These people -- 85 percent of all taxpayers -- now carry 50 percent of the individual tax load. Under both House and Senate versions of the bill, they will receive 60 percent of the individual tax reduction. Consequently, the combination of rate reduction and structural reform will shift to the higher income brackets a somewhat larger share of the tax load. Taxpayers in the bottom income group -- reporting earnings of $3,000 or less -- will get three times the percentage tax reduction of those earning $50,000 and up.

Those who have suggested that the individual tax reductions favor the upper income groups forget that, by the very nature of our steeply progressive tax rate structure, any across-the-board rate reductions must inevitably mean greater increases in the after-tax incomes of those in the higher brackets. To achieve equal percentage increases in after-tax income would require maintenance of a rate schedule much as at present, running up to a top rate of 90 or 91 percent. It would mean total abandonment of any thought of across-the-board reductions in our current excessively high rates. But this would be to abandon one of the chief objectives of the bill -- a decisive shift away from the excessively high marginal rates that inhibit incentives and serve as a source or excuse for many of the distortions in our tax structure.

While drastically cutting these excessively high, war-born rate schedules, the tax bill gives its greatest proportional benefits to low income individuals. It imposes a smaller proportion of the total tax liability on lower income taxpayers. And, in the Senate Finance Committee version, which in this respect is much to be preferred, the bill gives no further benefits to capital gains. For all those reasons, there can be no question but that the tax bill will mean a marked and healthy improvement in our income tax structure. It will not by any means remove remove all the inequities in our present tax law. I wish it had been possible to do more. But, even so, there can be no doubt that the present bill will mark a significant step in the direction of greater equit

Expectations that the tax program will be enacted have already helped to account for the strength of business activity in recent months. But expectations of tax reduction cannot alone provide the needed stimulus. Not until the bill is actually passed by the Congress and signed by the President can withholding rates be reduced and the new spending power generated for consumers, at a rate of close to $800 million per month, work its way through the market into expanded employment. And not until then can our citizens plan ahead in the sure knowledge of greater after-tax returns for new investment and productive effort. That is why the President has been so insistent that Congressional action on the bill be completed just as rapidly as possible.

Tax Reduction, the Budget, and Financing the Deficit

The tax reduction program reflects a deliberate decision to rely upon the private sector of the economy to provide the motive force for the more rapid economic progress that our situation demands. The essential corollary of that decision -- firm restrain on the total of Federal spending -- is unambiguously stated in the President's budget. With expenditures in check, all the added revenues that will be generated by economic expansion during fiscal 1965 can be devoted to reducing the deficit and putting us securely on the path toward early restoration of budgetary balance When joined with continued sound financing of our transitional deficits, this budgetary outlook offers assurance that neither inflationary excesses nor capital market congestion will impede our progress toward the achievement of full employment.

The events of the past year have clearly illustrated that we can soundly finance our budgetary deficit during an orderly advance in business activity without bringing heavy pressures on the capital market. Over $14-3/4 billion of new marketable Treasury securities maturing in more than five years, including $3-3/4 billion maturing in more than ten years, were placed with individuals and institutional investors during calendar year 1963. On two occasions long-term bonds were sold through competitive bidding. And the further development and refinement of the advance refunding technique, which provides a means of encouraging investors to extend their commitments in Government securities with a minimum impact on the capital markets, greatly facilitated our accomplishment The net result was a reduction of $3 billion in the outstanding 1-5 year debt despite the effects of the passage of time in bringing more issues into that category. Overall there was a further increase in the average maturity of our marketable debt to five years and one month, the longest for any December since 1955.

Debt maturing within one year was increased by $2 billion, reflecting the decision to concentrate much of our new cash financing in the bill market to help keep short-term interest rates in line with those abroad. This enlargement of the short-term debt wa easily absorbed without creating excessive liquidity.

The entire increase in the debt was placed outside the commercial banking system. Commercial bank holdings of Government securities actually declined during calendar year 1963 by $3-1/2 billion and their total holdings of Government securities today are only one percent higher than when the current expansion got under way.

Last year also saw a record volume of long-term credit flowing into the private sector of the economy and to state and local governments. This accelerated flow provided ample evidence that our progress in restructuring the federal debt has not inhibited economic activity. Mortgage rates -- perhaps the most significant of all interest rates in terms of their potential impact on private spending -- actually declined, even while almost $30 billion of additional mortgage credit -- by far the largest amount in any single year -- was being made available on liberal terms to builders and homebuyers. Today, mortgage rates are as low as at any time since the recession year of 1958 and building activity is at new peaks -- a sharp contrast to the pattern of tightening markets and declining volume characteristic of earlier postwar expansion.

Market yields on state and local government securities, while tending to rise moderately during the latter part of the year, averaged lower than during all but one of the past 7 years, while the volume of financing reached a new record of $11 billion.

Rates charged by banks for business loans remained stable at the lower levels reached in the last recession, and new corporate bond financing remained available at rates very close to -- and in the case of medium quality credits somewhat below -- the levels prevailing when the current expansion began.

It is against this background that we intend to continue to finance our future deficits in a manner that will avoid contributing either to a buildup of excessive liquidity in the economy or to unnecessary pressures on key market interest rates. In doing so, we are of course conscious of the fact that an expanding economy, benefiting from the stimulus of tax reduction, should generate still higher demands for credit from business and individuals, just as these demands have risen over the past three years. But, unlike the situation a year ago we can now look forward to a sharp reduction in the fiscal 1965 budget deficit, a fact that should help relieve the concern that has been expressed in some quarters that financing requirements will outpace our savings potential. With a surplus in trust accounts and the normal purchases of the Federal Reserve, foreigners and others that regularly absorb Treasury securities, the residue to be financed in the market should be quite manageable. While we will face the usual large seasonal needs for cash during the first half of the coming fiscal year, a large portion will be offset by a substantial surplus during the second half of the fiscal year. Moreover, the volume of savings seeking long-term investment outlets has remained very large throughout the expansion period, and it should not be forgotten that the higher incomes generated by reduced taxes and rising levels of business activity will further enlarge this flow.

Interest Rates and the Problem of International Capital Flows

These market developments and appropriate debt management and monetary policies cannot, of course, be fully appraised without considering their relationship to our pressing balance of payments problem. In a world of convertible currencies and increasingly free capital movements among countries, no industrialized nation can expect to keep its own money markets entirely insulated from developments in the principal markets abroad. Certainly, development during 1963, when swelling outflows of long- and short-term capital for a time threatened to undermine the dollar and bring unbearable strains on the international financial system, have pointed unambiguously to the need to achieve a reasonable balance between the costs and returns on capital in our market and those abroad.

The recorded outflow of United States capital in the second quarter of 1963 reached an annual rate of nearly $7.0 billion. As a result, the gradual, but steady, progress we had been making in other directions to restore balance in our international payments was overwhelmed. Prompt and effective action to staunch this capital outflow could not be deferred. Therefore, use was made of the traditional tools of monetary policy -- including a rise in the Federal Reserve discount rate from 3 to 3-1/2 percent in July -- to bring our structure of short-term money market rates into better alignment with those prevailing abroad.

But the enormous volume of our savings seeking long-term investment outlets clearly indicated that any attempt to bring about the sharply higher levels of long-term interest rates required to restrain the outflow of long-term capital to more sustainable amounts would not have been practicable, and, in addition, would have necessitated a degree of credit contraction entirely out of keeping with out domestic economic situation. It was in these circumstances that President Kennedy on July 18 announced the proposed Interest Equalization Tax. By increasing the cost of capital to foreigners borrowing in our market by the equivalent of about one percent per year, the effects of this excise tax in diverting foreign borrowers to other markets are closely analogous t an increase in the entire structure of domestic interest rates.

No one can be happy with the necessity of taking action of this type to restrain the outward flow of capital. But the need was clear; flotations of new foreign securities in our market had reached an annual rate of over $2 billion a year during the first half of 1963, almost double the already high rate of 1962 and more than triple the more normal volume of the years from 1959 to 1961. Moreover, there were no indications that the flow would fall back to earlier levels of its own accord. Quite the contrary; it gave indications of growing even larger.

The Interest Equalization Tax is a transitional measure. The fundamental solution to the problem of long-term capital outflows must be found in other efforts at home and abroad. One essential is to strengthen our own economy, so that investment in the United States is more attractive for our own citizens and foreigners alike. More specifically, one of the important benefits of the tax reduction program will be to increase the profitability of domestic investment and to generate more outlets at home for our savings.

At the same time, the danger of massive demands from abroad converging on our market can be gradually relieved by improvement in the capital markets of other industrialized countries as they become more fully capable of meeting the financial needs generated by their own growth. In this connection, the Treasury has recently completed an intensive survey of European capital markets and provided it to your Committee for publication. I am hopeful that this review of those markets will be useful in developing greater understanding of both the problems and the potential for progress.

Balance of Payments Improvement

The effectiveness of the moderate upward pressures on the short-term rate structure and the proposed Interest Equalization Tax in curtailing the outward flow of capital was strikingly demonstrated during the second half of the year, when reductions in the outflow of private capital were largely responsible for the dramatic improvement in our payments position. The deficit on regular transactions, after reaching the clearly unsustainable seasonally adjusted annual rate of over $5.0 billion during the second quarter, dropped to a rate of $1.6 billion during the third quarter. While final data for the full year are still lacking, this third quarter rate appears to have been maintained or even slightly improved upon during the fourth quarter. The deficit on regular transactions during the entire second half of 1963 was the smallest for any equivalent period since 1957. For the year as a whole, despite the sharp deterioration over the first six months, it appears to have been reduced to about $3 billion, roughly $600 million below the figure for 1962.

Special intra-Governmental transactions, which are excluded from calculation of the regular deficit, have had the effect of absorbing a portion of the dollars flowing into foreign hands. These transactions were in somewhat smaller volume than in 1962, beca of smaller debt prepayments and smaller advance payments on military exports. Nevertheless, our over-all deficit -- measuring the increase in our liquid liabilities to foreigners and the decline in our reserves -- fully reflected the sharp improvement in the second half of the year. If the special, non-marketable, medium-tern convertible Treasury securities sold to foreign official institutions are considered a balance of payments receipt rather than a liquid liability, preliminary reports indicate that the over-all deficit for 1963 should be about \$1.9 billion, as compared to \$2.2 billion last year and \$2.4 billion in 1961. If the \$700 million of these issues sold during the year are disregarded, the over-all deficit would be about \$2.6 billion. Thus, despite the sharp deterioration in the early months of the year, we were able in 1963 to maintain the pattern of improvement from the average deficits of \$3.7 billion that characterized the 1958 to 1960 period.

These encouraging developments deserve mention. But at the same time, we must all recognize that the gains are still far too limited, and that temporary improvement is not enough. The need for resolute action on the balance of payments problem is no less a matter of national concern than it was six months ago. Action on the Interest Equalization tax must be completed without changes that would impair the effectiveness of the bill reported by the House Ways and Means Committee. The comprehensive program announced last July to reduce the balance of payments cost of our military and foreign aid programs must be pressed forward with undiminished vigor and resolution to realize the anticipated \$1 billion of savings on Government payments abroad by the end of this year. And imaginative and energetic efforts by business and Government to capitalize on our fine record of price stability and to expand export markets are particularly necessary if we are to move into early payments balance.

1963 also saw a marked decline in the drain on our gold stocks. To some degree, this reflected the added supply of gold reaching world markets from the Soviet Union, as well as the continued usefulness of the informal cooperation among leading countries in dealings on the London gold market. But in addition, foreigners -- and particularly private foreigners -- chose to build their dollar balances at a more rapid rate. For the twelve months as a whole, our loss of gold came to $461 million, well below the average of $873 million in 1961 and 1962 and the much larger outflows, averaging nearly $1.7 billion, of the years 1958 to 1960. This in itself is a sign of sustained confidence in the stability of the dollar and in the strength of existing monetary arrangements. But this strength can be preserved only if there is continuing evidence that our balance of payments is indeed under firm control.

The International Payments Mechanism

The prospect of the elimination of our deficit has, in turn, helped to focus attention on the potential problems that may arise over the years ahead in assuring an adequate supply of international liquidity once the United States is no longer supplying dollars on balance to the rest of the world. In order that these problems may be anticipated and the further evolution of the international monetary system guided along constructive and agreed lines, the same Group of Ten nations that in 1962 agreed to supplement the ordinary resources of the IMF with the Special Borrowing Arrangements took an important decision last October. They agreed to examine thoroughly the outlook for the functioning of the system and its probable future needs for liquidity, and to appraise and evaluate means for meeting these needs.

To this end, a working group of deputy finance ministers from each country has been established under the chairmanship of Under Secretary Roosa, and has been meeting periodically since October. These senior officials, each accompanied by representatives of their central banks, have been assigned the task of systematically examining the present system as it has heretofore evolved, assessing the possible magnitude and nature of the needs of the future, and developing possible approaches toward meeting these needs.

At present, this working group is still in the process of isolating the major issues in this vast and complicated area through the process of frank and full discussion, with each representative setting aside the details of his daily work so that he can participate intensively in this review. The group is also drawing upon the resources of the International Monetary Fund, the Bank for International Settlements, and the Organization for Economic Cooperation and Development, each of which is represented in the discussions by a senior official, providing further assurance of a thoroughgoing, realistic appraisal. It is expected that the stage of more active negotiation, preliminary to the formulation of any specific recommendations which the deputies may decide to submit for review by the finance ministers themselves, will be reached during the spring.

Meanwhile, a parallel study of these problems is also going forward within the IMF, focussing particularly on those aspects related to the functions of the Fund itself.

In closing, I should emphasize again that, valuable as these studies of international liquidity will doubtless prove to be, their relevance for the present United States balance of payments situation is very limited. There is no prospect of somehow obtaining relief from the urgent necessity of eliminating our balance of payments deficit. The evaluation now underway is based on the prospect that our balance of payments deficit will in fact be ended. The responsibility inescapably rests upon us to make that assumption an accomplished fact.

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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 (current revision) 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.

Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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 7, 1963 , (91 days remaining until maturity date on May 7, 1964) 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 Banks on February 6, 1964 , in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 6, 1964 . Cash

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE, January 29, 1964

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 $2,200,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing February 6, 1964, in the amount of $2,201,114,000, as follows:

91 -day bills (to maturity date) to be issued February 6, 1964, in the amount of $1,300,000,000, or thereabouts, representing an additional amount of bills dated November 7, 1963, and to mature May 7, 1964, originally issued in the amount of $799,976,000, the additional and original bills to be freely interchangeable.

182 -day bills, for $900,000,000, or thereabouts, to be dated February 6, 1964, and to mature August 6, 1964.

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, $50,000, $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 p.m., Eastern Standard time, Monday, February 3, 1964. 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.

January 29, 1964

FOR IMMEDIATE RELEASE

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Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. 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.

D-1116

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 7,1963, (91-days remaining until maturity date on May 7, 1964) 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 Banks on February 6, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 6,1964. 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 (current revision) 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

January 29, 1964

REPORT OF SUBSCRIPTIONS AND ALLOTMENTS FOR CURRENT ADVANCE REFUNDING

The Treasury Department announced today the results of the current advance refunding offer of:

4% Treasury Bonds of 1970 (additional issue) and
4-1/4% Treasury Bonds of 1975-85 (additional issue),

in exchange for:

3-3/4% Treasury Notes of Series E-1964 due August 15, 1964,
5% Treasury Notes of Series B-1964 due August 15, 1964,
3-3/4% Treasury Notes of Series F-1964 due November 15, 1964,
4-7/8% Treasury Notes of Series C-1964 due November 15, 1964,
2-5/8% Treasury Bonds of 1965 due February 15, 1965, and
4-5/8% Treasury Notes of Series A-1965 due May 15, 1965.

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

Federal Reserve District	4% TREASURY BONDS OF 1970 Total Subscriptions Received and Allotted	4-1/4% TREASURY BONDS OF 1975-85 Total Subscriptions Received	Total Allotments
Boston	$ 72,723,500	$ 15,562,000	$ 13,220,000
New York	1,219,096,000	651,381,500	544,860,500
Philadelphia	37,004,500	50,785,500	42,573,500
Cleveland	124,298,000	4,187,000	3,642,000
Richmond	44,698,000	3,417,000	2,919,000
Atlanta	47,444,500	2,543,000	2,294,000
Chicago	225,572,000	66,602,500	55,935,500
St. Louis	67,746,000	4,964,000	4,260,000
Minneapolis	62,926,500	1,714,000	1,539,000
Kansas City	62,131,000	7,585,000	6,571,000
Dallas	87,584,500	11,495,000	9,757,000
San Francisco	113,540,500	30,950,500	26,233,000
Treasury	58,508,000	40,940,000	34,217,000
Totals	$2,223,273,000	$892,127,000	$748,021,500

Following is a breakdown of securities to be exchanged for the securities to be issued (amounts in millions):

ELIGIBLE FOR EXCHANGE Securities	Amounts	SECURITIES TO BE ISSUED 4% Bonds 1970	4-1/4% Bonds 1975-85	Total	Total unexchang[ed]
3-3/4% Notes, E-1964	$ 5,019	$ 696	$238	$ 934	$ 4,085
5% Notes, B-1964	2,316	164	106	270	2,046
3-3/4% Notes, F-1964	6,398	276	159	435	5,963
4-7/8% Notes, C-1964	4,195	211	116	327	3,868
2-5/8% Bonds of 1965	4,682	655	53	708	3,974
4-5/8% Notes, A-1965	2,113	221	76	297	1,816
Totals	$24,723	$2,223	$748	$2,971	$21,75[2]

Regulations with respect to the property of Communist China and North Korea.

Detailed information on who must report may be found in the amendment issued today. The amendment and the forms on which reports must be made may be obtained from the Foreign Assets Control, Treasury Department, Washington, D. C., 20220, or the Federal Reserve Bank of New York, 33 Liberty Street, New York, New York, 10045.

location of such property. The information obtained will also be useful to the Congress in studying possible future legislation, and in connection with the Government's consideration of United States claims against Cuba.

Reports are required to be filed with respect to all property in the U. S. valued at $1,000 or more in which there is a direct or indirect interest of any individual who was in Cuba on or since July 8, 1963; or in which there is a direct or indirect interest of corporations or other organizations organized under the laws of Cuba, or having their principal place of business in Cuba, or controlled or substantially owned by Cuba or nationals thereof.

Reports must be filed by all individuals, partnerships, corporations, and unincorporated organizations in the United States holding such property.

A similar census was taken under the Foreign Assets Control

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LETTERHEAD

[TREASURY DEPARTMENT
Washington]

January 30, 1964

FOR RELEASE A.M. NEWSPAPERS
~~For [illegible] Release~~
Friday, January 31, 1964:

Census To Be Taken of Blocked Cuban Property

The Treasury Department today announced that it is taking a census of property blocked under the Cuban Assets Control Regulations.

The Cuban Assets Control Regulations, issued July 8, 1963, block all Cuban assets in the United States. Under an amendment to the Regulations issued today all blocked property must be reported to the Treasury Department by March 15, 1964. In general, blocked property must be reported by individuals, partnerships, corporations, and unincorporated associations in the United States holding such property.

The census will enable the Treasury Department to ascertain the total amount of blocked property, as well as the nature and

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TREASURY DEPARTMENT

WASHINGTON, D.C.

January 30, 1964

FOR RELEASE A.M. NEWSPAPERS
FRIDAY, JANUARY 31, 1964

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A similar census was taken under the Foreign Assets Control Regulations with respect to the property of Communist China and North Korea.

Detailed information on who must report may be found in the amendment issued today. The amendment and the forms on which reports must be made may be obtained from the Foreign Assets Control, Treasury Department, Washington, D. C., 20220, or the Federal Reserve Bank of New York, 33 Liberty Street, New York, New York, 10045.

D-1119

FOR IMMEDIATE RELEASE January 30, 1964

TREASURY ANNOUNCES $8.4 BILLION REFUNDING

The Treasury today announced the terms of its refunding offer to holders of $8.4 billion of securities maturing February 15. Apart from its weekly and monthly offerings of Treasury bills, the Treasury does not plan to borrow again until the beginning of April, when there is a possibility that $1-1/2 billion, or thereabouts, will be required. Holders of the certificates and bonds maturing February 15 are being offered the opportunity to exchange them for either of the following securities:

A 3-7/8% Treasury note to be dated February 15, 1964, and to mature August 13, 1965, at ; or
An additional amount of 4% Treasury Notes of Series A-1966, dated February 15, 1962, and maturing August 15, 1966, at of which $4,010 million are now outstanding.

Cash subscriptions for the notes will not be received. The maturing issues eligible for exchange are as follows:

$6,741 million of 3-1/4% Treasury Certificates of Indebtedness of Series A-1964, dated February 15, 1963, and
$1,634 million of 3% Treasury Bonds of 1964, dated February 14, 1952.

Of the $8,375 million of maturing issues, $4,338 million is held by the public, the remaining amount being held by the Federal Reserve Banks and Government Investment Accounts.

The subscription books will be open only on February 3 through February 5 for the receipt of subscriptions. Subscriptions addressed to a Federal Reserve Bank or Branch, or to the Office of the Treasurer of the United States, and placed in the mail before midnight, February 5, will be considered as timely. The payment and delivery date for the notes will be Monday, February 17. The notes will be made available in registered as well as bearer form. All subscribers requesting registered notes will be required to furnish appropriate identifying numbers as required on tax returns and other documents submitted to the Internal Revenue Service.

Interest on the 3-7/8% notes will be payable on a semiannual basis on August 15, 1964, and on February 15 and August 13, 1965. Interest on the 4% notes is payable on February 15 and August 15.

TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR IMMEDIATE RELEASE   January 30, 1964

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A 3-7/8% Treasury note to be dated February 15, 1964, and to mature August 13, 1965, at 99.875; or
An additional amount of 4% Treasury Notes of Series A-1966, dated February 15, 1962, and maturing August 15, 1966, at par, of which $4,010 million are now outstanding.

Cash subscriptions for the notes will not be received. The maturing issues eligible for exchange are as follows:

$6,741 million of 3-1/4% Treasury Certificates of Indebtedness of Series A-1964, dated February 15, 1963, and
$1,634 million of 3% Treasury Bonds of 1964, dated February 14, 1958.

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D-1120

The use of blanket certificates of American ownership avoids the necessity for delivering an individual certificate of American ownership in connection with each sale. The blanket certificates cover all sales made through a single account, and may be executed by those who have been United States persons continuously since July 18, 1963. Blanket certificates remain in effect until revoked or until the member or member organization is notified that the seller's status has changed. The bill as approved by the House Ways and Means Committee provides for penalties for improper sales under the blanket certificates, as well as for executing false certificates.

The National Association of Securities Dealers is a national securities association registered with the Securities and Exchange Commission and has regulatory authority over its more than 4,000 members who constitute the great majority of over-the-counter dealers. Copies of the notification being sent to its membership may also be obtained in Room 4004 of ~~the Treasury Department~~ Main Treasury Bldg. Washington DC or at any Federal Reserve Bank or Branch.

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must have in his possession either an individual certificate of American ownership relating to the sale, or a blanket certificate of American ownership relating to the account for which the sale was effected. If a member is selling as broker, securities which would subject the purchaser to payment of Interest Equalization Tax, disclosure of this fact must be made to the purchaser at the time of execution and the confirmations to the purchaser and seller must state: "Buyer subject to Interest Equalization Tax." The bill, as approved by the House Ways and Means Committee, provides for a penalty for members who effect sales in willful violation of these provisions.

A U. S. purchaser who relies on a confirmation received from an National Association of Securities Dealers member that he purchased from another American is not required to file an Interest Equalization Tax return under the bill in connection with his purchase.

Under the new procedures authorized in the Ways and Means Committee bill, a purchaser of a foreign security in the over-the-counter market may regard a confirmation furnished by a member of the National Association of Securities Dealers ~~member~~ as conclusive proof of prior American ownership if the confirmation does not state that the buyer is "subject to Interest Equalization Tax."

The National Association of Securities Dealers is today sending to its members and member organizations notification of the new rules applying to the trading of foreign securities in the over-the-counter market. Under these new rules, all sales by a member of the association, as a broker, of securities subject to the Interest Equalization Tax must be for accounts which would not subject the purchaser to payment of the tax, unless ~~otherwise specificed by~~ the member specifically states at the time of execution that a liability for tax would not be involved. A member who sells, as broker, a foreign security owned by an American

Jan 31, 1964

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FOR ~~IMMEDIATE~~ RELEASE ~~Monday~~ A.M. NEWSPAPERS OF MONDAY, FEB. 3, 1964

NEW PROCEDURES TO SIMPLIFY PURCHASES OF
FOREIGN SECURITIES SUBJECT TO PROPOSED TAX

The Treasury Department announced today that a simplified procedure would be used to identify purchases of foreign securities in the over-the-counter market. The procedure will cover foreign securities that are subject to the proposed Interest Equalization tax which is now pending before Congress. ~~when such~~ It relates to purchases ~~are~~ made on the over-the-counter market through the facilities of the National Association of Securities Dealers. Under the bill, which has been approved by the House Ways and Means Committee, purchase of a foreign security by an American from another American is excluded from the tax.

The new procedures contemplate the use of blanket certificates of American ownership by the seller, and are similar to those applied to purchases of foreign securities on national securities exchanges since August 19, 1963.

TREASURY DEPARTMENT

WASHINGTON, D.C.

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The new procedures contemplate the use of blanket certificate of American ownership by the seller, and are similar to those applied to purchases of foreign securities on national securities exchanges since August 19, 1963.

Under the new procedures authorized in the Ways and Means Committee bill, a purchaser of a foreign security in the over-the-counter market may regard a confirmation furnished by a member of the National Association of Securities Dealers as conclusive proof of prior American ownership if the confirmation does not state that the buyer is "subject to Interest Equalization Tax."

The National Association of Securities Dealers is today sendi to its members and member organizations notification of the new rules applying to the trading of foreign securities in the over-the-counter market. Under these new rules, all sales by a member of the association, as a broker, of securities subject to the Interest Equalization Tax must be for accounts which would not subject the purchaser to payment of the tax, unless the member specifically states at the time of execution that a liability for tax would be involved. A member who sells, as broker, a foreign security owned by an American must have in his possession either an individual certificate of American ownership relating to the sale, or a blanket certificate of American ownership relating to

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the account for which the sale was effected. If a member is selling as broker, securities which would subject the purchaser to payment of Interest Equalization Tax, disclosure of this fact must be made to the purchaser at the time of execution and the confirmations to the purchaser and seller must state: "Buyer subject to Interest Equalization Tax." The bill, as approved by the House Ways and Means Committee, provides for a penalty for members who effect sales in willful violation of these provisions.

A U. S. purchaser who relies on a confirmation received from a National Association of Securities Dealers member that he purchased from another American is not required to file an Interest Equalization Tax return under the bill in connection with his purchase.

The use of blanket certificates of American ownership avoids the necessity for delivering an individual certificate of American ownership in connection with each sale. The blanket certificates cover all sales made through a single account, and may be executed by those who have been United States persons continuously since July 18, 1963. Blanket certificates remain in effect until revoked or until the member or member organization is notified that the seller's status has changed. The bill as approved by the House Ways and Means Committee provides for penalties for improper sales under the blanket certificates, as well as for executing false certificates.

The National Association of Securities Dealers is a national securities association registered with the Securities and Exchange Commission and has regulatory authority over its more than 4,000 members who constitute the great majority of over-the-counter dealers. Copies of the notification being sent to its members may also be obtained in Room 4004, main Treasury building, Washington, D. C.

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