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TREASURY DEPARTMENT

United States Savings Bonds Issued and Redeemed Through May 1964
(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	$ 4,991	12	.24
Series F & G-1941 - 1952	29,521	29,385	135	.48
UNMATURED				
Series E: 3/				
1941	1,834	1,558	276	15.05
1942	8,102	6,906	1,197	14.77
1943	13,046	11,138	1,908	14.63
1944	15,190	12,808	2,382	15.68
1945	11,898	9,814	2,085	17.52
1946	5,350	4,198	1,153	21.55
1947	5,044	3,780	1,265	25.08
1948	5,199	3,791	1,408	27.08
1949	5,117	3,646	1,471	28.75
1950	4,464	3,101	1,363	30.53
1951	3,866	2,675	1,190	30.78
1952	4,046	2,747	1,299	32.11
1953	4,607	2,976	1,631	35.40
1954	4,685	2,831	1,854	39.57
1955	4,826	2,858	1,968	40.78
1956	4,630	2,754	1,876	40.52
1957	4,352	2,515	1,837	42.21
1958	4,210	2,283	1,927	45.77
1959	3,937	2,088	1,849	46.96
1960	3,918	1,938	1,980	50.54
1961	3,931	1,746	2,185	55.58
1962	3,781	1,534	2,247	59.43
1963	4,191	1,194	2,997	71.51
1964	821	45	776	94.52
Unclassified	611	622	-11	-
Total Series E	131,657	91,545	40,112	30.47
Series H (1952 - Jan. 1957) 3/	3,670	1,495	2,176	59.29
H (Feb. 1957 - 1964)	6,149	800	5,348	86.97
Total Series H	9,819	2,295	7,524	76.63
Total Series E and H	141,476	93,840	47,636	33.67
Series J and K (1952 - 1957)	3,713	2,126	4/1,587	42.74
All Series: Total matured	34,524	34,376	147	.43
All Series: Total unmatured	145,189	95,966	49,223	33.90
All Series: Grand Total	179,713	130,342	49,370	27.47

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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1959	3,937	2,088	1,849	46.96
1960	3,918	1,938	1,980	50.54
1961	3,931	1,746	2,185	55.58
1962	3,781	1,534	2,247	59.43
1963	4,191	1,194	2,997	71.51
1964	821	45	776	94.52
Unclassified	611	622	-11	-
Total Series E	131,657	91,545	40,112	30.47
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BUREAU OF THE PUBLIC DEBT

United States Savings Bonds Issued and Redeemed Through June 1964
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	Amount Issued 1/	Amount Redeemed 1/	Amount Outstanding 2/	% Outstanding of Amt. Issued
MATURED				
Series A-1935 - D-1941	$ 5,003	$ 4,991	$ 12	.24
Series F & G-1941 - 1952	29,521	29,393	127	.43
UNMATURED				
Series E: 3/				
1941	1,836	1,560	276	15.03
1942	8,107	6,917	1,190	14.68
1943	13,051	11,157	1,894	14.51
1944	15,204	12,831	2,372	15.60
1945	11,910	9,830	2,079	17.46
1946	5,354	4,206	1,148	21.44
1947	5,048	3,789	1,259	24.94
1948	5,204	3,802	1,402	26.94
1949	5,122	3,657	1,465	28.60
1950	4,468	3,112	1,356	30.35
1951	3,870	2,686	1,184	30.59
1952	4,048	2,759	1,289	31.84
1953	4,611	2,994	1,618	35.09
1954	4,693	2,853	1,841	39.23
1955	4,833	2,869	1,964	40.64
1956	4,637	2,765	1,872	40.37
1957	4,359	2,527	1,832	42.03
1958	4,216	2,297	1,919	45.52
1959	3,943	2,101	1,843	46.74
1960	3,925	1,954	1,971	50.22
1961	3,938	1,765	2,173	55.18
1962	3,788	1,559	2,229	58.84
1963	4,197	1,271	2,927	69.74
1964	1,220	120	1,100	90.16
Unclassified	557	568	-11	-
Total Series E	132,139	91,949	40,190	30.41
Series H (1952 - Jan. 1957) 3/	3,670	1,522	2,149	58.56
H (Feb. 1957 - 1964)	6,205	807	5,398	86.99
Total Series H	9,875	2,329	7,547	76.43
Total Series E and H	142,014	94,278	47,737	33.61
Series J and K (1952 - 1957)	3,714	2,151	4/ 1,563	42.08
All Series: Total matured	34,524	34,384	139	.40
All Series: Total unmatured	145,728	96,429	49,300	33.83
All Series: Grand Total	180,252	130,813	49,439	27.43

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BUREAU OF THE PUBLIC DEBT

TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR IMMEDIATE RELEASE

WITHHOLDING OF APPRAISEMENT ON
BICYCLES

The Treasury Department is instructing customs field officers to withhold appraisement of bicycles from Italy, manufactured by Cesare Rizzato & C. s.n.c., Padova, Italy, 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 allegation in this case was received on February 3, 1964. The dollar value of imports received during the period from July 1963 to date was approximately $23,000.

TREASURY DEPARTMENT

WASHINGTON, D.C.

June 1, 1964

FOR IMMEDIATE RELEASE

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FOR RELEASE A. M. NEWSPAPERS,
Tuesday, June 2, 1964.

June 1, 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 March 5, 1964, and the other series to be dated June 4, 1964, which were offered on May 27, were opened at the Federal Reserve Banks on June 1. Tenders were invited for $1,200,000,000, or thereabouts, of 91-day bills and for $900,000,000, 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 September 3, 1964		182-day Treasury bills maturing December 3, 1964	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.124	3.465%	98.190	3.580%
Low	99.119	3.485%	98.185	3.590%
Average	99.121	3.478% 1/	98.185	3.589% 1/

61% of the amount of 91-day bills bid for at the low price was accepted
83% 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	$ 21,236,000	$ 17,336,000	$ 1,960,000	$ 1,960,000
New York	1,633,504,000	856,269,000	1,557,674,000	772,077,000
Philadelphia	27,591,000	12,591,000	7,613,000	2,258,000
Cleveland	26,129,000	26,129,000	14,094,000	11,430,000
Richmond	9,958,000	9,958,000	1,368,000	1,343,000
Atlanta	30,799,000	23,000,000	9,231,000	6,062,000
Chicago	186,698,000	109,398,000	162,643,000	65,753,000
St. Louis	35,469,000	29,191,000	9,839,000	5,339,000
Minneapolis	17,687,000	11,212,000	5,627,000	3,010,000
Kansas City	21,609,000	19,609,000	18,508,000	11,498,000
Dallas	22,180,000	12,790,000	10,291,000	4,041,000
San Francisco	98,991,000	74,371,000	117,697,000	19,754,000
Totals	$2,131,851,000	$1,201,854,000 a/	$1,916,545,000	$904,525,000 b/

a/ Includes $205,749,000 noncompetitive tenders accepted at the average price of 99.121
b/ Includes $53,848,000 noncompetitive tenders accepted at the average price of 98.185
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.56%, for the 91-day bills, and 3.71%, 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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sday, June 2, 1964.

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St. Louis	35,469,000	29,191,000	9,839,000	5,339,000
Minneapolis	17,687,000	11,212,000	5,627,000	3,010,000
Kansas City	21,609,000	19,609,000	18,508,000	11,498,000
Dallas	22,180,000	12,790,000	10,291,000	4,041,000
San Francisco	98,991,000	74,371,000	117,697,000	19,754,000
Totals	$2,131,851,000	$1,201,854,000 a/	$1,916,545,000	$904,525,000 b/

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D-1242

UNITED STATES NET MONETARY GOLD TRANSACTIONS

WITH FOREIGN COUNTRIES AND INTERNATIONAL INSTITUTIONS

January 1, 1964 - March 31, 1964

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

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

Country	First Quarter 1964
Austria	-32.1
Brazil	-1.0
Egypt	-.7
Finland	-5.0
France	-101.3
Germany	-200.0
Israel	-2.0
Italy	+200.0
Philippines	+9.9
Salvador	-2.2
Surinam	+2.5
Syria	-2.7
Turkey	-1.2
United Kingdom	+109.3
Yugoslavia	-.6
All Other	-.4
Total	-27.5

TREASURY DEPARTMENT

WASHINGTON, D.C.

June 2, 1964

FOR IMMEDIATE RELEASE

TREASURY DEPARTMENT

WASHINGTON, D.C.

June 2, 1964

FOR IMMEDIATE RELEASE

TREASURY DEPARTMENT

WASHINGTON, D.C.

June 2, 1964

ATE RELEASE

UNITED STATES FOREIGN GOLD TRANSACTIONS
FOR FIRST QUARTER OF 1964

During the first quarter of 1964, the net sale of monetary gold by the United States amounted to $27.5 million. The Treasury's quarterly report, made public today, summarizes net monetary gold transactions with foreign governments, central banks, and international institutions. (Table on reverse side.)

The total decrease in U.S. gold stock in the first quarter of 1964 was $46 million, including the net sale of $18.5 million worth of gold for domestic industrial, professional, and artistic uses.

D-1243

(OVER)

TREASURY DEPARTMENT

WASHINGTON, D.C.

June 2, 1964

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Germany	-200.0
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Italy	+200.0
Philippines	+9.9
Salvador	-2.2
Surinam	+2.5
Syria	-2.7
Turkey	-1.2
United Kingdom	+109.3
Yugoslavia	-.6
All Other	-.4
Total	-27.5

TREASURY DEPARTMENT

WASHINGTON, D.C.

June 2, 1964

FOR IMMEDIATE RELEASE

TREASURY DECISION ON CARBON STEEL BARS
UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that carbon steel bars, bars-shapes under 3 inches, and structural shapes 3 inches and over, manufactured by Western Canada Steel Limited and/or 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 3-month period, November 1963 through January 1964, was approximately $824,000.

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"You young men are about to enter a Service which is both an Armed Force and a humanitarian agency -- which brandishes the arrow of arms to all who would bring harm to our shores, and proffers the olive branch of peace and succor to all in danger or distress upon our waters. It takes men of exceptional training and character to carry out that dual mission -- as the men of the Coast Guard have been doing with uniformly high distinction for nearly 175 years.

In your wake lie patient, intensive hours of trial and training. Ahead, lie the proud careers for which you have long prepared and long awaited -- the unceasing challenge of furthering the humane mission for which the Coast Guard is known and honored among men. I am confident that you, the Class of 1964, will more than justify the high trust we place in you today. To all of you, Godspeed and good sailing.

oOo

REMARKS BY THE HONORABLE DOUGLAS DILLON
SECRETARY OF THE TREASURY
AT THE COAST GUARD ACADEMY COMMENCEMENT CEREMONIES
COAST GUARD ACADEMY, NEW LONDON, CONNECTICUT
WEDNESDAY, JUNE 3, 1964, 11:00 A.M., EDT

(Turning to Admiral Smith)

"Thank you Admiral Smith for offering me the opportunity to say a few words to this distinguished gathering."

(Facing President)

Mr. President, we are honored beyond measure by your presence among us here today. We know how difficult it is for you to break away from the tasks that never cease to press upon you -- as our nation's leader in the pursuit of greater freedom and prosperity at home, and greater peace and freedom throughout the world. That you have chosen to take part in these ceremonies today will remain a lasting source of pride to all of us -- and to none more than to the young men who will soon go forth to help safeguard travelers upon the waters and to preserve our shores from danger.

(Turning to Cadets)

TREASURY DEPARTMENT
Washington

FOR RELEASE: UPON DELIVERY

REMARKS BY THE HONORABLE DOUGLAS DILLON
SECRETARY OF THE TREASURY
AT
THE COAST GUARD ACADEMY COMMENCEMENT CEREMONIES
COAST GUARD ACADEMY, NEW LONDON, CONNECTICUT
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Mr. President, we are honored beyond measure by your presence among us here today. We know how difficult it is for you to break away from the tasks that never cease to press upon you -- as our nation's leader in the pursuit of greater freedom and prosperity at home, and greater peace and freedom throughout the world. That you have chosen to take part in these ceremonies today will remain a lasting source of pride to all of us -- and to none more than to the young men who will soon go forth to help safeguard travelers upon the waters and to preserve our shores from danger.

You young men are about to enter a Service which is both an Armed Force and a humanitarian agency -- which brandishes the arrow of arms to all who would bring harm to our shores, and proffers the olive branch of peace and succor to all in danger or distress upon our waters. It takes men of exceptional training and character to carry out that dual mission -- as the men of the Coast Guard have been doing with uniformly high distinction for nearly 175 years.

In your wake lie patient, intensive hours of trial and training. Ahead, lie the proud careers for which you have long prepared and long awaited -- the unceasing challenge of furthering the humane mission for which the Coast Guard is known and honored among men. I am confident that you, the Class of 1964, will more than justify the high trust we place in you today. To all of you, Godspeed and good sailing.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

June 3, 1964

FOR IMMEDIATE RELEASE

TREASURY DECISION ON RIFLE AND PISTOL PRIMERS
UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that RWS Sinoxid rifle and pistol primers from West Germany are 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 from January 1964 to date was approximately $1,500.

~~RMTA 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.

~~BETA - MODIFIED~~

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 March 12, 1964 ~~(17)~~, (91 ~~(18)~~ days remaining until maturity date on September 10, 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 June 11, 1964 ~~(22)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing June 11, 1964 ~~(23)~~. Cash

~~Exhibit 8-A~~

~~BETA - MODIFIED~~

TREASURY DEPARTMENT
Washington

June 3, 1964

FOR IMMEDIATE RELEASE,

~~(1)~~

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 ~~(2)~~, or thereabouts, for cash and in exchange for Treasury bills maturing June 11, 1964 ~~(3)~~, in the amount of $2,101,033,000 ~~(4)~~, as follows:

91 ~~(5)~~ -day bills (to maturity date) to be issued June 11, 1964 ~~(6)~~, in the amount of $1,200,000,000 ~~(7)~~, or thereabouts, representing an additional amount of bills dated March 12, 1964 ~~(8)~~, and to mature September 10, 1964 ~~(9)~~, originally issued in the amount of $900,265,000 ~~(10)~~, the additional and original bills to be freely interchangeable.

182 ~~(11)~~ -day bills, for $900,000,000 ~~(12)~~, or thereabouts, to be dated June 11, 1964 ~~(13)~~, and to mature December 10, 1964 ~~(14)~~.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $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~~ Daylight Saving time, Monday, June 8, 1964 ~~(15)~~. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

TREASURY DEPARTMENT

WASHINGTON, D.C.

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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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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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growth.

The same general point can be put another way: Government has at its disposal a range of policy instruments that, used wisely and flexibly, can help immensely in steering our economy toward more rapid growth, toward balance of payments equilibrium, and toward price stability. But without the cooperative efforts of business and labor in maintaining price stability our policies will be rendered incomplete and inadequate. With that cooperation I am confident that this Nation can fully capitalize on its enormous economic potential, and continue to lead the free world to greater prosperity for all.

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firms have a considerable degree of market power. In our own case, this approach is a purely voluntary one. It is embodied in the wage-price guideposts developed by the President's Council of Economic Advisers for appraising the consistency of pattern-setting wage and price decisions with overall price stability.

We have placed much emphasis on this approach because it seems to us to represent a natural and needed complement to the mixture of fiscal, tax, and monetary policies that we have fashioned. Certainly, appropriate use of the traditional policy instruments remains essential if we are to be successful in maintaining price stability. But unless prices remain stable and wages are kept within the bounds of productivity increases, conflicts in goals will inevitably arise. If that happens, monetary and fiscal policies, at times, will, in the quest for price stability, need to be more restrictive than is consistent with rapid and sustained insure the continuation of cost-price stability. Our price record to date is a good one; but we must now sustain it, as more rapid growth absorbs the slack in our unused human and physical resources.

In a competitive world economy, linked by fixed rates of exchange, domestic costs and prices must be kept in reasonable alignment with those abroad. This is not a problem unique to the United States, for it is being faced, in one form or another, by virtually every free industrialized country. But, in our own case, with our payments in deficit, the range of tolerance is even narrower.

New ways of meeting this challenge are being developed, here and abroad, through so-called incomes policies. In practice, the methods vary widely. In basic concept, however, they all entail some expression of the public interest in the results of the wage-bargaining and price-making process, when large unions and large

Equally important, the past three and one-half years constitute a significant watershed in the development of American economic policy. For they have borne witness to the emergence, first of all, of a new national determination to use fiscal policy as a dynamic and affirmative agent in fostering economic growth. Those years have also demonstrated, not in theory, but in actual practice, how our different instruments of economic policy -- expenditure, tax, debt management and monetary policies -- can be tuned in concert toward achieving different, even disparate, economic goals. In short, those years have encompassed perhaps our most significant advance in decades in the task of forging flexible economic policy techniques capable of meeting the needs of our rapidly changing economic scene.

Even so, much remains to be done. We dare not relax our effort. Of all the challenges looming ahead, the major one, I believe, is to have found ways of making this credit available without driving short term interest rates sharply lower. Instead, with the economy expanding vigorously at home, monetary policy has been able to discharge its full share of the task of defending the dollar. Our short-term rate structure has been brought into better alignment with those prevailing overseas, and our monetary authorities are now in a flexible position, prepared to meet whatever further contingencies may arise in the balance of payments.

In the relatively short span, therefore, of less than three and one-half years, both American economic policy and practice have taken new and dramatic turns for the better. Our economy is no longer on the wane -- but surely and strongly on the rise. And we can now look forward, in all sober confidence, to the continuation of a peacetime economic recovery of greater durability and strength than in any comparable period in this century.

doubled the value of the credit, while at the same time greatly simplifying the accounting problems raised by the 1962 provision.

A recent study by George Terborgh of the Machinery and Allied Products Institute, emphasizes the importance of the investment credit and goes on to illustrate the extent to which the 1962 and 1964 Acts, taken together, raise prospective after-tax returns and accelerate the recovery of capital investment. His study estimates that, in order to have achieved effects upon after-tax returns of capital comparable to those of the 1962 and 1964 measures, it would have been necessary to either:

> Cut corporate tax rates from 52 percent to 34 or 29 percent, depending upon the assumed proportion of equity to total capital, or
>
> to have allowed an initial depreciation of from 53 to 57 percent of asset cost, or

tax measures -- including not only the 1962 measures, but this year's two-stage reduction in corporate tax rates to 48 percent.

For example, steel companies are planning a 1964 increase of 25 percent in their capital spending programs, as are the railroads motor vehicle makers outlays will be 20 percent higher, and so on across the whole range of American industry.

For manufacturing as a whole, according to the latest Commerce-SEC Survey, 1964 planned plant and equipment expenditures are expected to rise 13 percent above 1963 outlays, and the average rise for all industries will be a tenth higher than last year.

I should point out here that the 1964 Act also restores the investment credit to the form originally recommended by the Administration. The earlier requirement that the depreciation basis of new investment benefiting from the credit be reduced by the amount of that credit has now been eliminated. This change has almost domestic economy, is beginning to show the favorable effects of the more active fiscal and tax policies, complemented by appropriate monetary policies, that have characterized the past three years.

These effects are quite apparent in investment spending -- the key area in terms of both our domestic growth and our balance of payments. Plant and equipment outlays, you will recall, leveled off and even declined after mid-1962, following the break in stock prices and reflecting widespread business uncertainty. But, by the second quarter of last year, less than a year after the new depreciation rules and the tax credit became effective, they were rising strongly, and are now running almost one-sixth higher than in the first quarter of 1963. Further sizeable increases are in sight through the rest of this year. It seems clear that these successive increases in planned expenditures largely reflect the widening recognition of the new incentives implicit in the recent for the past six years, and last year amounted to $3.3 billion, has been cut in half. This has enabled us to staunch the heavy drains on our gold stock. The latest figures of our overall gold stock show that as of May 31st our holdings of gold were slightly above those at the end of last July -- ten months with no net loss at all, compared with a loss of $1.7 billion in the single year 1960.

Much of this improvement in our balance of payments stems from specific measures -- the proposed interest equalization tax on purchases of foreign securities, the tying of larger proportions of our aid, and economies in our military spending abroad. Part of it is due to temporary factors. It is clear that we have no cause for complacency, for, while we expect our payments deficit to be significantly reduced this year, we cannot relax until it is ended entirely. But happily, evidence is accumulating that we have "turned the corner" in our balance of payments, which, like the been accomplished in an environment of price stability. Average wholesale prices are no higher today than they were six years ago. This price stability has been of critical importance to our balance of payments, and is now beginning to pay off in terms of increased competitiveness in our export industries. Our trade balance has recently improved, instead of deteriorating, as many had feared, in response to the sustained gains in domestic production. For the past nine months, our trade surplus has been running at an annual rate of $6 billion, compared to a rate of less than $4½ billion in the previous 18 months. While some of this improvement results from special and temporary factors, it also undoubtedly reflects real gains in American competitiveness.

Overall, our balance of payments deficit has declined sharply since the middle of last year. Since then, the annual rate of deficit on regular transactions, which averaged more than $3½ billion

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earnings before tax have risen sharply, reaching an annual rate of $56 billion in the first quarter of this year, $1.7 billion higher than the last quarter of 1963 and $7.7 billion, or 16 percent, higher than during the first quarter of 1963. With tax liabilities in the first quarter already reflecting the new reduced corporate tax rates, corporate profits after taxes ran at the rate of $31.1 billion -- more than twenty percent higher than in the same quarter of last year and more than sixty percent higher than in the first quarter of 1961.

At the same time, the recovery has witnessed a large and steady rise in real take-home pay for labor -- as evidenced by the fact that after taxes and adjustment for price increases, the average weekly take-home pay for a wage-earner with three dependents is today ten percent larger than it was in early 1961.

It is highly significant that all of these economic gains have until next year.

We can, however, take a reading of the cumulative effects of our earlier actions, including the 1962 investment credit and depreciation reform. So far as our domestic economy is concerned, the current expansion is now in its 40th month -- the longest peacetime expansion in this century except for the half-hearted recovery from the depths of the great depression of the thirties. Gross National Product in real terms has already increased by 17 percent since the beginning of recovery in March of 1961. This far exceeds the record of the two previous recoveries. And prospects are favorable for continued expansion for many more record-breaking months to come.

While still too high, the unemployment rate has begun to diminish perceptibly, moving down to 5.1 percent in May, compared with the 5.7 percent average of 1963. More striking has been the

By promoting sustained growth and a stronger economy, tax policy can be and, as it has been developed over the past three and one-half years, now is an important counter force both to recessions and to inadequate growth. But we clearly have a major piece of unfinished business to resolve before we can claim that tax policy is fully equipped to do for us the job that any modern economy requires of it.

It is, of course, far too early to reach any final judgment on the results of this year's $11.5 billion reduction in personal and corporate taxes. Some observers have expressed surprise that its effects upon consumer spending so far appear to be moderate; others are relieved that the tax cut has not overheated the economy. I have always expected, and have so stated repeatedly, that the tax cut would not create a sudden spurt of consumer spending, but would gather momentum gradually, with the full stimulus not being felt

Act of 1964 is having some beneficial counter-cyclical effects should not be taken to mean that we have succeeded in developing a new and effective counter-cyclical tool.

There remain, in my opinion, great obstacles to the use of tax policy for purely counter-cyclical purposes. The chief of these obstacles is the fact that, within our constitutional system, a long lag typically intervenes between a request for a change in tax rates and legislative approval. Unless and until some method is worked out -- acceptable to the Congress and consistent with its prerogatives -- whereby tax rates can be varied without undue delay, the purely counter-cyclical function of tax policy will remain outside our arsenal of economic tools.

This does not mean that cyclical changes in tax policy would not be useful. Nor, fortunately, does it mean that tax policy is entirely impotent in moderating cyclical fluctuations today.

also substantially reduces the tax burden on those citizens whose incomes are inadequate by any standard. I think it can truly be said that the Revenue Act of 1964 is not only a giant stride forward in our drive to secure self-generating, long-run economic growth, but is also a milestone in improving the equity of our tax system. The fact is that revenue raising reforms in the 1964 and 1962 Acts, taken together, totalled $1.7 billion, almost three times the $600 million in new revenues produced by all other revenue acts since 1940.

While the prime purpose of our overall tax program is -- and always has been -- the long-range stimulation of our economy to permanently higher levels, the timing of the program has been important in sustaining the present expansion, and deliberately so. We must not, however, let this question of timing obscure the underlying objectives of the tax program. The fact that the Revenue also accompanied by significant improvements in the equity of our tax structure, as well as by limitations on the use of tax havens abroad.

Although these were major achievements, they were merely first steps in our integrated, long-range program to stimulate the private sector of the economy. The biggest impediment to a more robust private sector still remained -- the high individual and corporate income tax rates, born out of wartime inflation, that continually prevented the economy from reaching and maintaining its full potential. In so doing, they reduced taxable income, held revenues at inadequate levels -- and thus were self-defeating in any effort to restore budgetary balance.

The Revenue Act of 1964 substantially embodies the tax program we proposed to break the grip of these high tax rates upon our economy. Since we desired, at the same time, to improve tax equity, that Act took two major moves to improve the climate for business investment -- moves that could be instituted without any excessive loss of revenue. They were the Revenue Act of 1962, with its central provision of a 7 percent investment tax credit, and the administrative liberalization of depreciation -- both landmarks of progress in our drive to spur the modernization of our capital equipment. Together, they increased the profitability of investment in new equipment by more than 20 percent. This was equivalent in terms of incentives to invest to a reduction in the corporate profits tax from 52 percent to about 40 percent.

These measures brought the tax treatment of investment in the United States more closely in line with that provided by other industrial countries -- thus removing an unwarranted inducement to invest overseas -- while at the same time working toward a more efficient, competitive, and profitable home economy. They were

$6 billion. In the fiscal 1961-1965 period, on the other hand, expenditure increases for defense, space and interest will almost double, amounting to about $12 billion, but the policy of expenditure restraint is evident in the sharp decline in the increases for all other expenditures, which will total only about $4 billion, one-third less than the comparable increase during the earlier 4-year period.

As we had planned and expected, the need for increasing outlays in defense and space has now levelled off. That fact, joined with the thorough-going economy drive which President Johnson is so forcefully spearheading, means that funds are now being freed both to meet vital domestic needs such as the poverty program and to speed the achievement of a balanced budget.

It was necessary to get the major increases in defense and space spending behind us before we could safely implement our full program of tax reduction. But rather than wait, we promptly under-the rapidly expanding space program. And, of course, the interest on the national debt. We could not cut down in those areas, but we could -- and did -- hold down sharply the rate of spending in other areas.

That record of expenditure restraint comes through clearly when you compare expenditures, incurred and planned, in the four fiscal years from 1961 through 1965 with those of the preceding four years, a period in which considerable stress was placed on prudent budgeting. It is true that we find overall budget expenditures in the 1961-65 period increasing at an average of about $4 billion a year compared to just over $3 billion a year during the earlier period. But the breakdown of the increases during the two periods is very revealing. For the fiscal 1957-61 period we find budget expenditures for defense, space, and interest on the debt increasing by $6.5 billion, with expenditures in all other areas going up by a nearly equivalent specifically, tax policy -- to expand the role of the private sector of our economy as the primary force in achieving our national economic goals. We also felt that, having made this decision, we should not lose the opportunity it presented of making long-needed reforms in our tax system. Thus, an already large task became even greater. And, while the basic blueprint -- tax reduction to expand the private sector of our economy, accompanied by long overdue tax reform -- was set forth by President Kennedy at the very beginning of his Administration, concrete results were necessarily piecemeal, and took years, rather than months.

Our choice of tax reduction called for expenditure restraint, since there would necessarily be a temporary lag in Federal revenues. Yet, in 1961, there were overriding national priorities, all of which cost money: the need to bring our military defenses to a higher plateau of readiness, the special requirements of the Berlin crisis,

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would be uncertain at best. Thus, they seemed to offer less benefit to the balance of payments than the path we chose: tax reduction.

We were convinced that tax reduction could achieve the necessary expansion of purchasing power by freeing the private economy from high and restrictive wartime tax rates, originally designed to restrain strong inflationary pressures that no longer existed. Lower tax rates, we felt, would also offer the much needed long-run stimulus to growth that comes from added incentives to invest and to produce. These, in turn, would lead to cost-cutting improvements in technology, thus strengthening our international competitive position and enhancing our trade balance. And greater profitability in the domestic economy would also encourage the employment of funds here, instead of abroad. Both of these results would directly help our balance of payments.

In the early days of the Administration, therefore, and without hesitation, we decided to employ fiscal policy -- and, more

But that basic determination promptly raised questions involving tax and expenditure policy. The big question was whether to increase government expenditures or to reduce taxes -- or, to come to the heart of the matter: whether to rely upon the latent energies of the private sector or to expand government activity.

Our fundamental problem in early 1961 was sluggish growth and inadequate incentives for investment. Postwar expansionary forces had been dissipated. Tax rates were siphoning off too much income to allow the private economy to reach full employment. The result was inadequate demand -- with increased unemployment and ever more frequent recessions.

Larger government expenditures, if well timed, could, of course, have boosted demand and thereby cut unemployment. But, unless such expenditures could be clearly justified on their own merits, their long-run contribution to productivity and investment already substantially higher in nearly all other countries, even maintaining the January 1961 level of short-term rates entailed grave risks. Ways had to be devised, and promptly, to shore up our short-term interest rates, while assuring a ready availability of longer term credit at reasonable rates to bolster lagging domestic investm In short, the very real dangers in our balance of payments situation necessarily limited the freedom of monetary policy and gave it a new challenge -- to facilitate investment at home without provoking an outflow of capital abroad.

This meant that fiscal policy had to assume a larger share of the task of encouraging and sustaining domestic growth. That is why, from the day President Kennedy took office, we looked to fiscal policy to move us once again -- as we are now moving -- toward full employment, and assigned it a more active role than perhaps ever before in our history.

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the dollar and to balance of payments equilibrium. For in any overall long-run appraisal of our balance of payments, the imperatives are that our industry remain in the forefront of technology, that our productivity rise fast enough to satisfy the pressures for higher real wages and income while maintaining stable prices, and that our economy crackle with investment opportunities fully comparable, or superior, to those abroad. All of these are the fruits of domestic growth -- fruits now well on their way toward ripening under the policies of the past three and one-half years.

The situation that confronted us in 1961 -- and still continues -- ruled out the use of extremely low interest rates. We simply could not permit short-term interest rates to drop to the levels of earlier postwar recessions without courting a massive outflow of short-term capital. On the contrary, with interest rates

REMARKS BY THE HONORABLE DOUGLAS DILLON
SECRETARY OF THE TREASURY
BEFORE THE THIRTY-FOURTH NATIONAL BUSINESS CONFERENCE
OF THE HARVARD BUSINESS SCHOOL
AT THE NEW COVERED TENNIS COURT BUILDING
HARVARD UNIVERSITY, BOSTON, MASSACHUSETTS
SATURDAY, JUNE 6, 1964, 10:25 A.M., EDT

When the Kennedy Administration took office, one of the most urgent tasks confronting it was the need to rethink the role of fiscal policy in relation to all other elements of overall economic policy.

That need was imperative both because of the persistently sluggish performance of our domestic economy, and because of the mounting deficits in our balance of payments, which had seriously eroded confidence in the dollar and had caused a rapidly accelerating outflow of gold. We were then in the midst of our fourth postwar recession -- and each of the three previous recessions had been marked by successively shorter and weaker recoveries. Unemployment was far too high. Business investment was wholly

TREASURY DEPARTMENT
Washington

RELEASE: UPON DELIVERY

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The great challenge was to find a new way to promote more rapid steadier economic growth at home, and at the same time restore idence in the dollar by whittling down and eventually eliminating balance of payments deficit. There were many gloomy prophets insisted this couldn't be done and conjured up an irreconcilable lict between encouraging domestic growth and eliminating balance ayments deficits. More rapid growth, they argued, means more nd for everything -- including imports. Also, they claimed, the sures it puts on the labor markets and on plant capacity lead itably to higher prices, which both hinder exports and further ate imports.

The fact, however, is that a strong, healthy and vigorously nding domestic economy is essential to sustained confidence in dollar and to balance of payments equilibrium. For in any all long-run appraisal of our balance of payments, the imperatives that our industry remain in the forefront of technology, that our productivity rise fast enough to satisfy the pressures for higher real wages and income while maintaining stable prices, and that our economy crackle with investment opportunities fully comparable, or superior, to those abroad. All of these are the fruits of domestic growth -- fruits now well on their way toward ripening under the policies of the past three and one-half years.

The situation that confronted us in 1961 -- and still continues -- ruled out the use of extremely low interest rates. We simply could not permit short-term interest rates to drop to the levels of earlier postwar recessions without courting a massive outflow of short-term capital. On the contrary, with interest rates already substantially higher in nearly all other countries, even maintaining the January 1961 level of short-term rates entailed grave risks. Ways had to be devised, and promptly, to shore up our short-term interest rates, while assuring a ready availability of longer term credit at reasonable rates to bolster lagging domestic investment. In short, the very real dangers in our balance of payments situation necessarily limited the freedom of monetary policy and gave it a new challenge -- to facilitate investment at home without provoking an outflow of capital abroad.

This meant that fiscal policy had to assume a larger share of the task of encouraging and sustaining domestic growth. That is why, from the day President Kennedy took office, we looked to fiscal policy to move us once again -- as we are now moving -- toward full employment, and assigned it a more active role than perhaps ever before in our history.

But that basic determination promptly raised questions involving tax and expenditure policy. The big question was whether to increase government expenditures or to reduce taxes -- or, to come to the heart of the matter: whether to rely upon the latent energies of the private sector or to expand government activity.

Our fundamental problem in early 1961 was sluggish growth and inadequate incentives for investment. Postwar expansionary forces had been dissipated. Tax rates were siphoning off too much income to allow the private economy to reach full employment. The result was inadequate demand -- with increased unemployment and evermore frequent recessions.

Larger government expenditures, if well timed, could, of course, have boosted demand and thereby cut unemployment. But, unless such expenditures could be clearly justified on their own merits, their long-run contribution to productivity and investment would be uncertain at best. Thus, they seemed to offer less benefit to the balance of payments than the path we chose: tax reduction.

We were convinced that tax reduction could achieve the necessary expansion of purchasing power by freeing the private economy from high and restrictive wartime tax rates, originally designed to restrain strong and inflationary pressures that no longer existed. Lower tax rates, we felt, would also offer the much needed long-run stimulus to growth that comes from added incentives to invest and to produce. These, in turn, would lead to cost-cutting improvements in technology, thus strengthening our international competitive position and enhancing our trade balance. And greater profitability in the domestic economy would also encourage the employment of funds here, instead of abroad. Both of these results would directly help our balance of payments.

In the early days of the Administration, therefore, and without hesitation, we decided to employ fiscal policy -- and, more specifically, tax policy -- to expand the role of the private sector of our economy as the primary force in achieving our national economic goals. We also felt that, having made this decision, we should not lose the opportunity it presented of making long-needed reforms in our tax system. Thus, an already large task became even greater. And, while the basic blueprint -- tax reduction to expand the private sector of our economy, accompanied by long overdue tax reform -- was set forth by President Kennedy at the very beginning of his Administration, concrete results were necessarily piecemeal, and took years, rather than months.

Our choice of tax reduction called for expenditure restraint, since there would necessarily be a temporary lag in Federal revenues. Yet, in 1961, there were overriding national priorities, all of which cost money: the need to bring our military defenses to a higher plateau of readiness, the special requirements of the Berlin crisis, the rapidly expanding space program. And, of course, the interest on the national debt. We could not cut down in those areas, but we could -- and did -- hold down sharply the rate of spending in other areas.

That record of expenditure restraint comes through clearly when ɔu compare expenditures, incurred and planned, in the four fiscal ːars from 1961 through 1965 with those of the preceding four years, period in which considerable stress was placed on prudent budgeting. : is true that we find overall budget expenditures in the 1961-65 ːriod increasing at an average of about $4 billion a year compared) just over $3 billion a year during the earlier period. But the :eakdown of the increases during the two periods is very revealing. ɔr the fiscal 1957-61 period we find budget expenditures for defense, ɔace, and interest on the debt increasing by $6.5 billion, with :penditures in all other areas going up by a nearly equivalent) billion. In the fiscal 1961-1965 period, on the other hand, :penditure increases for defense, space and interest will almost ɔuble, amounting to about $12 billion, but the policy of expenditure ːstrain is evident in the sharp decline in the increases for all :her expenditures, which will total only about $4 billion, one-third ːss than the comparable increase during the earlier 4-year period.

As we had planned and expected, the need for increasing outlays ı defense and space has now levelled off. That fact, joined with ıe thorough-going economy drive which President Johnson is so ɔrcefully spearheading, means that funds are now being freed both) meet vital domestic needs such as the poverty program and to ɔeed the achievement of a balanced budget.

It was necessary to get the major increases in defense and ɔace spending behind us before we could safely implement our full ·ogram of tax reduction. But rather than wait, we promptly under- ɔok two major moves to improve the climate for business investment -- ɔves that could be instituted without any excessive loss of revenue. :ey were the Revenue Act of 1962, with its central provision of a percent investment tax credit, and the administrative beralization of depreciation -- both landmarks of progress in our ive to spur the modernization of our capital equipment. Together, ey increased the profitability of investment in new equipment by ·re than 20 percent. This was equivalent in terms of incentives invest to a reduction in the corporate profits tax from 52 rcent to about 40 percent.

These measures brought the tax treatment of investment in the ited States more closely in line with that provided by other dustrial countries -- thus removing an unwarranted inducement to vest overseas -- while at the same time working toward a more ficient, competitive, and profitable home economy. They were so accompanied by significant improvements in the equity of our x structure, as well as by limitations on the use of tax havens road.

Although these were major achievements, they were merely first teps in our integrated, long-range program to stimulate the private ector of the economy. The biggest impediment to a more robust rivate sector still remained -- the high individual and corporate ncome tax rates, born out of wartime inflation, that continually revented the economy from reaching and maintaining its full otential. In so doing, they reduced taxable income, held revenues t inadequate levels -- and thus were self-defeating in any effort o restore budgetary balance.

The Revenue Act of 1964 substantially embodies the tax program e proposed to break the grip of these high tax rates upon our conomy. Since we desired, at the same time, to improve tax quity, that Act also substantially reduces the tax burden on those itizens whose incomes are inadequate by any standard. I think it an truly be said that the Revenue Act of 1964 is not only a giant stride orward in our drive to secure self-generating, long-run economic rowth, but is also a milestone in improving the equity of our tax ystem. The fact is that revenue raising reforms in the 1964 and 1962 cts, taken together, totalled $1.7 billion, almost three times the 00 million in new revenues produced by all other revenue acts since 940.

While the prime purpose of our overall tax program is -- and lways has been -- the long-range stimulation of our economy to rmanently higher levels, the timing of the program has been portant in sustaining the present expansion, and deliberately so. must not, however, let this question of timing obscure the underying objectives of the tax program. The fact that the Revenue Act 1964 is having some beneficial counter-cyclical effects should t be taken to mean that we have succeeded in developing a new and fective counter-cyclical tool.

There remain, in my opinion, great obstacles to the use of x policy for purely counter-cyclical purposes. The chief of ese obstacles is the fact that, within our constitutional system, long lag typically intervenes between a request for a change in x rates and legislative approval. Unless and until some method worked out -- acceptable to the Congress and consistent with s prerogatives -- whereby tax rates can be varied without undue lay, the purely counter-cyclical function of tax policy will main outside our arsenal of economic tools.

This does not mean that cyclical changes in tax policy would not be useful. Nor, fortunately, does it mean that tax policy is entirely impotent in moderating cyclical fluctuations today. By promoting sustained growth and a stronger economy, tax policy can be and, as it has been developed over the past three and one-half years, now is an important counter force both to recessions and to inadequate growth. But we clearly have a major piece of unfinished business to resolve before we can claim that tax policy is fully equipped to do for us the job that any modern economy requires of it.

It is, of course, far too early to reach any final judgment on the results of this year's $11.5 billion reduction in personal and corporate taxes. Some observers have expressed surprise that its effects upon consumer spending so far appear to be moderate; others are relieved that the tax cut has not overheated the economy. I have always expected, and have so stated repeatedly, that the tax cut would not create a sudden spurt of consumer spending, but would gather momentum gradually, with the full stimulus not being felt until next year.

We can, however, take a reading of the cumulative effects of our earlier actions, including the 1962 investment credit and depreciation reform. So far as our domestic economy is concerned, the current expansion is now in its 40th month -- the longest peacetime expansion in this century except for the half-hearted recovery from the depths of the great depression of the thirties. Gross National Product in real terms has already increased by 17 percent since the beginning of recovery in March of 1961. This far exceeds the record of the two previous recoveries. And prospects are favorable for continued expansion for many more record-breaking months to come.

While still too high, the unemployment rate has begun to diminish perceptibly, moving down to 5.1 percent in May, compared with the 5.7 percent average of 1963. More striking has been the decline in the jobless rate for married men, which at 2.6 percent in May is now lower than at any time since July of 1957 -- seven years ago. The comparatively large number of teenagers entering the labor force in recent years presents a special and very difficult problem, but even here, the jobless rate of 15.0 percent thus far in 1964 is nearly a full percentage point below the 1963 rate.

Recent gains in total employment have been impressive: In ıe year ending last month, jobs rose by about 2 million to 70.8 illion -- more than twice as much as the 800 ~~million~~ gain during ıe preceding 12-month period. Increased employment and better se of our productive facilities have been accompanied by better-ıan-average productivity gains, reflected both in higher personal ıcomes and higher profits. Indeed, the performance of profits ıs provided the best possible answer to talk of a long-term profits ıueeze and lack of investment incentives. Corporate earnings before ıx have risen sharply, reaching an annual rate of $56 billion in the .rst quarter of this year, $1.7 billion higher than the last ıarter of 1963 and $7.7 billion, or 16 percent, higher than during ıe first quarter of 1963. With tax liabilities in the first quarter .ready reflecting the new reduced corporate tax rates, corporate 'ofits after taxes ran at the rate of $31.1 billion -- more than 'enty percent higher than in the same quarter of last year and 're than sixty percent higher than in the first quarter of 1961.

At the same time, the recovery has witnessed a large and steady se in real take-home pay for labor -- as evidenced by the fact at, after taxes and adjustment for price increases, the average ekly take-home pay for a wage-earner with three dependents is today n percent larger than it was in early 1961.

It is highly significant that all of these economic gains have en accomplished in an environment of price stability. Average olesale prices are no higher today than they were six years ago. is price stability has been of critical importance to our balance payments, and is now beginning to pay off in terms of increased npetitiveness in our export industries. Our trade balance has :ently improved, instead of deteriorating, as many had feared, response to the sustained gains in domestic production. For the st nine months, our trade surplus has been running at an annual :e of $6 billion, compared to a rate of less than $4-1/2 billion the previous 18 months. While some of this improvement results om special and temporary factors, it also undoubtedly reflects real ins in American competitiveness.

Overall, our balance of payments deficit has declined sharply ıce the middle of last year. Since then, the annual rate of icit on regular transactions, which averaged more than $3-1/2 lion for the past six years, and last year amounted to $3.3 billion, been cut in half. This has enabled us to staunch the heavy ins on our gold stock. The latest figures of our overall gold

:ock show that as of May 31st our holdings of gold were slightly)ove those at the end of last July -- ten months with no net loss : all, compared with a loss of $1.7 billion in the single year)60.

Much of this improvement in our balance of payments stems from)ecific measures -- the proposed interest equalization tax on ırchases of foreign securities, the tying of larger proportions : our aid, and economies in our military spending abroad. Part of : is due to temporary factors. It is clear that we have no cause)r complacency, for, while we expect our payments deficit to be .gnificantly reduced this year, we cannot relax until it is ended ıtirely. But happily, evidence is accumulating that we have :urned the corner" in our balance of payments, which, like the)mestic economy, is beginning to show the favorable effects of the)re active fiscal and tax policies, complemented by appropriate)netary policies, that have characterized the past three years.

These effects are quite apparent in investment spending -- the y area in terms of both our domestic growth and our balance of yments. Plant and equipment outlays, you will recall, leveled f and even declined after mid-1962, following the break in stock ices and reflecting widespread business uncertainty. But, by e second quarter of last year, less than a year after the new preciation rules and the tax credit became effective, they were sing strongly and are now running almost one-sixth higher than the first quarter of 1963. Further sizeable increases are in ght through the rest of this year. It seems clear that these ccessive increases in planned expenditures largely reflect the dening recognition of the new incentives implicit in the recent x measures -- including not only the 1962 measures, but this year's o-stage reduction in corporate tax rates to 48 percent.

For example, steel companies are planning a 1964 increase 25 percent in their capital spending programs, as are the railroads; tor vehicle makers outlays will be 20 percent higher, and so on ross the whole range of American industry.

For manufacturing as a whole, according to the latest Commerce-SEC rvey, 1964 planned plant and equipment expenditures are expected rise 13 percent above 1963 outlays, and the average rise for all lustries will be a tenth higher than last year.

I should point out here that the 1964 Act also restores the vestment credit to the form originally recommended by the ministration. The earlier requirement that the depreciation basis new investment benefiting from the credit be reduced by the amount that credit has now been eliminated. This change has almost ubled the value of the credit, while at the same time greatly mplifying the accounting problems raised by the 1962 provision.

A recent study by George Terborgh of the Machinery and Allied oducts Institute emphasizes the importance of the investment edit and goes on to illustrate the extent to which the 1962 and 64 Acts, taken together, raise prospective after-tax returns and celerate the recovery of capital investment. His study estimates at, in order to have achieved effects upon after-tax returns capital comparable to those of the 1962 and 1964 measures, it uld have been necessary to either:

> Cut corporate tax rates from 52 percent to 34 or 29 percent, depending upon the assumed proportion of equity to total capital, or to have allowed an initial depreciation of from 53 to 57 percent of asset cost, or to have reduced the cost of new capital equipment by 16 percent.

It is hardly surprising that investment activity is responding incentives of this magnitude -- even though it will be some time fore the cumulative impact is fully realized -- and that investment ending is now spearheading the recovery. The proportion of capital ending to real GNP -- GNP in terms of constant 1954 prices -- after opping for so long, has at last been turned around and is once again sing, reaching 8.8 percent during the past six months .... up from percent in 1961 and 8.6 percent in 1962. We expect to continue this higher level, thus helping our long-run growth and oductivity and improving our payments balance by absorbing more our savings here at home.

The ready availability of credit has also had a favorable luence on the growing strength of domestic investment, but we e found ways of making this credit available without driving rt term interest rates sharply lower. Instead, with the nomy expanding vigorously at home, monetary policy has been able discharge its full share of the task of defending the dollar.

)ur short-term rate structure has been brought into better alignment ıith those prevailing overseas, and our monetary authorities are ıow in a flexible position, prepared to meet whatever further :ontingencies may arise in the balance of payments.

In the relatively short span, therefore, of less than three ınd one-half years, both American economic policy and practice have :aken new and dramatic turns for the better. Our economy is no .onger on the wane -- but surely and strongly on the rise. And we :an now look forward, in all sober confidence, to the continuation)f a peacetime economic recovery of greater durability and strength :han in any comparable period in this century.

Equally important, the past three and one-half years constitute ı significant watershed in the development of American economic)olicy. For they have borne witness to the emergence, first of all,)f a new national determination to use fiscal policy as a dynamic ınd affirmative agent in fostering economic growth. Those years ıave also demonstrated, not in theory, but in actual practice, how)ur different instruments of economic policy -- expenditure, tax, lebt management and monetary policies -- can be tuned in concert toward ıchieving different, even disparate, economic goals. In short, those 'ears have encompassed perhaps our most significant advance in lecades in the task of forging flexible economic policy techniques :apable of meeting the needs of our rapidly changing economic scene.

Even so, much remains to be done. We dare not relax our efforts.)f all the challenges looming ahead, the major one, I believe, is to .nsure the continuation of cost-price stability. Our price record :o date is a good one; but we must now sustain it, as more rapid ;rowth absorbs the slack in our unused human and physical :esources.

In a competitive world economy, linked by fixed rates of :xchange, domestic costs and prices must be kept in reasonable ılignment with those abroad. This is not a problem unique to the Inited States, for it is being faced, in one form or another, by 'irtually every free industrialized country. But, in our own case, ıith our payments in deficit, the range of tolerance is even ıarrower.

New ways of meeting this challenge are being developed, here nd abroad, through so-called incomes policies. In practice, the ıethods vary widely. In basic concept, however, they all entail ome expression of the public interest in the results of the wage-argaining and price-making process, when large unions and large irms have a considerable degree of market power. In our own case, his approach is a purely voluntary one. It is embodied in the age-price guideposts developed by the President's Council of conomic Advisers for appraising the consistency of pattern-setting age and price decisions with overall price stability.

We have placed much emphasis on this approach because it seems o us to represent a natural and needed complement to the mixture f fiscal, tax, and monetary policies that we have fashioned. ertainly, appropriate use of the traditional policy instruments emains essential if we are to be successful in maintaining price tability. But unless prices remain stable and wages are kept ithin the bounds of productivity increases, conflicts in goals ill inevitably arise. If that happens, monetary and fiscal olicies, at times, will, in the quest for price stability, need o be more restrictive than is consistent with rapid and sustained rowth.

The same general point can be put another way: Government as at its disposal a range of policy instruments that, used wisely nd flexibly, can help immensely in steering our economy toward ore rapid growth, toward balance of payments equilibrium, and oward price stability. But without the cooperative efforts of usiness and labor in maintaining price stability our policies will e rendered incomplete and inadequate. With that cooperation I am onfident that this Nation can fully capitalize on its enormous conomic potential, and continue to lead the free world to greater rosperity for all.

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FOR RELEASE A. M. NEWSPAPERS,
Tuesday, June 9, 1964.

June 8, 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 March 12, 1964, and the other series to be dated June 11, 1964, which were offered on June 3, were opened at the Federal Reserve Banks on June 8. Tenders were invited for $1,200,000,000, or thereabouts, of 91-day bills and for $900,000,000, 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 September 10, 1964		:	182-day Treasury bills maturing December 10, 1964	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.128	3.450%	:	98.209	3.543%
Low	99.123	3.469%	:	98.199	3.562%
Average	99.125	3.462% 1/	:	98.204	3.553% 1/

91% of the amount of 91-day bills bid for at the low price was accepted
59% 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	$ 23,619,000	$ 23,619,000	:	$ 2,515,000	$ 2,515,000
New York	1,678,792,000	766,952,000	:	1,305,440,000	659,540,000
Philadelphia	30,607,000	15,583,000	:	9,031,000	4,031,000
Cleveland	26,748,000	26,012,000	:	18,619,000	17,650,000
Richmond	9,481,000	9,463,000	:	2,938,000	2,888,000
Atlanta	29,609,000	25,320,000	:	15,723,000	13,313,000
Chicago	230,304,000	149,774,000	:	149,719,000	90,669,000
St. Louis	32,431,000	25,213,000	:	8,202,000	6,702,000
Minneapolis	26,573,000	22,483,000	:	7,560,000	5,355,000
Kansas City	23,192,000	23,192,000	:	7,152,000	7,152,000
Dallas	26,521,000	15,721,000	:	8,528,000	4,528,000
San Francisco	127,103,000	97,438,000	:	99,127,000	85,897,000
TOTALS	$2,264,980,000	$1,200,770,000 a/		$1,634,554,000	$900,240,000 b/

a/ Includes $234,519,000 noncompetitive tenders accepted at the average price of 99.125
b/ Includes $64,068,000 noncompetitive tenders accepted at the average price of 98.204
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.54%, for the 91-day bills, and 3.67%, 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.

REASURY DEPARTMENT

WASHINGTON, D.C.

EASE A. M. NEWSPAPERS,
, June 9, 1964.

June 8, 1964

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rict	Applied For	Accepted	:	Applied For	Accepted
on	$ 23,619,000	$ 23,619,000	:	$ 2,515,000	$ 2,515,000
York	1,678,792,000	766,952,000	:	1,305,440,000	659,540,000
adelphia	30,607,000	15,583,000	:	9,031,000	4,031,000
eland	26,748,000	26,012,000	:	18,619,000	17,650,000
mond	9,481,000	9,463,000	:	2,938,000	2,888,000
nta	29,609,000	25,320,000	:	15,723,000	13,313,000
ago	230,304,000	149,774,000	:	149,719,000	90,669,000
Louis	32,431,000	25,213,000	:	8,202,000	6,702,000
eapolis	26,573,000	22,483,000	:	7,560,000	5,355,000
as City	23,192,000	23,192,000	:	7,152,000	7,152,000
as	26,521,000	15,721,000	:	8,528,000	4,528,000
Francisco	127,103,000	97,438,000	:	99,127,000	85,897,000
TOTALS	$2,264,980,000	$1,200,770,000 a/		$1,634,554,000	$900,240,000 b/

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D-1246

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.

~~BETA MODIFIED~~

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 March 19, 1964 ~~(17)~~, (91 ~~(18)~~ days remaining until maturity date on September 17, 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 June 18, 1964 ~~(22)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing June 18, 1964 ~~(23)~~. Cash

~~Exhibit 2-A~~

~~BETA - MODIFIED~~

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE, June 10, 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 June 18, 1964 , in the amount of $ 2,102,148,000 , as follows:

91-day bills (to maturity date) to be issued June 18, 1964 , in the amount of $ 1,200,000,000 , or thereabouts, representing an additional amount of bills dated March 19, 1964 , and to mature September 17, 1964 , originally issued in the amount of $ 898,804,000 , the additional and original bills to be freely interchangeable.

182 -day bills, for $ 900,000,000 , or thereabouts, to be dated June 18, 1964 , and to mature December 17, 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~~ Daylight Saving time, Monday, June 15, 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.

June 10, 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 June 18, 1964, in the amount of \$2,102,148,000, as follows:

91-day bills (to maturity date) to be issued June 18, 1964, in the amount of \$ 1,200,000,000, or thereabouts, representing an additional amount of bills dated March 19,1964, and to mature September 17,1964,originally issued in the amount of \$898,804,000, the additional and original bills to be freely interchangeable.

182-day bills, for \$900,000,000, or thereabouts, to be dated June 18, 1964 and to mature December 17, 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 Daylight Saving time, Monday, June 15, 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-1247

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 March 19, 1964, (91-days remaining until maturity date on September 17,1964) 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 June 18, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing June 18, 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.

June 10, 1964

FOR IMMEDIATE RELEASE

TREASURY MARKET TRANSACTIONS IN MAY

During May 1964, 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 $155,753,000.00.

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D-1248

TREASURY DEPARTMENT

WASHINGTON, D.C.

June 10, 1964

FOR IMMEDIATE RELEASE

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D-1248

TREASURY DEPARTMENT
Washington

FOR RELEASE: UPON DELIVERY

REMARKS OF THE HONORABLE DOUGLAS DILLON,
SECRETARY OF THE TREASURY
AT
PRIZE DAY CEREMONIES
GROTON SCHOOL, GROTON, MASSACHUSETTS
WEDNESDAY, JUNE 10, 1964, 10:00 A. M., EDT
(AS DELIVERED)

This is a very special and happy occasion for me for, although I have been back to the school many times since that Prize Day 37 years ago when Groton sent me forth into the world, this is the first time I have been back here for Prize Day.

This is the occasion when we of an older generation pay homage to those who are about to enter upon their most fruitful and productive years. It is, of course, not always easy for one generation to speak to another. I recall that vivid scene in The Education of Henry Adams, in which the young Henry, not "much more than six years old," engaged "one summer morning in a passionate outburst of rebellion against going to school." Clinging with all the strength in his small arms to the bottom of a staircase, the boy was on the verge of victory, when his grandfather -- the former President of the United States, John Quincy Adams -- appeared. Silently, the old man took young Henry by the hand and walked him nearly a mile through the hot sum of early summer to his school. Thereby, the old President earned the lifelong admiration of his grandson, because, in the words of The Education, "during their long walk he had said nothing, uttered no syllable of revolting cant about the duty of obedience and the wickedness of resistance to law," and the boy "gave his grandfather credit for intelligent silence."

But much as I admire that story, I cannot today be silent, for I am convinced that one of the great needs of our nation is not for silent, passive observers, but for active, intelligent, and effective voices. It is of that need -- particularly in public service -- that I wish to speak today.

You sixth formers who are graduating today have received something very special -- the best secondary school education available in our land. You have enjoyed the rare opportunity of working closely with a superb faculty under the guidance and leadership of a great headmaster, John Crocker. Today, as in the past, Groton has stressed, not only the pursuit of excellence in all things, but the importance of public service as one of the highest of human endeavors.

It can fairly be said that never before in our history has the need or the opportunity for public service been so great. As our civilization grows and becomes more complex, ever greater responsibilities descend upon Government at every level -- upon the county court house and upon the city hall, upon our state capitals, and upon the Federal Government in Washington.

Think of today's problems of education, or urban renewal, in a great city such as New York or Chicago, or Philadelphia, problems unthought of only a few years ago. Think of the challenges posed by our exploration of outer space, an enterprise so vast and expensive that it could only be undertaken by the Federal Government.

There has never been a more exciting or momentous time to live -- and we Americans live at the very center of challenge and opportunity. Yet, as the counterpart of its tremendous opportunities, this age of nuclear weapons and supersonic travel holds tremendous dangers as well. There is, of course, the awesome danger of nuclear war and world wide holocaust that we can neither ignore or forget when we formulate or evaluate national policy.

But behind this danger is another equally fundamental. I speak of the danger that, in this world of dazzling and sometimes bewildering change -- in this world of incredibly complex and shattering events -- our courage may fade, our endurance flag, our patience run out. And we may seek refuge in the deceptive security of the past, or of a single oversimplified solution, or of a sudden rash act. But we cannot -- and we must not -- yield to the temptation of such easy escapes from reality. For in the real world alone will we find our destiny -- and in that world there is no simple answer to our problems, no single cure for our ills, and no easy way to success.

I have, however, not the slightest doubt that we will be well preserved against this danger, as against others, if young men of talent, intelligence and training like yourselves do not hold back, but take hold of the complex and difficult problems of our times and move to the very vanguard of events in the years that lie ahead.

Those years hold the promise of an affluence for our people far beyond anything we have ever known. The great challenge will be, not merely to take part in creating that affluence, although that is important, but to transform it into something more than a orgy of comfort -- to make of it a springboard that can bring the life of this nation closer to its ideals. Nowhere will that challenge be greater -- nowhere can it be met with better result -- than in public service.

As you sixth formers go out into the world this morning, I urge you to give serious thought to public service, for its needs and its opportunities are limitless. So, except in material ways, are its rewards.

When I speak of public service, I mean many things. There are the scientists probing outer space for the National Aeronautics and Space Administration. There are the dedicated members of our Foreign Service working in more than a hundred countries to advance the cause of freedom as well as to protect the interests of our country. There are the unsung toilers in our Central Intelligence Agency. There are the city planners grappling with the mounting and tortuous problems posed by our ever-spreading cities. There are the judges charged with preserving our laws, our Constitution, our very way of life. And then there are those who seek elective public office -- the men we speak of as politicians.

I have no patience with the presumption shared by some that the word "politician" is somehow unsavory. There has been, and will continue to be, corruption in politics as long as human beings are corruptible -- just as there will be in business or in any other walk of life. But there is nothing inherently corrupt or grimy about politics -- either in theory or in practice. And far more than in other aspects of our national life, any taint that may soil our political activities can only do so to the extent that we, the people of our land, by our indifference or by our unconcern, permit it to exist. I know of few callings of any kind that are, on the whole, so well honored and so well served by the men who follow it.

While I have never run for public office, I have worked actively for many years with our elective officials -- at the county level, in the State House in New Jersey and, for the past eleven years at the national level, first in Paris, and then in Washington. Over those years I have come to know well many holders of political office. I have seen the pressures under which they operate. And I have come to know one thing -- and to know it well: our country, in the years ahead, will be just as good, and no better, than the men who serve her in elective public office. For these men not only represent the people who chose them, but have the power to influence profoundly the thinking and conduct of their communities -- and, ultimately, of the nation as a whole.

I fully recognize that many of you, for one reason or another, may find it impracticable to make a career in public life. You may find your calling in the practice of medicine or of law, or in teaching or in the ministry. You may join the fields of banking or of business. Excellence in all these areas is essential to the progress of a free people. But to those of you who find that you cannot participate directly in public life, may I express the hope that you will endeavor to share in that life by working actively in the political vineyards.

That does not mean just once every four years when we elect a President, but on a continuing basis at the state and local levels. Do not shrug off your responsibility and argue that Government is something for someone else to worry about. Local Government is the very root and core of our national political system. It cannot thrive without your help and the help of men like you. You can help shape the course of community events by helping your elected officials. They need and want that help badly, and in many ways: in the form, naturally of political contributions and votes, but also in the form of active help at the precinct level and, perhaps most important of all, in the form of intelligent, friendly, and unprejudiced advice, both before and after election.

It may be that some of you will seek election to the United States Congress, or will be in the forefront of help and counsel for someone else who does. If either course is ever open to you, then I fervently hope that you will take it.

In our Government of checks and balances, as you know, we put great power in our President. But, as you must also know, he can do little or nothing without the support of the Congress. And that support does not come to a President automatically, as it does to the leaders of Governments operating under the parliamentary system, with its requirement for strict party discipline. This, in our American view, is as it should be, for otherwise the centralization of power would be far too great. But it also imposes a heavy responsibility upon our Congress -- a responsibility that will be met well or ill according to the quality of those who make up the Congress. We may, as we proclaim, be a nation of laws and not of men, but we must never forget that it is men -- the men whom we elect -- who make our laws.

In my years in Washington I have come to know and admire many of our Senators and Representatives. My respect for them, and the manner in which they so ably discharge their heavy responsibilities, is unbounded. No man could find a better way to serve his country than through membership in one of the Houses of our Congress -- and nowhere, with the exception of the Presidency, is it more imperative that we have men and women of the highest ability.

Let no one deceive you: Public life is hard, sometimes frustrating, and -- as heaven and the public servant well know -- it is often underpaid. Many of our public officials put in longer and harder hours than most other citizens. And by and large their material compensation is less for equal effort. Their life is filled with a thousand vexations, and their work continually hampered by one obstacle or another.

But there is also great reward. It is not acclaim, for few public officials are fortunate enough to receive public plaudits -- or even, once they leave office, to live very long in the memories of their constituents, let alone in the pages of the history books. Rather, the reward of which I speak is the one of which we hear all too often -- and experience, perhaps, all too seldom: the reward that comes from doing something that matters -- from serving in a cause far greater than oneself or one's immediate personal interests -- from serving one's country, one's ideals, and one's fellow citizens.

There is also reward in the fact that in few pursuits, except public service, can one come so closely in touch with the most vital and vibrant issues and opportunities of one's time. In this sense, the life of a public official, while it has its long hours of routine, is continually filled with unexpected and varied challenges. Public life, as I have observed and experienced it, is far from monotonous. It is exciting, even thrilling. And it is this excitement, created by the continual encounter with everchanging experiences, that gives to public life its zest and appeal.

Our late President John Kennedy once said, "Of those to whom much is given, much is required." He also delighted in remarking that, "The Greeks were right when they defined happiness as the full use of one's powers along the lines of excellence." And there was in his mind -- as there is in mind today -- a close kinship between those two thoughts. For nowhere is there more required of those to whom much has been given than in the public service. And nowhere is there an occupation that offers so abundantly the sheer joy that comes from using one's powers to the fullest and in the pursuit of the most excellent purposes. For you who leave Groton today, I can think of no higher recommendation.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

June 11, 1964

FOR IMMEDIATE RELEASE

WITHHOLDING OF APPRAISEMENT ON
APPLE JUICE

The Treasury Department is instructing customs field officers to withhold appraisement of apple juice, in 46-ounce tins, from Canada, manufactured by Sun-Rype Products Limited, Kelowna, British Columbia, 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 allegation in this case was received on April 23, 1964, and was made by the firm of Tree Top, Inc., Omak, Washington. The dollar value of imports received during the period from December 1963 through April 1964 was approximately $158,000.

TREASURY DEPARTMENT

WASHINGTON, D.C.

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TREASURY DEPARTMENT
Washington, D. C.

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D-1249

IMMEDIATE RELEASE
THURSDAY, JUNE 11, 1964

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 - April 1 - June 30, 1964

IMPORTS - April 1 - June 8, 1964

	ITEM 925.01*		ITEM 925.03*		ITEM 925.02*		ITEM 925.04*	
Country of Production	Lead-bearing ores and materials		Unwrought lead and lead waste and scrap		Zinc-bearing ores and materials		Unwrought zinc (except alloys of zinc and zinc dust) and zinc waste and scrap	
	Quarterly Quota Dutiable lead	Imports	Quarterly Quota Dutiable lead	Imports	Quarterly Quota Zinc Content	Imports	Quarterly Quota By Weight	Imports
	(Pounds)		(Pounds)		(Pounds)		(Pounds)	
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	7,339,182	15,920,000	14,729,904	66,480,000	66,480,000	37,840,000	29,644,852
Italy	-	-	-	-	-	-	3,600,000	-
Mexico	-	-	36,880,000	35,578,566	70,480,000	48,207,224	6,320,000	4,399,123
Peru	16,160,000	16,160,000	12,880,000	9,818,962	35,120,000	26,561,506	3,760,000	3,161,294
Republic of the Congo (formerly Belgian Congo)	-	-	-	-	-	-	5,440,000	5,438,947
**Un. So. Africa	14,880,000	14,880,000	-	-	-	-	-	-
Yugoslavia	-	-	15,760,000	13,065,130	-	-	-	-
All other countries (total)	6,560,000	2,843,940	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.
**Republic of South Africa.

PREPARED IN THE BUREAU OF CUSTOMS

TREASURY DEPARTMENT
Washington, D. C.

D-1249

IMMEDIATE RELEASE
THURSDAY, JUNE 11, 1964

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 - April 1 - June 30, 1964

IMPORTS - April 1 - June 8, 1964

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	22,540,000	-	-	-	-
Belgium and Luxemburg (total)	-	-	-	-	-	-	7,520,000	7,520,000
Bolivia	5,040,000	5,040,000	-	-	-	-	-	-
Canada	13,440,000	7,339,182	15,920,000	14,729,904	66,480,000	66,480,000	37,840,000	29,644,852
Italy	-	-	-	-	-	-	3,600,000	-
Mexico	-	-	36,880,000	35,578,566	70,480,000	48,207,224	6,320,000	4,399,123
Peru	16,160,000	16,160,000	12,880,000	9,818,962	35,120,000	26,561,506	3,760,000	3,161,294
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	13,065,130	-	-	-	-
All other countries (total)	6,560,000	2,843,940	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.
**Republic of South Africa.

PREPARED IN THE BUREAU OF CUSTOMS

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 June 8, 1964	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1963, to June 8, 1964
United Kingdom............	4,323,457	1,066,192	1,441,152	276,400
Canada....................	239,690	239,690	-	-
France....................	227,420	221,909	75,807	55,151
India and Pakistan........	69,627	19,284	-	-
Netherlands...............	68,240	11,249	22,747	-
Switzerland...............	44,388	34,147	14,796	-
Belgium...................	38,559	33,511	12,853	-
Japan.....................	341,535	59,000	-	-
China.....................	17,322	-	-	-
Egypt.....................	8,135	-	-	-
Cuba......................	6,544	-	-	-
Germany...................	76,329	35,738	25,443	-
Italy.....................	21,263	-	7,088	-
Other, including the U. S.	-	-	-	-
	5,482,509	1,720,720	1,599,886	331,551

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE

THURSDAY, JUNE 11, 1964

D-1250

Preliminary data on imports for consumption of cotton and cotton waste chargeable to the quotas established by Presidential Proclamation No. 2351 of September 5, 1939, as amended, and as modified by the Tariff Schedules of the United States which became effective August 31, 1963.

(The country designations in this press release are those specified in the appendix to the Tariff Schedules of the United States. There is no political connotation in the use of outmoded names.)

COTTON (other than linters) (in pounds)
Cotton under 1-1/8 inches other than rough or harsh under 3/4"
Imports September 20, 1963 - June 8, 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	24,045	Paraguay	871	-
India and Pakistan	2,003,483	159,692	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 - June 8, 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	143,241
1-1/8" or more and under		

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE

THURSDAY, JUNE 11, 1964

D-1250

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India and Pakistan	2,003,483	159,692
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
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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	143,241
1-1/8" or more and under		

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 June 8, 1964	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1963, to June 8, 1964
United Kingdom	4,323,457	1,066,192	1,441,152	276,400
Canada	239,690	239,690	-	-
France	227,420	221,909	75,807	55,151
India and Pakistan	69,627	19,284	-	-
Netherlands	68,240	11,249	22,747	-
Switzerland	44,388	34,147	14,796	-
Belgium	38,559	33,511	12,853	-
Japan	341,535	59,000	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	35,738	25,443	-
Italy	21,263	-	7,088	-
Other, including the U. S.	-	-	-	-
	5,482,509	1,720,720	1,599,886	331,551

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

D-1250

Commodity	Period and Quantity		Unit of Quantity	Imports as of May 30, 19[illegible]
Absolute Quotas:				
Butter substitutes containing over 45% of butterfat, and butter oil......................	Calendar Year	1,200,000	Pound	Quota Fill[illegible]
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	Quota Fill[illegible]

1/ Imports through June 8, 1964.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
THURSDAY, JUNE 11, 1964 D-1251

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 May 30, 1964:

Commodity	Period and Quantity		Unit of Quantity	Imports as of May 30, 1964
Tariff-Rate Quotas:				
Cream, fresh or sour............	Calendar Year	1,500,000	Gallon	592,017
Whole Milk, fresh or sour.......	Calendar Year	3,000,000	Gallon	22
Cattle, 700 lbs. or more each (other than dairy cows).......	April 1, 1964- June 30, 1964	120,000	Head	826
Cattle less than 200 lbs. each..	12 mos. from April 1, 1964	200,000	Head	38,047
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish......	Calendar Year	24,861,670	Pound	Quota Filled 1/
Tuna Fish.......................	Calendar Year	60,911,870	Pound	14,496,778
White or Irish potatoes:				
Certified seed................	12 mos. from	114,000,000	Pound	68,541,210
Other.........................	Sept. 15, 1963	45,000,000	Pound	Quota Filled
Knives, forks, and spoons with stainless steel handles.......	Nov. 1, 1963- Oct. 31, 1964	69,000,000	Pieces	Quota Filled

1/ Imports for consumption at the quota rate are limited to 12,430,834 pounds during the first six months of the calendar year.

TREASURY DEPARTMENT
Washington

MEDIATE RELEASE
HURSDAY, JUNE 11, 1964 D-1251

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Commodity	Period and Quantity		Unit of Quantity	Imports as of May 30, 1964
Absolute Quotas:				
Butter substitutes containing over 45% of butterfat, and butter oil........................	Calendar Year	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	Quota Filled

1/ Imports through June 8, 1964.

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
THURSDAY, JUNE 11, 1964

D-1252

The Bureau of Customs announced today preliminary figures showing the quantities of wheat and milled wheat products authorized to be entered, or withdrawn from warehouse, for consumption under the import quotas established in the President's proclamation of May 28, 1941, as modified by the President's proclamation of April 13, 1942, and provided for in the Tariff Schedules of the United States, for the 12 months commencing May 29, 1964, as follows:

Country of Origin	Wheat		Milled wheat products	
	Established Quota	Imports May 29, 1964, June 8, 1964	Established Quota	Imports May 29, 1964, June 8, 1964
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	795,000	3,815,000	3,815,000
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
Other foreign countries or areas	-	-	-	-
	800,000	795,000	4,000,000	3,815,000

TREASURY DEPARTMENT
Washington, D. C.

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IMMEDIATE RELEASE
THURSDAY, JUNE 11, 1964

D-1252

The Bureau of Customs announced today preliminary figures showing the quantities of wheat and milled wheat products authorized to be entered, or withdrawn from warehouse, for consumption under the import quotas established in the President's proclamation of May 28, 1941, as modified by the President's proclamation of April 13, 1942, and provided for in the Tariff Schedules of the United States, for the 12 months commencing May 29, 1964, as follows:

Country of Origin	Wheat		Milled wheat products	
	Established Quota	Imports May 29, 1964, June 8, 1964	Established Quota	Imports May 29, 1964, June 8, 1964
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	795,000	3,815,000	3,815,000
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	-
United Kingdom	100	-	75,000	-
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
Other foreign countries or areas	-	-	-	-
	000,000	795,000	4,000,000	3,815,000

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
THURSDAY, JUNE 11, 1964

D-1253

The Bureau of Customs has announced the following preliminary figures showing the imports for consumption from January 1, 1964, to May 30, 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 May 30, 1964
Buttons.............	680,000	Gross	91,069
Cigars..............	160,000,000	Number	6,058,370
Coconut oil.........	358,400,000	Pound	218,180,679
Cordage.............	6,000,000	Pound	2,710,765
Tobacco.............	5,200,000	Pound	1,896,955

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TREASURY DEPARTMENT
Washington

MMEDIATE RELEASE
:HURSDAY, JUNE 11, 1964 D-1253

The Bureau of Customs has announced the following preliminary figures showing he imports for consumption from January 1, 1964, to May 30, 1964, inclusive, of ommodities under quotas established pursuant to the Philippine Trade Agreement evision Act of 1955:

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obacco.............	5,200,000	Pound	1,896,955

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
THURSDAY, JUNE 11, 1964 D-1254

The Bureau of Customs announced today preliminary figures showing the quantities of wheat and milled wheat products authorized to be entered, or withdrawn from warehouse, for consumption under the import quotas established in the President's proclamation of May 28, 1941, as modified by the President's proclamation of April 13, 1942, and provided for in the Tariff Schedules of the United States, for the 12 months commencing May 29, 1963, as follows:

Country of Origin	Wheat		Milled wheat products	
	Established Quota	Imports May 29, 1963, May 28, 1964	Established Quota	Imports May 29, 1963, May 28, 1964
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	795,000	3,815,000	3,815,000
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	1,224
United Kingdom	100	-	75,000	6,252
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
Other foreign countries or areas	-	-	-	-
	800,000	795,000	4,000,000	3,822,476

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE
THURSDAY, JUNE 11, 1964 D-1254

The Bureau of Customs announced today preliminary figures showing the quantities of wheat and milled wheat products authorized to be entered, or withdrawn from warehouse, for consumption under the import quotas established in the President's proclamation of May 28, 1941, as modified by the President's proclamation of April 13, 1942, and provided for in the Tariff Schedules of the United States, for the 12 months commencing May 29, 1963, as follows:

Country of Origin	Wheat		Milled wheat products	
	Established Quota	Imports May 29, 1963, May 28, 1964	Established Quota	Imports May 29, 1963, May 28, 1964
	(Bushels)	(Bushels)	(Pounds)	(Pounds)
Canada	795,000	795,000	3,815,000	3,815,000
China	-	-	24,000	-
Hungary	-	-	13,000	-
Hong Kong	-	-	13,000	-
Japan	-	-	8,000	1,224
United Kingdom	100	-	75,000	6,252
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	-
New Zealand	-	-	1,000	-
Chile	-	-	1,000	-
Netherlands	100	-	1,000	-
Argentina	2,000	-	14,000	-
Italy	100	-	2,000	-
Cuba	-	-	12,000	-
France	1,000	-	1,000	-
Greece	-	-	1,000	-
Mexico	100	-	1,000	-
Panama	-	-	1,000	-
Uruguay	-	-	1,000	-
Poland and Danzig	-	-	1,000	-
Sweden	-	-	1,000	-
Yugoslavia	-	-	1,000	-
Norway	-	-	1,000	-
Canary Islands	-	-	1,000	-
Rumania	1,000	-	-	-
Guatemala	100	-	-	-
Brazil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
Other foreign countries or areas	-	-	-	-
	800,000	795,000	4,000,000	3,822,476

STATEMENT OF THE HONORABLE DOUGLAS DILLON
SECRETARY OF THE TREASURY
BEFORE THE HOUSE BANKING AND CURRENCY COMMITTEE
ON H. R. 11499
10:00 A.M. EDT, THURSDAY, JUNE 11, 1964

Mr. Chairman and Members of the Committee:

I am happy to appear before you this morning in support of H.R. 11499. This bill would extend until June 30, 1966, the existing authority of the Federal Reserve banks to purchase directly from the Treasury public debt obligations up to a limit of $5 billion outstanding at any one time.

This authority, which would otherwise expire at the end of this month, was first granted in its present form in 1942 for a temporary period. It has been renewed on eleven separate occasions since that time. While used only very sparingly during these past 22 years, and not at all since 1958, I strongly share the conviction of my predecessors that maintenance of this authority is essential to the proper and economical management of the finances of the Government.

The value of the direct purchase authority does not rest on its frequent or extensive use. Rather it is designed to provide protection against the inevitable uncertainties in estimates of receipts and expenditures and in our borrowing operations and the unforeseen contingencies that can arise from time to time. At no time in our financial planning do we look upon this authority as a substitute for market financing or a cheap source of funds. But its continuing availability as a backstop for all our Treasury cash and debt management operations both permits more economical management of our cash position over the years and assures our ability to provide needed funds almost instantaneously in the event of a national emergency.

The reasons we feel that maintenance of this authority is essential can be summarized under three points. First, year in and year out it provides us with the margin of safety that is necessary if we are to permit our cash balance to fall to exceptionally low levels during periods of seasonally lean revenues. This, in turn, allows the public debt to be kept to a minimum and saves interest costs to the Government.

During the past six months, for instance, we have succeeded in holding the Treasury's operating cash balance down to an average of $5.1 billion, or only about half of an average month's cash expenditures. That average has implied, of course, much lower balances during some periods, as we awaited heavy receipts or the proceeds of cash borrowings. With budgetary and trust fund payments running at a rate of over $10 billion per month, these low balances could be maintained, even for brief periods, only because as an emergency support we could count on obtaining funds overnight, if necessary, through the authorization to borrow temporarily from the Federal Reserve banks. As recently as this past April, it appeared possible that use of the authority might be necessary to tide us over a short period before sizable individual tax collections began to flow in. In the end, that did not prove necessary. But without the potential ability to borrow directly from the Federal Reserve, it is clear that prudence would have compelled us to enlarge our cash balance by borrowing additional amounts in the market at a time when market conditions were unfavorable and interest costs had temporarily risen.

In the second place, there is always the possibility that erratic swings in money market conditions and sentiment may produce disturbances of a character that would warrant postponement of a planned Treasury borrowing. In such instances, it is the availability of direct access to Federal Reserve credit that would permit us the flexibility required in such a situation to draw on our cash and to await more propitious market circumstances.

Finally, and perhaps most crucial in an uncertain world, the direct purchase authority is available to provide an immediate source of funds for temporary financing should this be required by a national emergency. It is, unfortunately, possible to visualize the kind of situation in which our financial markets would be disrupted and even paralyzed at a time when large amounts of cash had to be raised to maintain Governmental functions and meet the emergency. Consequently, the direct purchase authority is a key element in all our financial planning for a national emergency or a nuclear attack. And this is the reason why this authority is required for as much as $5 billion, even though in the past little more than a quarter of that amount has ever been used.

Consistent with these three points, I want to emphasize that the direct purchase authority is viewed by us as a temporary accommodation to be used only under unusual circumstances. The Treasury fully agrees with the general principle that its new securities should meet the test of the market and that purchases of Treasury obligations by the central bank should normally be made through that same public market. Moreover, this direct purchase authority should not be considered a means by which the Treasury may independently attempt to influence credit conditions by circumventing the authority of the Federal Reserve to engage in open market operations in Government securities. In that connection, it is important to emphasize that any direct recourse by the Treasury to Federal Reserve credit under this authority is subject to the discretion and control of the Federal Reserve itself.

This borrowing authority has not been abused in the past. The accompanying table, providing details on the instances of actual use, shows clearly that it has been used only rarely and for limited periods. The borrowings are promptly shown on both the weekly Federal Reserve and end of month Treasury statements, assuring the widespread publicity that is the best possible deterrent to abuse. In addition, the Federal Reserve must include such information in its Annual Report to the Congress. And, of course, this borrowing, like any other Treasury borrowing, is subject to the debt limit.

It is a happy circumstance that we have not had to use this authority for more than six years. But, as an insurance policy against financial emergency and an essential backstop to our cash management, it must be kept available in case of need.

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DIRECT BORROWING FROM FEDERAL RESERVE BANKS, 1942 to date

Calendar Year	Days Used	Maximum amount at any time (millions)	Number of separate time used	Maximum number of days used at any one time
1942	19	$422	4	6
1943	48	1,320	4	28
1944	none	-	-	-
1945	9	484	2	7
1946	none	-	-	-
1947	none	-	-	-
1948	none	-	-	-
1949	2	220	1	2
1950	2	108	2	1
1951	4	320	2	3
1952	30	811	4	9
1953	29	1,172	2	20
1954	15	424	2	13
1955	none	-	-	-
1956	none	-	-	-
1957	none	-	-	-
1958	2	207	1	2
1959	none	-	-	-
1960	none	-	-	-
1961	none	-	-	-
1962	none	-	-	-
1963	none	-	-	-
1964 to date	none	-	-	-

Office of the Secretary of the Treasury
Office of Debt Analysis

June 9, 1964

status of money and they would therefore be calculated to circulate as money within the meaning of these statutes. Other business firms in the community could be expected to accept the certificates readily in payment for goods and services, confident that they could be redeemed at any Jewel Tea Company outlet, with the result that such certificates would be constituted an additional medium of exchange, or, in effect, money."

In its letter to the Jewel Tea Company the Treasury stated: "We appreciate very much the courtesy of the Jewel Tea Co. and its representatives in consulting with us on this matter and the cooperative way in which it has provided us with all necessary information bearing upon our consideration of this question."

The Treasury is taking all possible steps to maximize the production and issuance of coins, which are already being produced and issued at a record rate, in order to bring to an end at the earliest possible time the existing shortage of coins in various parts of the country. Every effort is being made through the Federal Reserve System to insure an equitable distribution of coins.

June [illegible]

FOR IMMEDIATE RELEASE
~~DRAFT PRESS RELEASE~~

CERTIFICATES FOR COINS ILLEGAL TREASURY RULES

The Treasury Department today advised the Jewel Tea Company of Chicago that its proposal for issuance of 1, 5 and 10 cent certificates in lieu of coins to customers would be in violation of existing provisions of law.

The Jewel Tea Company proposal involved the issuance of certificates in denominations of 1, 5, and 10 cents, bearing the legends "Redeemable at any Jewel Food Store, Osco Drug Store or Turnstyle Family Center in merchandise, in currency, or in coin when available in whole dollar amounts," and "Not Negotiable."

Before deciding whether to go ahead with preparations for instituting its certificate system, the Jewel Tea Company requested the opinion of the Treasury as to its legality.

The Treasury advised the company that: "Section 336 of Title 18 of the United States Code prohibits, under penalties of fine or imprisonment or both, the making, issuance, circulation or payment of obligations of a less sum than $1, 'intended to circulate as money or to be received or used in lieu of lawful money of the United States.' A similar prohibition exists in Section 491 of Title 18 of the United States Code. The combination of the fact that these certificates would be issued and redeemed at some 250 outlets in the Chicago area of that company, that they would be wholly or partially redeemable in cash and that, in spite of the legend on the certificates, there would be no practical way of preventing the transfer of the certificates from one person to another, would tend to endow them with the

TREASURY DEPARTMENT

WASHINGTON, D.C.

June 12, 1964

FOR IMMEDIATE RELEASE

CERTIFICATES FOR COINS ILLEGAL TREASURY RULES

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In its letter to the Jewel Tea Company the Treasury stated: "We appreciate very much the courtesy of the Jewel Tea Company and its representatives in consulting with us on this matter and the cooperative way in which it has provided us with all necessary information bearing upon our consideration of this question."

D-1256

The Treasury is taking all possible steps to maximize the production and issuance of coins, which are already being produced and issued at a record rate, in order to bring to an end at the earliest possible time the existing shortage of coins in various parts of the country. Every effort is being made through the Federal Reserve System to insure an equitable distribution of coins.

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STATUTORY DEBT LIMITATION

As of May 31, 1964 — Washington, June 15, 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	$52,246,013,000		
Treasury notes	67,278,985,000	$119,524,998,000	
Bonds —			
Treasury	88,484,341,150		
Savings (Current redemption value)	49,223,560,677		
United States Retirement Plan bonds	5,340,629		
Depositary	98,814,000		
R. E. A. series	24,726,000		
Investment series	3,552,183,000	141,388,965,456	
Certificates of Indebtedness —			
Foreign series	240,000,000		
Foreign Currency series	30,120,482		
Treasury notes —			
Foreign series	158,333,423		
Treasury bonds —			
Foreign Currency series	801,831,817	1,230,285,721	
Treasury certificates	15,197,754	15,197,754	
Treasury bonds	20,000,000	20,000,000	
Special Funds —			
Certificates of indebtedness	8,944,415,466		
Treasury notes	2,261,571,000		
Treasury bonds	33,828,118,000	45,034,104,466	
Total interest-bearing		307,213,551,398	
Matured, interest-ceased		379,938,400	
Bearing no interest:			
United States Savings Stamps	55,533,079		
Excess profits tax refund bonds	687,856		
Internat'l Monetary Fund notes	3,164,000,000		
Internat'l Develop. Ass'n. notes	164,261,000		
Inter-American Develop. Bank notes	150,000,000		
United Nations bonds - Various programs	42,061,834	3,576,543,769	
Total		311,170,033,566	
Guaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A. & DC Stad. Bds.	803,972,750		
Matured, interest-ceased	727,350	804,700,100	
Grand total outstanding			311,974,733,66
Balance face amount of obligations issuable under above authority			3,025,266,33

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

As of May 28, 1964

Gross public debt this date	311,531,973,3[illegible]
Guaranteed obligations not owned by Treasury	804,700,1[illegible]
Total gross public debt and guaranteed obligations	312,336,673,[illegible]
Deduct debt not subject to statutory limitation	361,939,[illegible]
Total debt subject to limitation	311,974,733,[illegible]

D-1257

STATUTORY DEBT LIMITATION

As of May 31, 1964 Washington, June 15, 1964

Section 21 of Second Liberty Bond Act, as amended, provides that the face amount of obligations issued under authority of at Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed ıligations as may be held by the Secretary of the Treasury), "Shall not exceed in the aggregate $285,000,000,000 (Act of June ı, 1959; U.S.C., title 31, sec. 757b), outstanding at any one time. For purposes of this section the current redemption value of ıy obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder shall be considered ; its face amount." The Act of November 26, 1963 (P.L. 88-187 88th Congress) provides that during the period beginning on ecember 1, 1963, and ending on June 30, 1964, the above limitation shall be temporarily increased to $309,000,000,000. Because variations in the timing of revenue receipts, the public debt limit as increased by the preceding sentence is further increased rough 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 is limitation:

ɔtal 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	$52,246,013,000		
Treasury notes	67,278,985,000	$119,524,998,000	
Bonds —			
Treasury	88,484,341,150		
Savings (Current redemption value)	49,223,560,677		
United States Retirement Plan bonds	5,340,629		
Depositary	98,814,000		
R. E. A. series	24,726,000		
Investment series	3,552,183,000	141,388,965,456	
Certificates of Indebtedness —			
Foreign series	240,000,000		
Foreign Currency series	30,120,482		
Treasury notes —			
Foreign series	158,333,423		
Treasury bonds —			
Foreign Currency series	801,831,817	1,230,285,721	
Treasury certificates	15,197,754	15,197,754	
Treasury bonds	20,000,000	20,000,000	
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Certificates of indebtedness	8,944,415,466		
Treasury notes	2,261,571,000		
Treasury bonds	33,828,118,000	45,034,104,466	
Total interest-bearing		307,213,551,398	
Matured, interest-ceased		379,938,400	
Bearing no interest:			
United States Savings Stamps	55,533,079		
Excess profits tax refund bonds	687,856		
Internat'l Monetary Fund notes	3,164,000,000		
Internat'l Develop. Ass'n. notes	164,261,000		
Inter-American Develop. Bank notes	150,000,000		
United Nations bonds - Various programs	42,061,834	3,576,543,769	
Total		311,170,033,566	
uaranteed obligations (not held by Treasury):			
Interest-bearing:			
Debentures: F.H.A. & DC Stad. Bds.	803,972,750		
Matured, interest-ceased	727,350	804,700,100	
Grand total outstanding			311,974,733,666
ance face amount of obligations issuable under above authority			3,025,266,334

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

As of May 28, 1964

s public debt this date	311,531,973,314
ıanteed obligations not owned by Treasury	804,700,100
gross public debt and guaranteed obligations	312,336,673,414
ct debt not subject to statutory limitation	361,939,747
debt subject to limitation	311,974,733,666

D-1257

FOR RELEASE A. M. NEWSPAPERS,
Tuesday, June 16, 1964.

June 15, 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 March 19, 1964, and the other series to be dated June 18, 1964, which were offered on June 10, were opened at the Federal Reserve Banks on June 15. Tenders were invited for $1,200,000,000, or thereabouts, of 91-day bills and for $900,000,000, 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 September 17, 1964		:	182-day Treasury bills maturing December 17, 1964	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.123	3.469%	:	98.192	3.576%
Low	99.114	3.505%	:	98.181	3.598%
Average	99.116	3.496% 1/	:	98.185	3.590% 1/

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

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	:	Applied For	Accepted
Boston	$ 37,578,000	$ 27,578,000	:	$ 2,815,000	$ 2,815,000
New York	1,543,212,000	732,157,000	:	1,246,003,000	710,083,000
Philadelphia	31,161,000	16,161,000	:	8,149,000	3,149,000
Cleveland	41,540,000	32,720,000	:	14,261,000	13,411,000
Richmond	12,456,000	12,456,000	:	2,127,000	2,127,000
Atlanta	27,333,000	26,472,000	:	11,793,000	10,623,000
Chicago	172,287,000	103,125,000	:	108,750,000	48,750,000
St. Louis	29,975,000	22,975,000	:	11,643,000	9,443,000
Minneapolis	19,102,000	15,382,000	:	8,925,000	7,340,000
Kansas City	23,115,000	22,705,000	:	8,120,000	8,020,000
Dallas	26,376,000	18,966,000	:	10,070,000	6,070,000
San Francisco	189,769,000	169,714,000	:	127,038,000	79,188,000
TOTALS	$2,153,904,000	$1,200,411,000 a/		$1,559,694,000	$900,949,000 b/

a/ Includes $234,727,000 noncompetitive tenders accepted at the average price of 99.116
b/ Includes $64,902,000 noncompetitive tenders accepted at the average price of 98.185
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.58%, for the 91-day bills, and 3.71%, 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.

R RELEASE A. M. NEWSPAPERS,
ssday, June 16, 1964.

June 15, 1964

RESULTS OF TREASURY'S WEEKLY BILL OFFERING

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Low	99.114	3.505%	:	98.181	3.598%
Average	99.116	3.496% 1/	:	98.185	3.590% 1/

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

TAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	:	Applied For	Accepted
Boston	$ 37,578,000	$ 27,578,000	:	$ 2,815,000	$ 2,815,000
New York	1,543,212,000	732,157,000	:	1,246,003,000	710,013,000
Philadelphia	31,161,000	16,161,000	:	8,149,000	3,149,000
Cleveland	41,540,000	32,720,000	:	14,261,000	13,411,000
Richmond	12,456,000	12,456,000	:	2,127,000	2,127,000
Atlanta	27,333,000	26,472,000	:	11,793,000	10,623,000
Chicago	172,287,000	103,125,000	:	108,750,000	48,750,000
St. Louis	29,975,000	22,975,000	:	11,643,000	9,443,000
Minneapolis	19,102,000	15,382,000	:	8,925,000	7,340,000
Kansas City	23,115,000	22,705,000	:	8,120,000	8,020,000
Dallas	26,376,000	18,966,000	:	10,070,000	6,070,000
San Francisco	189,769,000	169,714,000	:	127,038,000	79,188,000
TOTALS	$2,153,904,000	$1,200,411,000 a/		$1,559,694,000	$900,949,000 b/

Includes $234,727,000 noncompetitive tenders accepted at the average price of 99.116
Includes $64,902,000 noncompetitive tenders accepted at the average price of 98.185
On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.58%, for the 91-day bills, and 3.71%, 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 semi-annual compounding if more than one coupon period is involved.

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issues of the extent to which the three quoted terms, which are all defined by statute, may be affected by differences in circumstances of sale. The Secretary must decide these issues; but neither the quoted terms nor the Secretary's decisions with respect to the issues are affected by the Acme decision.

DRAFT PRESS RELEASE

Mr. G. d'Andelot Belin, General Counsel of the Treasury Department, today made the following statement:

There has been a good deal of public interest in the question of whether the decision last month of the Acme Steel Company case by the Court of Customs and Patent Appeals will affect the Treasury Department's enforcement of the antidumping laws. We have studied this case with care and have concluded that it will have no effect on the handling of antidumping cases.

X! Mr. Belin said that, The Acme decision did not involve interpretation of the anti-dumping law dealt only with the question of what was the proper basis of appraisement for ordinary customs purposes of steel imported by a parent U. S. company from its Canadian subsidiary. Both the lower and appellate courts concluded that in the particular circumstances of the shipment involved there was an "export value" within the meaning of the customs appraisement statute and that, therefore, this value would have to be used for ordinary customs appraisement purposes. Under the statutory provisions for "export value," ~~sales~~ and similar costs incurred only in Canada are not elements of the value of the goods for customs appraisement purposes. The antidumping laws were not involved or considered in the Acme case.

In determining if there is dumping, the Secretary is obliged by statute, to compare "foreign market value" with either the "purchase price" in the United States or with the "exporter's sales price." Under the antidumping laws, there are always

~~[illegible]~~

There has been no ~~[illegible]~~ imports in commercial quantities of [illegible] scrapping since 1960.

FOR IMMEDIATE RELEASE

ACME STEEL COMPANY DECISION WILL NOT AFFECT
ANTIDUMPING ENFORCEMENT

The decision last month of the Acme Steel Company case by the Court of Customs and Patent Appeals will have no effect upon the Treasury Department's enforcement of the antidumping laws, G. d'Antelot Belin, General Counsel of the U. S. Treasury Department, said today.

TREASURY DEPARTMENT

WASHINGTON, D.C.

June 16, 1964

'OR IMMEDIATE RELEASE

ACME STEEL COMPANY DECISION WILL NOT AFFECT
ANTIDUMPING ENFORCEMENT

The decision last month of the Acme Steel Company case by the ourt of Customs and Patent Appeals will have no effect upon the reasury Department's enforcement of the antidumping laws, G. d'Andelot elin, General Counsel of the U. S. Treasury Department, said today.

Mr. Belin said that the Acme decision did not involve interretation of the antidumping laws. It dealt only with the question f what was the proper basis of appraisement for ordinary customs urposes of steel strapping imported in 1960 by a parent U. S. company rom its Canadian subsidiary. Both the lower and appellate courts oncluded that in the particular circumstances of the shipment nvolved there was an "export value" within the meaning of the customs ppraisement statute and that, therefore, this value would have to be sed for ordinary customs appraisement purposes. Under the statutory rovisions for "export value," selling and similar costs incurred nly in Canada are not elements of the value of the goods for customs ppraisement purposes. The antidumping laws were not involved or onsidered in the Acme case. There have been no imports of steel trapping in commercial quantities since 1960.

In determining if there is dumping, the Secretary is obliged by tatute, Mr. Belin said, to compare "foreign value" with either the urchase price" in the United States or with the "exporter's sales rice." Under the antidumping laws, there are always issues of the xtent to which the three quoted terms, which are all defined by tatute, may be affected by differences in circumstances of sale. The ecretary must decide these issues; but neither the quoted terms nor e Secretary's decisions with respect to the issues are affected by e Acme decision.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

June 16, 1964

The following is the text of the Communique of the Ministers of the "Group of Ten", issued in Paris this morning:

The representatives of the ten countries participating in the general arrangements to borrow met at the Ministry of Finance on 15th and 16th June 1964, under the chairmanship of M. Valery Giscard d'Estaing. The Managing Director of the International Monetary Fund took part in the meeting which was also attended by the Secretary General of the Organization for Economic Cooperation and Development, the Director General of the Bank for International Settlement, and an observer from the Swiss National Bank.

The members and Governors examined the studies and analysis of the outlook for the functioning of the international monetary system and of the probable future needs for liquidity which they had directed the deputies to make during the course of the year, in accordance with the decision taken in Washington last October. After useful discussion, which indicated a broad range of agreement, they instructed their deputies to draft a joint statement for their consideration. This statement will be made public during the summer and will thus be available at the same time as the Annual Report of the International Monetary Fund.

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TREASURY DEPARTMENT

WASHINGTON, D.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.

~~ETA - MODIFIED~~

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 wn account. Tenders will be received without deposit from incorporated banks nd trust companies and from responsible and recognized dealers in investment ecurities. Tenders from others must be accompanied by payment of 2 percent of he face amount of Treasury bills applied for, unless the tenders are accompanied y 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 ie Treasury Department of the amount and price range of accepted bids. Those ibmitting 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 inal. Subject to these reservations, noncompetitive tenders for $200,000 ~~(16)~~ or ess for the additional bills dated March 26, 1964 ~~(17)~~, (91 ~~(18)~~ days remaining until maturity date on September 24, 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 accepted 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 June 25, 1964 ~~(22)~~, in cash or other immediately available funds or a like face amount of Treasury bills maturing June 25, 1964 ~~(23)~~. Cash

~~Exhibit 2-A~~

~~BETA MODIFIED~~

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE, June 17, 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 June 25, 1964 , in the amount of $ 2,111,876,000 , as follows:

91 -day bills (to maturity date) to be issued June 25, 1964 , in the amount of $ 1,200,000,000 , or thereabouts, representing an additional amount of bills dated March 26, 1964 , and to mature September 24, 1964, originally issued in the amount of $ 900,202,000 , the additional and original bills to be freely interchangeable.

182 -day bills, for $ 900,000,000 , or thereabouts, to be dated June 25, 1964 , and to mature December 24, 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 Daylight Saving ~~Standard~~ time, Monday, June 22, 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.

June 17, 1964

FOR IMMEDIATE RELEASE

TREASURY'S WEEKLY BILL OFFERING

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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-1260

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 March 26, 1964, (91-days remaining until maturity date on September 24, 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 June 25, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing June 25, 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.

June 17, 1964

FOR IMMEDIATE RELEASE

WITHHOLDING OF APPRAISEMENT ON
BEEF STEAKS

The Treasury Department is instructing customs field officers to withhold appraisement of 12/18-ounce beef steaks from Canada, produced by Holiday Farms Ltd., Chippawa, 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 allegation in this case was received on March 30, 1964, and was made by the firm of Freezer Queen Inc., Buffalo, New York.

TREASURY DEPARTMENT

WASHINGTON, D.C.

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The Treasury Department is instructing customs field officers to withhold appraisement of 12/18-ounce beef steaks from Canada, produced by Holiday Farms Ltd., Chippawa, 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 allegation in this case was received on March 30, 1964, and was made by the firm of Freezer Queen Inc., Buffalo, New York.

immediate release

Dr. Emmett J. Rice Named Deputy Director of Office of Developing Nations.

~~June 16, 1964~~

~~Treasury~~ Secretary of the Treasury Douglas Dillon today announced the appointment of Dr. Emmett J. Rice of New York as Deputy Director of the Treasury Department's Office of Developing Nations. ~~The position carries a salary of $16,000 a year.~~ Dr. Rice will replace Dr. Samuel Z. Westerfield who has become Deputy Assistant Secretary of State for African Affairs.

In his new position, Dr. Rice will aid Secretary Dillon and Assistant Secretary John C. Bullitt in the formulation of U. S. financial policies affecting the Developing Nations of the middle east, Africa, and Asia.

Dr. Rice was recently under contract with the Agency for International Development as Research Adviser for the Central Bank of Nigeria, a post he assumed in November 1962. Before that he served for two years as an Economist with the Federal Reserve Bank of New York and six years as Assistant Professor of Economics at Cornell University in Ithaca, New York.

Dr. Rice majored in Business Administration at the City College of New York, where he received a B.A. degree in 1941 and an M.B.A. in 1942. He obtained a Doctor of Philosophy degree in Economics at the University of California (Berkeley) in 1955.

He is married to the former Lois Dixon of New York.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

June 18, 1964

FOR IMMEDIATE RELEASE

DR. EMMETT J. RICE NAMED DEPUTY DIRECTOR OF
TREASURY'S OFFICE OF DEVELOPING NATIONS

Secretary of the Treasury Douglas Dillon today announced the appointment of Dr. Emmett J. Rice of New York as Deputy Director of the Treasury Department's Office of Developing Nations. Dr. Rice will replace Dr. Samuel Z. Westerfield who has become Deputy Assistant Secretary of State for African Affairs.

In his new position, Dr. Rice will aid Secretary Dillon and Assistant Secretary John C. Bullitt in the formulation of U. S. financial policies affecting the developing Nations of the middle east, Africa, and Asia.

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Dr. Rice majored in Business Administration at the City College of New York, where he received a B.A. degree in 1941 and an M.B.A. in 1942. He obtained a Doctor of Philosophy degree in Economics at the University of California (Berkeley) in 1955.

He is married to the former Lois Dickson of New York.

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D-1261

~~high seas~~ -- a new effectiveness.

To you, Captain Fisher and to the men of the RELIANCE, I extend my warmest congratualtions and best wishes as you prepare to man this fine ship. I well understand the pride that you feel in yourselves, in your ship, and in your Service. I know it is a pride that will grow ~~even~~ deeper and greater in the years ahead -- as under your capable hands, the RELIANCE carries on the highest traditions of her Service and becomes in performance as well as in name, the very symbol of the humane mission for which the Coast Guard is known and honored among men. I wish you -- God Speed!

seas.

Those efforts will always be vital -- because for all the marvels that man has performed during his centuries on this earth, he may never control the weather or the sea. But if we cannot tame these elements, we can arm against their dangers, we can marshall our skills, our courage, and our resources to protect us from their unbridled onslaught. We have done all these things, and more, in the United States Coast Guard, which serves always as a strong and sure lifeline for all in distress or danger in our waters ~~and~~ on the high seas.

The RELIANCE, and the men who man her, will make that lifeline even surer and stronger -- and will extend even farther the Coast Guard's outstretched hand of help to those in need. She will bring to the many other important tasks of the Coast Gua to fisheries patrol, for example, and to law enforcement

With this splendid new ship and the many others that will follow her over the next decade, the Coast Guard is entering upon a new era of even greater service to country and humanity. In 1962, as many of you know, a major, new, ship-construction program was approved for the Coast Guard designed to modernize its entire fleet over a period of years. This was part of ~~a~~ broader program touching the whole range of Coast Guard activities.

The RELIANCE is the forerunner of a series of new medium-endurance cutters provided for under ~~the~~ long-range program. This year, construction is beginning on new high-endurance cutters which will ~~greatly~~ enhance the Coast Guard's capabilities. ~~on the high seas~~. The RELIANCE, therefore, is not simply an excellent but isolated addition to the Coast Guard fleet. In her wake will follow many smart, new ships that -- like the RELIANCE -- will advance and augment the Coast Guard's efforts to bring safety and security to our shores and waterways and on the high

~~Honolulu, Hawaii,~~ on ~~that fateful Sunday in 1941 when Pearl Harbor was attacked. The RELIANCE~~ acquitted herself well in that difficult moment, pumping shells at the attacking air fleet throughout the encounter. ~~The RELIANCE~~ carried out patrol duty, operating out of Pearl Harbor, for the remainder of World War II.

This newest RELIANCE is the latest achievement in the unbroken line of Coast Guard development and progress reaching all the way back to 1790. She is not only a beautiful ship, with her clean, graceful lines, but a fine example of modern engineering know-how. -- with a combination diesel engine and gas turbine propulsion plant to drive her twin propellers, and a deck capable of carrying the Coast Guard's new amphibious helicopter for extended search and rescue tasks. She can tow ocean vessels up to 10,000 gross tons, has a sustained speed of 18 knots and a cruising radius of 5,000 miles at 15 knots.

The very name, RELIANCE, will serve not only as a constant symbol of safety and hope in our waters, but as a constant reminder of what a proud ~~past~~ lies behind this fine ship:

It was more than a century ago that the Coast Guard's first RELIANCE performed blockade duty ~~on~~ Chesapeake Bay during the War between the States.

The second RELIANCE, a schooner, was commissioned in 1867 -- the same year in which Secretary of State Seward purchased the vast new territory of Alaska. ~~for the United States~~. The new ship was detailed to Alaska, and patrolled Alaskan waters on extended cruises until 1875.

More than half a century later, in 1927, ~~the~~ third RELIANCE -- a 125 foot cutter -- was commissioned for duty in the war against the liquor smugglers of the Prohibition era. After the repeal of the 18th amendment, she performed varied duties -- and ~~war~~

ADDRESS BY THE HONORABLE DOUGLAS DILLON
SECRETARY OF THE TREASURY
AT THE COMMISSIONING OF THE COAST GUARD CUTTER "RELIANCE"
AT THE COAST GUARD BASE, GALVESTON, TEXAS,
SATURDAY, JUNE 20, 1964, 2:30 P.M.,

Captain Fisher, distinguished guests, ladies and gentlemen:

Today we are privileged to share in the commissioning of the Coast Guard's fine new cutter, RELIANCE.

As Secretary of the Treasury, as an American, and as [redacted] who had the privilege of serving at sea during World War II, I have a special feeling of pride and pleasure in welcoming this handsome ship into a most renowned and distinguished Service.

The RELIANCE is now ready to embark upon a career as a member of the nation's oldest continuous sea-going Service. Wherever she cruises, whatever her mission, I know she will honor the great traditions of the United States Coast Guard, which, for a century and three-quarters has brought succor to seafarers and ships in difficulty or peril.

TREASURY DEPARTMENT
Washington

FOR RELEASE: UPON DELIVERY

ADDRESS BY THE HONORABLE DOUGLAS DILLON
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This fourth and newest RELIANCE is the latest achievement in :he unbroken line of Coast Guard development and progress reaching ıll the way back to 1790. She is not only a beautiful ship, with ıer clean, graceful lines, but a fine example of modern engineering :now-how. She boasts a combination diesel engine and gas turbine ›ropulsion plant to drive her twin propellers, and a deck capable ›f carrying the Coast Guard's new amphibious helicopter for xtended search and rescue tasks. She can tow ocean vessels up o 10,000 gross tons, has a sustained speed of 18 knots and a ruising radius of 5,000 miles at 15 knots.

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Those efforts will always be vital -- because for all the ırvels that man has performed during his centuries on this ırth, he may never control the weather or the sea. But if we ınnot tame these elements, we can arm against their dangers, e can marshall our skills, our courage, and our resources to rotect us from their unbridled onslaught. We have done all these hings, and more, in the United States Coast Guard, which serves lways as a strong and sure lifeline for all in distress or anger in our waters or on the neighboring high seas.

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To you, Captain Fisher and to the men of the RELIANCE, I xtend my warnest congratulations and best wishes as you prepare to an this fine ship. I well understand the pride that you feel in ourselves, in your ship, and in your Service. I know that it is a ride that will grow ever deeper and ever greater in the years head -- as under your capable hands, the RELIANCE carries on in he highest traditions of her Service and becomes in performance, s well as in name, the very symbol of the humane mission for which he Coast Guard is known and honored among men. I wish you all -- od Speed!

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THE WHITE HOUSE

WASHINGTON

[illegible] 17, 1964

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When I addressed the Coast Guard Academy a little more than two weeks ago, I said that our hope for success in the aims of peace rests upon both the strength of our devotion to humanity and the strength of our arms.

In its dual role of humanitarian agency and armed force, the United States Coast Guard uniquely exemplifies those strengths -- and augments them today with the commissioning of the new Cutter RELIANCE.

The RELIANCE will enhance the Coast Guard's humanitarian mission of ensuring the safety of all men at sea and the ships they sail in regardless of the flags they fly.

She will give added stamina to the Coast Guard's ceaseless vigil in safeguarding our sea frontiers against law breakers and illegal entries, and she will stand ready to serve our naval forces in time of armed conflict.

As a Texan, I am proud that the first of this new class of Coast Guard Cutter is joining the fleet today in a famous old port on the Gulf of Mexico and that it is the first of the new cutters laid down in the program of fleet modernization which began under the leadership of President Kennedy. I am proud of the men who will serve in her and I know I speak for all Americans when I wish them and their officers many fine voyages filled with the sense of accomplishment and faithful discharge of their duties.

Lyndon B. Johnson

MESSAGE BY PRESIDENT LYNDON B. JOHNSON
UPON THE COMMISSIONING OF
THE UNITED STATES COAST GUARD CUTTER "RELIANCE"
AT GALVESTON, TEXAS
SATURDAY, JUNE 20, 1964, 2:30 P.M., CST

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TREASURY DEPARTMENT

WASHINGTON, D.C.

June 22, 1964

FOR IMMEDIATE RELEASE

TREASURY DECISION ON CIGAR BANDS
UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that cigar bands from the Netherlands are 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 June 1963 to January 1964 was approximately $30,000.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

June 22, 1964

FOR IMMEDIATE RELEASE

TREASURY DECISION ON PLASTIC BABY CARRIERS (INFANSEAT)
UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that plastic baby carriers (Infanseat) from Japan, manufactured by Marui Corporation, Tokyo, Japan, 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 1963 was approximately $100,000.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

June 22, 1964

FOR IMMEDIATE RELEASE

TREASURY DECISION ON BRAKE DRUMS
UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that brake drums from Canada, sold by Aimco Automotive Parts Company of Cooksville, Ontario, Canada, are 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.

Appraising officers are being instructed to proceed with the appraisement of this merchandise from Canada without regard to any question of dumping.

The dollar value of imports of the involved merchandise received during 1963 was approximately $62,000.

TREASURY DEPARTMENT

WASHINGTON, D.C.

June 22, 1964

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TREASURY DECISION ON BRAKE DRUMS
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Appraising officers are being instructed to proceed with the appraisement of this merchandise from Canada without regard to any question of dumping.

The dollar value of imports of the involved merchandise received during 1963 was approximately $62,000.

FOR RELEASE A. M. NEWSPAPERS,
Tuesday, June 23, 1964.

June 22, 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 March 26, 1964, and the other series to be dated June 25, 1964, which were offered on June 17, were opened at the Federal Reserve Banks on June 22. Tenders were invited for $1,200,000,000, or thereabouts, of 91-day bills and for $900,000,000, 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 September 24, 1964		182-day Treasury bills maturing December 24, 1964	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.125	3.462%	98.205	3.551%
Low	99.119	3.485%	98.201	3.558%
Average	99.121	3.478% 1/	98.202	3.556% 1/

92 percent of the amount of 91-day bills bid for at the low price was accepted
30 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	$ 45,990,000	$ 14,471,000	$ 4,634,000	$ 2,911,000
New York	1,473,254,000	838,254,000	1,556,146,000	766,690,000
Philadelphia	30,894,000	15,894,000	10,193,000	4,943,000
Cleveland	43,176,000	35,016,000	14,438,000	8,652,000
Richmond	12,199,000	12,199,000	3,601,000	3,576,000
Atlanta	31,971,000	28,280,000	10,338,000	7,206,000
Chicago	183,464,000	120,584,000	165,359,000	48,550,000
St. Louis	27,415,000	22,319,000	9,790,000	7,115,000
Minneapolis	15,792,000	11,952,000	7,364,000	3,364,000
Kansas City	25,399,000	24,399,000	18,[illegible]5,000	8,066,000
Dallas	19,592,000	10,512,000	10,738,000	5,738,000
San Francisco	112,396,000	66,956,000	92,[illegible]99,000	33,760,000
TOTALS	$2,021,542,000	$1,200,836,000 a/	$1,904,215,000	$900,571,000 b/

a/ Includes $211,825,000 noncompetitive tenders accepted at the average price of 99.121
b/ Includes $68,647,000 noncompetitive tenders accepted at the average price of 98.202
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.56%, for the 91-day bills, and 3.67%, 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-1262

TREASURY DEPARTMENT

WASHINGTON, D.C.

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Low	99.119	3.485%	:	98.201	3.558%
Average	99.121	3.478% 1/	:	98.202	3.556% 1/

2 percent of the amount of 91-day bills bid for at the low price was accepted
0 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:

rict	Applied For	Accepted	:	Applied For	Accepted
on	$ 45,990,000	$ 14,471,000	:	$ 4,634,000	$ 2,911,000
York	1,473,254,000	838,254,000	:	1,556,146,000	766,690,000
adelphia	30,894,000	15,894,000	:	10,193,000	4,943,000
eland	43,176,000	35,016,000	:	14,438,000	8,652,000
mond	12,199,000	12,199,000	:	3,601,000	3,576,000
nta	31,971,000	28,280,000	:	10,338,000	7,206,000
ago	183,464,000	120,584,000	:	165,359,000	48,550,000
Louis	27,415,000	22,319,000	:	9,790,000	7,115,000
eapolis	15,792,000	11,952,000	:	7,364,000	3,364,000
as City	25,399,000	24,399,000	:	18,615,000	8,066,000
as	19,592,000	10,512,000	:	10,738,000	5,738,000
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STATEMENT OF THE HONORABLE DOUGLAS DILLON
SECRETARY OF THE TREASURY
BEFORE THE SENATE FINANCE COMMITTEE
ON THE PUBLIC DEBT LIMIT
10:00 A.M., TUESDAY, JUNE 23, 1964

In the absence of new legislation, the $315 billion temporary debt limit, under which we are currently operating, is scheduled to drop for the one day of June 30 to $309 billion and on July 1 the limit will revert to its permanent level of $285 billion.

The latest published figure we have for the public debt subject to the limit is $311.9 billion as of June 18. While there are many cross currents in the last two weeks of June, our best estimate is that the debt will still approximate $312 billion on June 30. This means that if the debt limit is not raised before then, the outstanding debt will exceed the limit by about $3 billion on June 30 and by more than $26 billion on July 1 when the ceiling drops to its $285 billion permanent level.

It is clearly imperative that these scheduled reductions in the debt limit not be allowed to occur. We simply cannot put the United States Government in the impossible posture of being unable to refinance maturing securities or to pay legal obligations as they come due. We can do grave damage to the credit of the United States if we permit the debt limit to be inadequate for even one day. The issue goes well beyond the question of sound domestic financial housekeeping to the far greater issue of the financial responsibility or irresponsibility of our Government. In a world which recognizes economic and financial strength as the essential foundation for military and political power, we cannot permit the slightest doubt to arise in any quarter regarding the ability of the United States at all times to meet all of its obligations instantly and fully.

The outlook for the public debt in fiscal 1965 is shown in the attached table which is the same as that presented to the House Ways and Means Committee on May 25. The table gives projected levels of the debt for mid-month and month-end dates through June 30, 1965. It reflects the usual temporary seasonal borrowing requirements as well as the need to finance the deficit anticipated for the year as a whole.

The debt projections shown in the table are, of course, based on the same mechanical assumption that has been used in past debt limit hearings: namely, that the Treasury's operating cash balance holds unchanged at $4.0 billion. On this basis, the table shows that the debt is expected to swing up to temporary peaks of $320.5 billion on December 15 and $321.0 billion on March 15 before the usual year-end decline brought on by the heavy June tax receipts.

regularly requested by both Democratic and Republican Administrations, represents the minimum margin of safety needed to cover circumstances which cannot be foreseen, including the inescapable uncertainties in our month-to-month projections of revenues and expenditures. Hardly less important, this margin of flexibility also is needed because of the impossibility -- indeed the undesirability -- of precisely matching the timing of our borrowing operations to our changing cash needs. Treasury borrowing is necessarily done in relatively large amounts and in an orderly sequence. These sizable financings should be and are timed in such a way as to avoid unnecessary market disturbance and, where possible, to take advantage of favorable market conditions whenever they appear. Our borrowing operations cannot be adjusted to passing changes in our net inflow or outflow of cash, but rather must anticipate needs over a period of time.

The final column in the table shows the debt limit required when we add this $3 billion safety margin to each of the semi-monthly projections of the public debt. It is clear from these figures that a $324 billion debt limit is necessary to provide adequate room for maneuver in managing our finances responsibly and economically.

I should emphasize that our peak debt requirements are primarily a reflection of the recurrent seasonal pattern in our receipts and expenditures. And it is this peak requirement which determines the appropriate level for the debt ceiling. As I have pointed out to your Committee before, the debt rises substantially during the first half of every fiscal year, in years of budget surplus as well as in years of budget deficit. This is so because we receive only about 44 percent of our annual revenues in the first half of each fiscal year, the July-December period, with the remaining 56 percent flowing in during the second half, which includes the big corporate tax payment months of March and June. As a result, the Treasury always has to borrow heavily in the July-December period but can then, depending on the state of the budget, pay off some or all of this seasonal borrowing out of the heavy receipts which flow in from mid-March to the end of the fiscal year.

This means that the peak of the debt in any given fiscal year is importantly influenced by the previous year's results. Generally speaking, whenever we run a deficit in one year the debt ceiling for the following year must be increased in roughly the same degree. Conversely, a surplus in one year should permit a reduction in the debt ceiling for the following year. Fiscal 1965 is no exception to this general rule. Since we are incurring a substantial deficit in fiscal 1964, a substantial increase in the 1965 debt limit is essential in order to meet the seasonal requirements brought on by reduced receipts prior to the heavy flow of tax payments that begins on March 15. Our need for a $9 billion increase in the debt limit for fiscal 1965 rests largely on this fact and is only influenced in a relatively minor degree by the deficit that is projected for fiscal 1965.

Let me now turn to the fiscal background of our debt limit recommendation. The following table presents the fiscal 1964 and fiscal 1965 estimates of receipts by the Treasury and of expenditures by the Budget Bureau that were released by the President May 22 and presented to the Ways and Means Committee on May 25.

ADMINISTRATIVE BUDGET RECEIPTS AND EXPENDITURES,
FISCAL YEARS 1964 AND 1965
(in billions)

	January Budget Estimates		Current Estimates	
	1964	1965	1964	1965
Expenditures	$98.4	$97.9	$98.3	$97.3
Receipts	88.4	93.0	89.5	91.5
Deficit (-)	-10.0	-4.9	-8.8	-5.8

The table shows that the deficit for fiscal 1964 is lower than was estimated in January and that the deficit for fiscal 1965 is higher. But the significant point is that these new estimates for fiscal 1964 and fiscal 1965 indicate that the overall two-year deficit will be $300 million less than was originally estimated in January.

The estimate of $5.8 billion for the fiscal 1965 deficit is some $900 million more than the $4.9 billion deficit projected in the President's January budget message, even though the Budget Bureau's spending estimate for fiscal 1965 has been reduced by $600 million from the earlier estimate. This increase in the 1965 deficit is due almost entirely to changes made by the Congress in the tax bill as compared to the assumptions that were used by the President in his budget message.

Most important is the fact that the tax bill went into effect about one month later than had been assumed in the President's budget message. This meant that the 18 percent withholding rate continued for one month longer than had been projected with a consequent benefit of some $800 million to fiscal 1964 revenues (the monthly dollar difference between the 18 percent withholding rate and the current 14 percent withholding rate). But it also meant that estimated fiscal 1965 revenues will be reduced correspondingly since final net payments on 1964 liabilities by individual taxpayers next spring will be lowered by the same amount.

The second factor is that the Revenue Act of 1964, as finally enacted, will result in about $500 million less revenue in fiscal 1965 than had been provided in the tax bill as it passed the House, which was necessarily used as the basis for the revenue estimates in the budget document.

These two changes in the tax program -- together with minor refinements in the projections of economic activity and taxable incomes -- have reduced projected revenues for fiscal 1965 to $91.5 billion, $1.5 billion lower than the January estimate. But, as noted earlier, the impact of these lower revenues on the size of the deficit has been partially offset by the $600 million reduction in expenditures now foreseen by the Budget Bureau.

Finally, I should like to note that the experience of recent weeks has been somewhat more favorable than these May 22nd projections would suggest. Expenditures are running well below expectations. Should this more favorable experience persist, we can expect to finish up fiscal 1964 with better overall results than the table indicates. This would leave us with a somewhat larger cash balance on June 30th than we had earlier expected which, in turn, would reduce our needs for new cash financing over the next few months.

I would now like to mention briefly some broader and longer-run considerations which form the background to this debt limit hearing. We are in the early stages of the biggest tax cut our Congress has ever approved or this Nation has ever enjoyed. We expect this to provide a major long-term stimulus to the economy, to put new strength into our private business system, and to strengthen our ability to compete in international markets. However, I think everyone recognized, when this approach was proposed by the Administration and approved by the Congress, that there would be transitional deficits that would have to be financed and that an appropriate debt limit adjustment would be required. In order to hold these deficits to the minimum, both in size and time, and to minimize the requisite increase in the debt limit President Johnson is making a maximum effort to hold down Federal expenditures.

We, in the Treasury Department, for our part, always have before us, as a primary purpose, the protection of the financial integrity of the United States. No one is more dedicated to responsible finance and strict expenditure control than I am. But effective control of Federal spending cannot be achieved by restriction at the tag-end of the expenditure process when the bills come due. Our bills must be paid promptly and in full if the credit of the United States is to be maintained.

The proper place to control expenditures is in the appropriations process and in the Federal agencies which spend the money. President Johnson is continuing to press for economy in Government, so you can be confident that a reasonable debt ceiling will not be abused. Of course, Congress has not yet completed action on fiscal 1965 appropriations, and expenditure estimates at this time are necessarily tentative. However, there is a basis for confidence, I think, in the fact that the May 22nd estimates show expenditures for fiscal 1964 and fiscal 1965 combined to be $700 million less than was estimated in January.

If we continue to hold Federal expenditures under control, the outlook for decreasing the burden of our public debt is good. Indeed, by the end of this fiscal year, the Federal debt is expected to amount to about 50 percent of our current gross national product as compared to 52-1/2 percent last year. This is a smaller percentage than at any time since World War II financing added so greatly to the public debt. At the close of fiscal 1946, as you may recall, the debt was about 127 percent of the gross national product. With the continued growth in the economy that is generally expected, the ratio of the debt to GNP should fall still further during fiscal 1965, dropping below the prewar levels of fiscal 1939 and 1940.

I think we are well started on an orderly and constructive program that will stimulate our economic growth, protect our financial stability at home and the key role of the dollar abroad, and also express the fiscal responsibility of the American people. Under these circumstances, I strongly urge that you approve the $324 billion temporary public debt limit which we are requesting for fiscal year 1965 as the minimum consistent with meeting our financial obligations and handling the public debt in an economical and responsible fashion.

ESTIMATED PUBLIC DEBT SUBJECT TO LIMITATION
Based on constant minimum operating cash balance of $4.0 billion)

FISCAL YEAR 1965
(in billions)

	Operating Cash Balance (excluding free gold)	Public Debt Subject to Limitation	Allowance to Provide Flexibility in Financing and for Contingencies	Total Public Debt Limitation Required
1964				
30	$4.0	$307.9	$3.0	$310.9
15	4.0	311.0	3.0	314.0
31	4.0	311.8	3.0	314.8
t 15	4.0	313.5	3.0	316.5
t 31	4.0	314.2	3.0	317.2
mber 15	4.0	316.9	3.0	319.9
mber 30	4.0	311.2	3.0	314.2
er 15	4.0	315.0	3.0	318.0
er 31	4.0	316.3	3.0	319.3
ber 15	4.0	318.1	3.0	321.1
ber 30	4.0	317.7	3.0	320.7
ber 15	4.0	320.5	3.0	323.5
ber 31	4.0	316.0	3.0	319.0
55				
ry 15	4.0	318.9	3.0	321.9
ry 31	4.0	318.0	3.0	321.0
ry 15	4.0	319.1	3.0	322.1
ry 28	4.0	318.2	3.0	321.2
15	4.0	321.0	3.0	324.0
31	4.0	315.4	3.0	318.4
15	4.0	319.2	3.0	322.2
30	4.0	315.6	3.0	318.6
	4.0	316.7	3.0	319.7
	4.0	317.1	3.0	320.1
5	4.0	319.9	3.0	322.9
0	4.0	313.9	3.0	316.9

DELTA 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.

~~EXTRA~~ ~~MODIFIED~~

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 April 2, 1964 ~~(17)~~, (91 ~~(18)~~ days remaining until maturity date on October 1, 1964) and noncompetitive tenders for $100,000 or less for the additional bills dated January 3, 1964, (182 days remaining until maturity date on December 31, 1964) 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 July 2, 1964 ~~(22)~~, in cash or other immediately available funds or in a like face amount of Treasury bills maturing July 2, 1964 ~~(23)~~. Cash

~~Exhibit 2-A~~

~~BETA MODIFIED~~

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE ~~[illegible]~~ June 24, 1964

~~[illegible]~~ ~~(1)~~

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 ~~(2)~~, or thereabouts, for cash and in exchange for Treasury bills maturing July 2, 1964 ~~(3)~~, in the amount of $2,101,026,000 ~~(4)~~, as follows:

91 ~~(5)~~ -day bills (to maturity date) to be issued July 2, 1964 ~~(6)~~, in the amount of $1,200,000,000 ~~(7)~~, or thereabouts, representing an additional amount of bills dated April 2, 1964 ~~(8)~~, and to mature October 1, 1964 ~~(9)~~, originally issued in the amount of $901,457,000 ~~(10)~~, the additional and original bills to be freely interchangeable.

182-day bills (to maturity date) to be issued July 2, 1964, in the amount of $900,000,000, or thereabouts, representing an additional amount of bills dated January 3, 1964, and to mature December 31, 1964, originally issued in the amount of $1,000,309,000, the additional and original bills to be freely interchangeable.

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 Daylight Saving ~~Standard~~ time, Monday, June 29, 1964 ~~(15)~~. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

TREASURY DEPARTMENT

WASHINGTON, D.C.

June 24, 1964

OR IMMEDIATE RELEASE

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The bills of both series will be issued on a discount basis under ompetitive and noncompetitive bidding as hereinafter provided, and at aturity their face amount will be payable without interest. They ill 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 naturity value).

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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 April 2, 1964, (91-day remaining until maturity date on October 1, 1964) and noncompetitive tenders for $100,000 or less for the additional bills dated January 3, 1964, (182 days remaining until maturity date on December 31,1964) 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 July 2, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing July 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

WASHINGTON, D.C.

June 24, 1964

FOR IMMEDIATE RELEASE

TREASURY DECISION ON COPPER SHEETS
UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that copper in sheets and strips whether or not in rolls or coils from Yugoslavia are 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.

Appraising officers are being instructed to proceed with the appraisement of this merchandise from Yugoslavia without regard to any question of dumping.

The dollar value of imports of the involved merchandise received during the period from September 1, 1963, to November 30, 1963, was approximately $139,000.

TREASURY DEPARTMENT

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June 25, 1964

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FOR IMMEDIATE RELEASE

~~June 24, 1964~~

STATEMENT ON TREASURY FINANCING

In announcing its customary monthly offering of a one-year Treasury bill, the Treasury today also said that its additional cash requirements for meeting expenditures during the summer are expected to be ~~considerably~~ lower than previously indicated. No further financing announcement by the Treasury is planned until cash flows through the closing days of the fiscal year can be evaluated.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

June 25, 1964

FOR IMMEDIATE RELEASE

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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 intere 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 in come 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.

[redacted]

: Treasury bills applied for, unless the tenders are accompanied by an express ıaranty of payment by an incorporated bank or trust company.

[redacted]

Immediately after the closing hour, tenders will be opened at the Federal Re- rve Banks and Branches, following which public announcement will be made by the easury Department of the amount and price range of accepted bids. Those submit- ng tenders will be advised of the acceptance or rejection thereof. The Secretary the Treasury expressly reserves the right to accept or reject any or all tenders, whole or in part, and his action in any such respect shall be final. Subject to ese reservations, noncompetitive tenders for $ 200,000 or less without stated ice from any one bidder will be accepted in full at the average price (in three cimals) of accepted competitive bids. Payment of accepted tenders at the prices fered must be made or completed at the Federal Reserve Bank in cash or other im- liately available funds on July 7, 1964. [redacted]

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 m the sale or other disposition of Treasury bills does not have any special treat- t, as such, under the Internal Revenue Code of 1954. The bills are subject to ate, inheritance, gift or other excise taxes, whether Federal or State, but are

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE, June 25, 1964

TREASURY OFFERS $1 BILLION ONE-YEAR BILLS

The Treasury Department, by this public notice, invites tenders for $ 1,000,000, or thereabouts, of 358 -day Treasury bills, to be issued on a discount basis unde competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be dated July 7, 1964 , and will mature June 30, 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, $500,0 and $1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closi hour, one-thirty p.m., Eastern Daylight Saving time, Wednesday, July 1, 1964 . Tend will not be received at the Treasury Department, Washington. Each tender must be f 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. Fractions may not be used. It is urged that tenders be made on the printed forms a forwarded in the special envelopes which will be supplied by Federal Reserve Banks Branches on application therefor.

Banking institutions generally may submit tenders for account of customers pro vided 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 companie 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.

June 25, 1964

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Immediately after the closing hour, tenders will be opened at Federal Reserve Banks and Branches, following which public nouncement will be made by the Treasury Department of the amount and ce range of accepted bids. Those submitting tenders will be advised the acceptance or rejection thereof. The Secretary of the Treasury ressly reserves the right to accept or reject any or all tenders, whole or in part, and his action in any such respect shall be final.

coins for collectors) will be suspended. Those of its presses that are suitable will be converted to allow higher speeds and will be devoted to the production of coins for circulation.

4. As additional presses become available, production of annealed blanks (round pieces of metal the actual size of the coin softened to take the die) for nickels and pennies will be temporarily shifted to the U.S. assay office in San Francisco, thus permitting the Mints to concentrate on the final stages of the production of all coins.

5. The Congress will be asked to continue the 1964 date on all coins indefinitely, thus eliminating any possible incentives for keeping 1964 coins out of circulation for speculative purposes.

Through these and other measures, the Treasury Department will continue to seek out ways of assuring an adequate supply

To augment these measures, the following new steps will be taken:

1. Beginning early in July, bronze strip for pennies will be purchased (in addition to the nickel strip already being acquired for five-cent coins), thus freeing all melting, casting and rolling operations for the production of more silver coins.

2. New coin presses (used to imprint the design of the coin) are being ordered for delivery early this Fall and additional stamping machines, which can be converted for Mint use, are being acquired from the surplus stocks of the Depart- of Defense, the General Services Administration, and private industry.

3. In December, when current orders have been filled, the proof coin operation (the production of special sets of

present 5 denominations of coins in about the present ratios -- roughly two-thirds pennies, one-fourth nickels and dimes, and the rest quarters and half-dollars.

The new program, [redacted], will augment the Treasury's already heightened efforts to expand the nation's coin production in the face of a growing need for coins.

Steps already taken to expand current production of coins include the purchase of rolled nickel strip for the making of all five-cent coins -- thus freeing equipment for other production -- and the inauguration of a continuous 7-day, 24-hour production schedule at the nation's two Mints, in Denver and Philadelphia.

These actions will increase production for the coming fiscal year by 600 million coins, bringing total budgeted production up to some 5 billion coins.

~~PROPOSED RELEASE~~ ON EXPANDED COIN PRODUCTION

The White House today announced an intensified Treasury Department program to double the nation's rate of coin production within a year and raise it by 75 percent during the next six months.

By next June, the program will boost our ~~[illegible]~~ coin production to an annual rate of over 9 billion new coins -- more than double the 4.3 billion level for fiscal 1964 and triple the 3 billion level for fiscal 1961. For the last six months of this year -- normally a time of peak demand for coins -- the program will mean a 75 percent increase in coin production over the same period last year, a rise to 3.5 billion new coins from the 2 billion produced in the last half of 1963.

This increased production will be distributed among the

TREASURY DEPARTMENT

WASHINGTON, D.C.

June 26, 1964

FOR RELEASE A.M. NEWSPAPERS
MONDAY, JUNE 29, 1964

TREASURY TO DOUBLE COIN PRODUCTION

The Treasury today announced an intensified program to double the nation's rate of coin production within a year and raise it by 75 percent during the next six months.

By next June, the program will boost our coin production to an annual rate of over 9 billion new coins -- more than double the 4.3 billion level for fiscal 1964 and triple the 3 billion level for fiscal 1961. For the last six months of this year -- normally a time of peak demand for coins -- the program will mean a 75 percent increase in coin production over the same period last year, a rise to 3.5 billion new coins from the 2 billion produced in the last half of 1963.

This increased production will be distributed among the present 5 denominations of coins in about the present ratios -- roughly two-thirds pennies, one-fourth nickels and dimes, and the rest quarters and half-dollars.

The new program will augment the Treasury's already heightened efforts to expand the nation's coin production in the face of a growing need for coins.

Steps already taken to expand current production of coins include the purchase of rolled nickel strip for the making of all five-cent coins -- thus freeing equipment for other production -- and the inauguration of a continuous 7-day, 24-hour production schedule at the nation's two Mints, in Denver and Philadelphia.

These actions will increase production for the coming fiscal year by 600 million coins, bringing total budgeted production up to some 5 billion coins.

To augment these measures, the following new steps will be taken:

1. Beginning early in July, bronze strip for pennies will be purchased (in addition to the nickel strip already being acquired for five-cent coins), thus freeing all melting, casting and rolling operations for the production of more silver coins.

2. New coin presses (used to imprint the design of the coin) are being ordered for delivery early this Fall and additional stamping machines, which can be converted for Mint use, are being acquired from the surplus stocks of the Department of Defense, the General Services Administration, and private industry.

3. In December, when current orders have been filled, the proof coin operation (the production of special sets of coins for collectors) will be suspended. Those of its presses that are suitable will be converted to allow higher speeds and will be devoted to the production of coins for circulation.

4. As additional presses become available, production of annealed blanks (round pieces of metal the actual size of the coin softened to take the die) for nickels and pennies will be temporarily shifted to the U.S. Assay Office in San Francisco, thus permitting the Mints to concentrate on the final stages of the production of all coins.

5. The Congress will be asked to continue the 1964 date on all coins indefinitely, thus eliminating any possible incentives for keeping 1964 coins out of circulation for speculative purposes.

Through these and other measures, the Treasury Department will continue to seek out ways of assuring an adequate supply of coinage with existing facilities -- pending the construction of the new Philadelphia Mint authorized last August. This Mint will replace the current Philadelphia Mint, and will be capable of producing coins at a higher rate than both existing Mints together. However, since funds are only now becoming available to proceed with construction of the new Mint, its construction is nine months behind the Treasury's original schedule -- and it will probably begin coin production in 1967, instead of in 1966 as originally expected by the Treasury.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

June 26, 1964

FOR IMMEDIATE RELEASE

TREASURY DECISION ON FIAT AUTOMOBILES
UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that Fiat Automobiles from Italy are 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 1963 was approximately $11,000,000.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

)R RELEASE A. M. NEWSPAPERS,
ıesday, June 30, 1964.

June 29, 1964

RESULTS OF TREASURY'S WEEKLY BILL OFFERING

The Treasury Department announced last evening that tenders for the additional issue ı July 2 of two series of Treasury bills, one series dated April 2, 1964 (91 days to ıturity) and the other series dated January 3, 1964 (182 days to maturity), which were ffered on June 24, were opened at the Federal Reserve Banks on June 29. Tenders were ıvited for $1,200,000,000, or thereabouts, of 91-day bills and for $900,000,000, or ıereabouts, of 182-day bills. The details of the two series are as follows:

ıNGE OF ACCEPTED MPETITIVE BIDS:	91-day Treasury bills maturing October 1, 1964		:	182-day Treasury bills maturing December 31, 1964	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.124	3.465%	:	98.220 a/	3.521%
Low	99.118	3.489%	:	98.214	3.533%
Average	99.121	3.479% 1/	:	98.217	3.528% 1/

a/ Excepting two tenders totaling $250,000
69 percent of the amount of 91-day bills bid for at the low price was accepted
19 percent of the amount of 182-day bills bid for at the low price was accepted

)TAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	:	Applied For	Accepted
Boston	$ 21,278,000	$ 11,278,000	:	$ 1,570,000	$ 1,570,000
New York	1,408,472,000	828,712,000	:	1,322,428,000	746,942,000
Philadelphia	29,078,000	12,458,000	:	6,682,000	1,320,000
Cleveland	34,312,000	34,101,000	:	13,961,000	8,061,000
Richmond	12,862,000	12,862,000	:	1,741,000	1,741,000
Atlanta	29,145,000	25,835,000	:	11,139,000	9,329,000
Chicago	180,159,000	115,877,000	:	113,028,000	45,218,000
St. Louis	33,091,000	27,029,000	:	10,794,000	8,294,000
Minneapolis	18,621,000	16,001,000	:	5,581,000	3,676,000
Kansas City	25,880,000	25,570,000	:	13,631,000	13,531,000
Dallas	25,352,000	19,042,000	:	9,699,000	4,789,000
San Francisco	95,350,000	71,300,000	:	70,318,000	55,983,000
TOTALS	$1,913,600,000	$1,200,065,000 b/		$1,580,572,000	$900,454,000 c/

/ Includes $207,012,000 noncompetitive tenders accepted at the average price of 99.121
/ Includes $51,159,000 noncompetitive tenders accepted at the average price of 98.217
/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.56%, for the 91-day bills, and 3.64%, for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semi-annual compounding if more than one coupon period is involved.

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STATEMENT OF THE HONORABLE DOUGLAS DILLON
SECRETARY OF THE TREASURY
BEFORE THE
SENATE FINANCE COMMITTEE
ON H.R. 8000
10:00 A.M., EDT, JUNE 29, 1964

I am appearing before you in support of H.R. 8000, the Interest Equalization Tax, which passed the House of Representatives with a large majority on March 5 of this year. This tax was originally proposed by President Kennedy last July in his Special Message on the Balance of Payments. It has since been fully supported by President Johnson. I also favor adoption of the technical amendments suggested in my letter to the Chairman of June 12, which have been reprinted by your Committee.

A year ago, our balance of payments was deteriorating sharply. That deterioration was due almost entirely to accelerating capital outflows, and particularly to an unprecedented outflow of portfolio capital. The rate at which new issues of foreign securities were being purchased had more than tripled in the previous 18 months, and the volume during the first six months of 1963 reached a total of $1 billion.

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As a result, the deficit in our international accounts -- apart from all special inter-Governmental transactions -- jumped from the already high 1962 level of $3.6 billion to an annual rate of $5.3 billion in the second quarter of 1963. If allowed to continue, that deficit would have undermined the international stability of the dollar.

Today our balance of payments situation is much improved, and the dollar is strong. Judging from data at hand, the deficit for the fiscal year ending tomorrow, calculated on the same basis, will be well under half that of the preceding fiscal year.

Paralleling this improvement, confidence has been restored in our ability to achieve a balance in our payments within a reasonable time. This, in turn, has staunched the drain on our gold stock. After declining by an average of $1.7 billion a year over the 1958-60 period, and by roughly half that rate during 1961 and 1962, our total gold stock today is virtually unchanged from ten months ago -- by far the longest period of stability during the past six years.

However, we must not succumb to any illusion that the progress of the past year means the end of our long-standing balance of payments problem or allows us in any way to relax our drive toward equilibrium. The hard fact is that after six consecutive years of large deficits -- adding up to a total of $21-1/2 billion on the basis of regular transactions -- we face once again this year the unhappy task of financing a sizable, even though substantially reduced, imbalance in our payments.

Roughly half of our payments improvement for the past twelve months can be traced directly to diminished outflows of capital into foreign securities. But the basic problems giving rise to the enormous capital outflow in 1962 and early 1963 have not yet been solved. Were we not now to proceed with enactment of the proposed Interest Equalization Tax, demands from abroad for portfolio capital would once again quickly converge on our market in a volume far larger than we could sustain. We simply cannot afford to pay the price such an event would exact in terms of dangers for the dollar and losses of gold and confidence -- thus undercutting our whole international financial position.

The Need for the Tax

The need for the Interest Equalization Tax has arisen out of a combination of circumstances here and abroad that led to a rapid acceleration in foreign demands on our capital market. In the short space of the first six months of 1963, purchases of new foreign issues -- the overwhelming bulk from other industrialized countries -- reached a seasonally adjusted annual rate of $1.9 billion. That was $800 million higher than the already swollen 1962 total and three and one-half times the 1961 level. In addition, the indications were that potential borrowers in Europe and Japan, who had already increased their demands on our market dramatically, were scheduling still larger borrowings in this country.

This surging flow of foreign borrowings simply swamped the real progress in other areas of our balance of payments. As a result, our overall deficit on regular transactions rose to an annual rate of $5 billion during the first half of 1963, sharply above the totals of $3.1 and $3.6 billion in 1961 and 1962, respectively. These increases, as shown by tables 1 and 2, paralleled the swelling outflow of portfolio capital into new foreign securities.

This rise in the outflow of portfolio capital reflected neither financing of U. S. exports nor the more general balance of payments needs of the borrowing countries. On the contrary, more and more of the new flotations in our market were designed to finance local projects of businesses or governments in countries already enjoying relatively strong or improving external positions. Many of the new borrowers did not require foreign exchange, but only desired greater amounts of fresh capital to support their own internal growth. Because their own capital markets were both narrow and costly, those borrowers desiring funds were naturally attracted by our relatively low long-term interest rates and by the ease with which large amounts of funds could be obtained in our well-developed market. As a result, a large portion of the outflow of portfolio capital, by providing more dollars to those who simply wished to exchange those dollars for their own currencies, was adding roughly equivalent amounts to our deficit. The dollars in turn were flowing into central banks and becoming a claim on our gold.

Appraising the same facts from a European vantage point, the most recent Annual Report of the Bank for International Settlements reached the same conclusion. That Report, which is representative of responsible and official European opinion, noted, in speaking of 1963, that "...instead of being a net exporter of capital, which would seem the appropriate structural position, Europe was a large net importer of capital -- which in the main has been flowing into reserves."

Purchases of foreign portfolio securities by Americans do in time lead to a return flow of interest and dividend income. But this potential return is spread over many future years, while the entire outflow of principal is immediate. For instance, during both 1962 and 1963, years when the outflow of U.S. portfolio capital into foreign securities averaged about \$1-1/4 billion, the increase in our income from such securities amounted to only about \$50 million a year. Clearly, calculations of earnings possibilities many years in the future cannot, in the situation we face, substitute for the urgent need to protect the dollar by bringing the current portfolio capital outflow within the limits of our immediate capacity to lend.

The Nature of the Interest Equalization Tax

In the light of these circumstances, prompt and effective action to reduce the outflow of portfolio capital was essential. The proposal before this Committee is designed to achieve that result by means of an excise tax levied on the American acquiring directly from a non-resident foreigner a foreign stock or debt issue maturing in more than three years. While the tax is payable by the American purchaser, the impact will be effectively passed on to the foreign issuer in reduced prices for his securities.

The rate of tax is graduated so that its net effect is to increase by about one percent the annual cost of capital to a foreigner raising money in our market, thus bringing this cost to a level more comparable to the costs he would face abroad. The result for foreigners would thus be similar to an increase of one percent in our entire structure of long-term interest rates.

Finding our market more costly, many potential foreign borrowers will seek the funds they require at home, or in other foreign markets, instead of aggravating the strains on our own position. Similarly, American investors will find the net yield on American securities relatively more favorable than yields provided on outstanding foreign securities purchased from foreigners, and will tend correspondingly to reduce their purchases of such securities.

We view the proposed tax purely as a transitional measure. As our own payments come into equilibrium, as the expansion in our own economy reduces incentives to export our capital, and as the capital markets of other advanced countries develop the capability of more adequately meeting their internal needs, this special tax can and should be removed. H.R. 8000 contains a termination date of December 31, 1965, to assure that it will not be prolonged beyond the time of need. At the same time, because of the urgency of dealing with the problem, President Kennedy proposed that this tax become generally effective July 19, 1963, the day following its announcement in his Special Message on the Balance of Payments. Any other course would simply have been an open invitation for potential borrowers and lenders to accelerate their plans and crowd into our market before the effective date of the tax. Our balance of payments most certainly could not have borne such a strain.

On the other hand, making that proposed effective date known to the market has permitted careful Congressional consideration of this important piece of legislation without the atmosphere of haste and urgency which would inevitably have developed in the face of accelerating capital outflows. The House, in approving this proposed date, recognized that any other course would only have rewarded those few who have been willing to gamble on the possibility that a later effective date would be enacted, at the expense of the great majority who have already adjusted their transactions in the light of the proposed July 1963 effective date.

Transactions in foreign securities between residents of the U. S. would not be subject to tax, and Americans would, of course, be able to sell foreign securities free of tax to foreigners in markets both here and abroad. Thus, active trading markets in the more than $12 billion of foreign securities already held by Americans will be maintained, and these securities will fully maintain their value. The passage of time since last summer has clearly proved that the provisions of the tax regarding outstanding securities are workable, and that they contribute substantially towards improving our payments position.

The proposed bill would exempt a variety of acquisitions from foreigners where this is possible without undermining the effectiveness of the tax and where imposition of the tax would work at cross purposes with other objectives. The exclusion from the tax of obligations maturing within three years assures that the great bulk of our export financing and normal recurring international business will not be impeded. Further to assure unimpeded export financing, longer-term export paper is specifically exempted, as are bank loans made in the ordinary course of business.

Other important exemptions would be provided for the governments and businesses of less developed countries and for direct investment. In addition, the President would be provided discretionary authority to exempt in whole or in part new issues from a particular country in those instances in which he determines that application of the tax would imperil, or threaten to imperil, the stability of the international financial system. This exemption is designed as a kind of safety valve for use only when it can be clearly established that, as a direct consequence of the tax, a foreign country would be forced to take such drastic measures that international financial stability would be imperiled. Any such showing would be dependent upon a highly unusual set of circumstances, and in my opinion the necessary conditions are today met only by Canada.

An annex to this statement describes the provisions of the bill more fully, while a detailed summary and a technical explanation of the bill are contained in the Report of the Ways and Means Committee of the House.

Balance of Payments Impact

The effectiveness of the proposed tax in reducing the outflow of portfolio capital -- and the key importance of this in terms of he entire balance of payments -- is clearly revealed by the results ince last July. After running at a rate of $5 billion during the ix months prior to the President's Message in July 1963, the deficit n regular transactions dropped sharply to a rate of $1.6 billion uring the second half of 1963 and to $700 million during the first uarter of 1964. The first quarter results reflect a number of special factors which had the effect of substantially but temporarily reducing the deficit. Among these was an unusual and temporary short-term capital inflow during March that was fully reversed early in April, thus adding to the deficit being incurred during the current quarter.

A number of factors, including a sizable rise in exports, have contributed to the improvement in our balance of payments since last July. However, the single, largest element in this improvement is the sharp decline in net purchases of foreign securities. Comparing the nine months before the tax was proposed with the nine months since that time for which full data are available, the outflow into foreign securities dropped from $1,985 million to $290 million at seasonally adjusted annual rates, a reduction of $1.7 billion in the annual rate of outflow.

To some extent, these gains were exaggerated by the initial uncertainties regarding the precise provisions of the tax. These uncertainties could not be expected to last, nor would this be desirable. Our market will not be closed. Some foreigners will borrow in this country and absorb the tax; others will enter our market in the knowledge that their issues will be exempted. There are clear signs that activity resumed on this basis during recent months, and the outflow into foreign securities is therefore expected to increase moderately. However, the experience of the past nine months confirms our belief that the proposed tax will be effective in confining this outflow to substantially lower levels than those of late 1962 and early 1963.

During the hearings before the Ways and Means Committee last fall, the Treasury estimated that imposition of the tax would result in an overall reduction in the net purchase of foreign securities of $1-1/4 to $1-1/2 billion a year. These savings were calculated from the high levels of outflow during the six to nine months preceding the tax. The validity of these estimates is now strongly supported by the figures at hand -- a saving at an annual rate of $1.7 billion in the nine months following announcement of the proposed tax as compared to the preceding nine months.

Such estimated savings are fully consistent with purchases of new foreign issues at a rate of perhaps $600-$800 million a year -- close to, but still somewhat above, the rate that would have been considered "normal" prior to 1962. Furthermore, such a total would be consistent with needed progress toward equilibrium in our balance of payments, without putting undue strain on the international financial system.

Already a sizable number of new issues have been diverted to European markets, where they have been absorbed by countries in a strong balance of payments position. Under the stimulus of the tax, European markets have shown that they are capable both of handling their own internal needs in more adequate fashion and of meeting a larger portion of foreign needs.

I want to emphasize that an exemption for new Canadian issues should not impair the effectiveness of the tax. Canadian authorities have assured us that it is their intention that Canadian borrowing in our market will not exceed amounts necessary to maintain reasonable equilibrium in Canada's international reserve position. This should mean a substantial reduction in Canadian borrowing in this country from the exceptionally high levels of late 1962 and early 1963 to the more normal levels that were characteristic of earlier years. Certainly, over the period since the tax has been proposed, the Canadian reserve position has not deteriorated despite a sharply lower level of borrowings in our market.

We have, of course, also been closely following trends in bank lending, in view of the possibility that foreign borrowers might seek to shift to that kind of financing. While analysis of detailed information supplied by the banks on their commitments for the first five months of 1964 does not suggest any significant direct substitution for market financing, the total volume of short and long-term loans outstanding rose sharply in 1963 and during the first quarter of 1964. The rise started early in the spring of 1963 and became particularly noticeable during the fourth quarter.

A good part of this increase is clearly related to the surge in American exports over the same period. But, in addition, it is possible that, in adjusting to the tax, borrowers in a few countries under balance of payments pressure -- notably Japan -- have made greater use of bank loans. While some initial reactions of this kind are not surprising, and there are now some indications of a leveling off of the loan volume, future trends will clearly require continuing surveillance. We will promptly recommend to the Congress appropriate changes in the bank loan exemption should it appear that such loans are in fact being utilized to any significant degree as substitutes for market financing.

The Tax and Our Over-all Balance of Payments Program

This tax is only part -- although a crucial part -- of a comprehensive balance of payments program. A satisfactory long-run solution for our payments problem depends on a more vigorous and efficient domestic economy, capable of sustained productive expansion with stable costs and prices. Major steps to support this objective were taken in 1962 with the investment tax credit and the liberalization of depreciation allowances. They were followed this year by the $11.5 billion reduction in individual and corporate tax rates.

Together with responsible wage bargaining and pricing policies, these fiscal measures are now strengthening our basic competitive position at home and abroad, and our basic trade outlook is favorable. Greater prosperity at home, with greater profitability of investment here relative to the returns available from foreign investment, will reduce the incentive for direct investment abroad and encourage the retention of funds at home where their investment in domestic projects will create more jobs for Americans.

We have also placed great emphasis upon reducing the net flow of dollars abroad as a result of Government programs. For example, between 1960 and mid-1963, our annual rate of net military expenditures abroad was reduced by more than $500 million. That portion of our economic assistance provided by AID in the form of U.S. goods and services rather than dollars has been raised from less than one-third in 1960 to over 80 percent for current commitments.

President Kennedy last July scheduled an additional reduction of $1 billion in the annual rate of overseas Governmental expenditures by the end of this year. President Johnson is determined to achieve that target.

As you can see, visible gains are being made towards solving our basic payments problem. But we must not permit them to be drained away in a renewed outflow of portfolio capital.

Alternatives to the Tax

While appreciating the need to restrain the outflow of portfolio capital, some have suggested that there are preferable alternatives to the tax. One would be an attempt to drive up our entire structure of long-term interest rates by about 1 percent. Such a drastic tightening of credit, if possible at all, would clearly work against all that we are trying to achieve to reduce excessive unemployment and encourage the investment that creates jobs and promotes efficiency. The Interest Equalization Tax increases the cost of our money to foreigners, just as would a sharp increase in our own rates. But it will do so without the disrupting effects on the entire domestic economy of an attempt to artificially force our long-term rates to unrealistically high levels.

Another suggested alternative would abandon the market system altogether by rationing credit to foreigners through a capital issues committee. Proponents of that approach have failed to suggest what kind of criteria could be used to cut back the heavy foreign demands for capital, or whether any rational criteria could be consistently applied amid the conflicting pressures from at home and abroad that would descend upon those administering the system.

To be successful, a capital issues committee would have to be Government controlled. This would mean that Government -- substituting case by case decisions by the Executive for the market effects of the proposed tax -- would have to intrude itself directly into the process of individual decision-making in a way that this country has never found acceptable save in wartime. Moreover, selective rationing would clearly not be workable in the case of outstanding securities. There are simply too many transactions in this area, through too many channels, to make policing practicable on a case by case basis. Substantial balance of payments savings would be sacrificed and, if equal overall savings were to be achieved, the volume of new issues would have to be held to a considerably lower figure than is expected under the Interest Equalization Tax.

Conclusion

The Administration has proposed this temporary tax with reluctance, but the need for action to restrain the outflow of portfolio capital is clear. The workability and effectiveness of our approach have been demonstrated. It is far preferable to any alternative that has been suggested.

Our international competitive position is strengthening, and other measures to achieve lasting improvement in our payments are bearing fruit. But these measures take time, and meanwhile our deficit remains sizable. Failure to enact this tax would stimulate a resurgence of capital outflows with dire effects on our balance of payments. Also, such failure could only be interpreted throughout the world as an unwillingness on the part of the U. S. to face up to the hard decisions that are required to protect the dollar, and so the financial health of the entire free world. I, therefore, strongly urge your early approval of this vitally important legislation.

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Table 1

U.S. Balance of Payments, 1960 - First Quarter 1964
(In Millions of Dollars)

	1960	1961	1962	1963 Seas.Adj.Ann.Rates 1st Half	1963 Seas.Adj.Ann.Rates 2nd. Half	1963 Total	1964 1st Qtr. (Seas. Adj. Ann. Rates)
Commercial Merchandise Exports	17,545	17,693	18,213	18,098	20,338	19,218	21,880
Commercial Merchandise Imports	-14,723	-14,497	-16,134	-16,428	-17,434	-16,931	-17,388
Commercial Trade Balance	2,822	3,196	2,079	1,670	2,904	2,287	4,492
Commercial services, remittances & pensions	856	1,583	1,739	1,200	1,484	1,342	2,460
Commercial Balance 2/	3,678	4,779	3,818	2,870	4,388	3,629	6,952
Military Expenditure (net) 3/	-2,712	-2,560	-2,375	-2,188	-2,360	-2,274	-1,988
Gov't grants and capital dollar payments	-1,110	-1,139	-1,077	-1,010	-762	-886	-560
Gov't capital receipts, excl. prepayments, borrowings & fundings	543	516	501	388	502	445	540
Private Capital:							
Transactions in foreign securities	-864	-910	-1,172	-2,112	-438	-1,275	8
Other long-term 4/	-1,243	-1,267	-1,437	-1,784	-2,042	-1,913	-2,716
Short-term	-1,438	-1,492	-752	-998	-454	-726	-2,528
Unrecorded Transactions	-772	-998	-1,111	-164	-408	-286	-432
Balance on Regular Transactions	-3,918	-3,071	-3,605	-4,998	-1,574	-3,286	-724
Special Government Transactions 5/	37	701	1,402	1,258	1,430	1,344	556
Overall Balance	-3,881	-2,370	-2,203	-3,740	-144	-1,942	-168
Memorandum: Gold Sales (not seas. adj.)	1,702	857	890	227 6/	234 6/	461	46

1/ Excludes military transfers under grants.
2/ Excluding exports and services financed by Government grants and capital.
3/ Excludes advances on military exports.
4/ Including direct investment.
5/ Includes nonscheduled receipts on Gov't. loans, advances on military exports, and sales of nonmarketable medium-term securities, including convertible securities of $502 million, 1st half 1963; $200 million, 2nd half 1963.
6/ Not at annual rates.

Table 2

Long-Term Capital Flows in the U.S. Balance of Payments, 1960 - First Quarter 1964
(In Millions of Dollars)

	1960	1961	1962	1963 Seas.Adj.Ann.Rates 1st Half	1963 Seas.Adj.Ann.Rates 2nd Half	1963 Total	1964 1st Qtr. (Seas.Adj Ann.Rates
Direct investment:							
U.S. direct investment abroad	-1,674	-1,599	-1,654	-2,064	-1,660	-1,862	-1,852
Foreign direct investment in U.S.	141	73	132	88	-54	17	96
Net direct investment	-1,533	-1,526	-1,522	-1,976	-1,714	-1,845	-1,756
Portfolio investment:							
U.S. purchases of new issues of foreign securities	-555	-523	-1,076	-1,858	-680	-1,269	-388
U.S. net purchases of outstanding foreign securities	-309	-387	-96	-254	242	-6	396
Total purchases foreign securities	-864	-910	-1,172	-2,112	-438	-1,275	8
Redemptions of U.S. held foreign securities	201	148	203	186	204	195	176
Other U.S. long term, net 1/	-200	-263	-258	-312	-816	-564	-1,088
Foreign long-term portfolio investments in U.S.	289	374	140	318	284	301	-48
Net portfolio investment	-574	-651	-1,087	-1,920	-766	-1,343	-952
Net long-term capital	-2,107	-2,177	-2,609	-3,896	-2,480	-3,188	-2,708

1/ Mainly long-term bank loans

Source: Survey of Current Business and Department of Commerce

Table 3

New Issues of Foreign Securities Purchased by U.S. Residents by Area 1960 - First Quarter 1964
(Millions of Dollars)

	1960	1961	1962	1963 1st Half	1963 2nd Half	1963 Total	1964 1st Qtr.
Canada	221	237	457	632	105	737	91
Western Europe	24	57	195	219	53	272	-
Japan	15	61	101	83	57	140	-
Other Developed 1/	27	43	60	17	-	17	-
Latin American Republics	107	18	102 2/	13	23	36	13
Other Less Developed	64	95	77	35	32	67	24
International Institutions	97	12	84	-	-	-	4
Total New Issues	555	523	1,076	999	270	1,269	132

1/ Australia, New Zealand, South Africa
2/ Includes $75 million issues by Inter-American Development Bank.

Source: Survey of Current Business and Department of Commerce.

June 29, 1964

ANNEX

GENERAL DESCRIPTION OF THE INTEREST EQUALIZATION TAX

NATURE OF TAX

The Interest Equalization Tax is a temporary excise tax imposed on acquisitions by Americans of foreign securities from foreigners regardless of where the acquisition occurs. The tax applies to foreign stock and debt obligations, both new and outstanding. It does not apply to purchases of foreign securities by Americans from other Americans.

By bringing the costs to foreigners of raising capital in the U. S. market more closely into line with costs prevailing in foreign capital markets, the tax will substantially reduce the incentives to foreigners to raise capital in the U. S. market because of lower interest rates in this country. The higher cost to foreigners resulting from the tax, however, is not intended to eliminate all outflows of portfolio capital; long-term U. S. capital will remain available to those foreigners whose urgent need for such funds cannot be met on reasonable terms in foreign capital markets.

Rate. The rate of the tax in the case of foreign debt obligations is graduated from 2.75 per cent for obligations maturing in three years to 15 per cent for those maturing in 28-1/2 years or more. The schedule of rates is determined so as to increase by roughly 1 per cent the cost of borrowing to the foreigner. In the case of foreign stocks, the rate of the tax is 15 per cent, the same as for bonds of the longest maturity.

New and Outstanding Securities. The tax applies broadly to both new stocks and debt obligations and outstanding stocks and debt obligations. Coverage of transactions with foreigners in all of these categories is consistent with the intent that the tax operate in a manner analogous to a general rise in U. S. long-term interest rates, and assures that strong incentives and opportunities will not arise for funds to flow out through tax-free channels, undermining the effectiveness of the tax.

Short-Term Obligations. No tax is imposed on the acquisition of debt obligations if the period remaining to maturity is less than three years. This exemption will permit the wide variety of short-term credit transactions related to international trade generally and U. S. exports in particular to continue unaffected. Transactions in short-term instruments occur in enormous volume and take a wide variety of forms, but most of them relate to trade financing and to normal, reversible shifts of funds between markets in response to temporary needs and short-term interest rate differentials. Since interest rates for short-term loans in the United States can more readily be influenced by monetary policy, without adverse effect on the economy in general, it has been possible to bring these rates more closely into line with those prevailing in other important industrialized nations.

EXCLUSIONS

In addition to the basic exemptions from the tax of acquisitions of short-term obligations and acquisitions from other Americans, the bill provides various exclusions so as not to interfere with certain vital national objectives, such as the encouragement of U. S. exports, the avoidance of threats to the stability of the international monetary system, and the growth of less developed countries. The major categories of exclusions are described below.

Export Financing. One of the best methods of reducing the deficit in the U. S. balance of payments is to increase exports from this country. Accordingly, the bill provides for a series of specific exclusions for stock and debt obligations acquired in connection with various export transactions. These exclusions will assure that American business firms have the ability to offer credit facilities to their foreign customers, whether for short- or long-term loans.

The acquisition of debt obligations is excluded from tax if they are guaranteed or insured by the Export-Import Bank or other U. S. Government agencies or instrumentalities. In addition, debt obligations acquired by Americans in connection with the sale of U. S. goods (tangible or intangible) abroad are free of the tax, as is the acquisition of stock or debt obligations in connection with a foreign project in which American firms participate to a substantial degree. The bill also excludes from the tax debt obligations acquired by an American firm from foreign customers when the proceeds are used for the installation or maintenance of facilities to service goods sold by the American firm which were produced, grown, or extracted in the United States. A similar exclusion has also been provided where the U. S. firm is engaged in selling ores or minerals in which it has a substantial economic interest, whether or not extracted in the United States.

Commercial Bank Loans. Commercial banks making loans in the ordinary course of their commercial banking business would not be subject to tax. Most of these loans would ordinarily be excluded because of their short maturities, and much of short-term bank financing of foreigners involves exports. The exclusion, besides permitting banks to continue freely their role in financing U. S. exports, enables them to maintain their flexibility in meeting normal, recurring needs for financing international business.

Experience under this exclusion will be closely observed. In order to provide detailed information as to whether the exclusion for commercial bank loans should be continued and, if not, the ways in which the exclusion should be changed, the bill provides for authority to require banks to furnish relevant data on their loans to foreigners.

International Monetary Stability. The bill gives the President authority to exempt all or a portion of new security issues of a foreign country from tax where he determines that application of tax to such securities imperils, or threatens to imperil, the stability of the international monetary system. This is consistent with our treaty obligations to the International Monetary Fund.

Use of this exclusion would be justified only in highly unusual circumstances.

New issues of Canadian securities are the only ones which, under present circumstances, it is contemplated would be excluded under this provision.

Less Developed Countries. The tax is not applicable to the acquisition of securities issued or guaranteed by less developed countries nor to the acquisition of securities issued by less developed country corporations. At the present time, it is expected that this exclusion would apply to the securities of all Latin American countries, African countries with the exception of South Africa, Asian countries except for Japan and Hong Kong, and to a few other nations outside the Sino-Soviet bloc. This exclusion is designed to help those countries with chronic capital shortages, urgent development needs, and limited ability to borrow on normal commercial terms. The United States has long recognized a responsibility for assisting these nations in their struggle to achieve improved standards of living, and application of the tax to issues of these countries would work against these objectives.

Direct Investments. The tax is not applicable to direct investments in overseas subsidiaries and affiliates. Direct investment means the acquisition of stock or a debt obligation in a foreign corporation or partnership by an American owning at least 10 per cent voting control after the transaction is completed. The exclusion of these transactions is based on the fact that the decision to make such investments is usually grounded in such factors as market position and long-range profitability rather than interest-rate differentials.

Foreign Corporations Controlled by Americans and Traded Here. The bill treats as domestic a foreign corporation traded on an American stock exchange, if trading on U.S. exchanges provides the principal market for the stock and if more than 50 percent of the stockholders were Americans on July 18, 1963. Close association of these companies with the U. S. justifies their treatment as domestic companies.

Insurance Companies with Foreign Business. The bill permits insurance companies to acquire stock and debt obligations of foreign issuers and obligors tax free in an amount equal to 110 percent of their reserves against foreign risks in connection with their operations in foreign countries. This exemption is based on the fact that U.S. insurance companies often engage in business in foreign countries through branch operations, and in conducting this business, they receive premiums in a foreign currency, invest the proceeds in that currency, and are required to pay liabilities on policies in that currency. Since the absence of an exclusion of this character would expose the insurance companies to a foreign exchange risk, it was believed desirable to provide this exclusion.

Labor Unions, etc. The bill exempts acquisitions by labor unions and certain other tax-exempt organizations which hold dues or membership fees in foreign currency for the benefit of local members located in foreign countries. This exclusion, as with insurance companies, avoids exposing these organizations in the ordinary conduct of their operations to a foreign exchange risk.

Underwriters and Dealers. To facilitate and encourage the placement of new foreign issues abroad, American underwriters participating in the distribution of new foreign issues would receive a credit or refund of the tax on any sales to foreigners. Similarly, dealers maintaining markets in foreign bonds will be given a credit or refund on such securities purchased from foreigners and resold to foreigners within 90 days after their purchase. A similar provision has been proposed to apply to arbitrage transactions by dealers in foreign stocks as long as the dealer sells to a foreign person on the same day the stock is purchased. The shorter time provision for stocks, as compared with bonds, is a recognition of the fact that stocks could become a tax free vehicle for speculation under any wider exclusion.

The credit or refund provision for underwriters and dealers will provide incentives to place a maximum portion of new flotations of foreign securities in foreign hands, and will assure potential foreign buyers that an active secondary market will be available in this country for such new foreign bonds as they may purchase.

Acquisitions Required by Foreign Law. The bill provides an exclusion from tax in the case of securities acquired by an American firm doing business in a foreign country to the extent the acquisitions are reasonably necessary to satisfy minimum requirements relating to holdings of foreign securities imposed by the laws of the foreign country. This exemption is provided because some foreign countries require foreign businesses engaged in business locally to invest a portion of their assets in securities of that country as a condition to doing business there.

OTHER PROVISIONS

Liability for Tax. The tax is imposed on the U. S. person acquiring a foreign security from a foreigner. The purchaser who is liable for the tax must file a quarterly interest equalization tax return listing taxable purchases and enclosing payment.

Administrative Procedure. A simple administrative procedure has been established for determining when the tax is owed. If the U. S. purchaser is buying through a U. S. broker and his purchase confirmation does not indicate that his purchase is subject to the tax, the confirmation is proof of his exemption and no return is required. If the purchase is not made through a U. S. broker, the purchaser should receive a certificate of American ownership from the seller if the seller is a U.S. person. The certificate is proof of the purchaser's exemption. Stock exchanges and over the counter markets have developed procedures which readily permit the operation of these provisions.

Effective Date and Expiration Date. The bill generally is effective with respect to acquisitions by Americans of foreign securities from foreigners made on or after July 19, 1963. This is one day after the date Congress received the President's special message on the balance of payments and the public announcement of the principal features proposed by the Administration for this bill. A special effective date of August 17, 1963, is provided for foreign securities traded on an exchange so as to permit uninterrupted trading in foreign securities on the exchanges, while they were adjusting their trading rules and procedures to the requirements of the proposed bill. The bill also exempts certain transactions which were in an advanced stage of negotiation on July 18, 1963, since application of the tax to these transactions might have created substantial hardships.

The tax would expire December 31, 1965.

REVENUE EFFECT

It is estimated that this bill will result in a revenue gain of up to $30 million on an annual basis.

TREASURY DEPARTMENT

WASHINGTON, D.C.

June 30, 1964

FOR IMMEDIATE RELEASE

TREASURY DECISION ON WINDOW GLASS
UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that window glass, 16-ounce through 28-ounce thicknesses, from the U.S.S.R. 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 of the involved merchandise received during the period from January 1, 1964, through April 30, 1964, was approximately $90,000.

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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.

~~MODIFIED~~

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 wn account. Tenders will be received without deposit from incorporated banks nd trust companies and from responsible and recognized dealers in investment ecurities. Tenders from others must be accompanied by payment of 2 percent of he face amount of Treasury bills applied for, unless the tenders are accompanied y 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 ie Treasury Department of the amount and price range of accepted bids. Those ubmitting 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 April 9, 1964 ~~(17)~~, (91 ~~(18)~~ days remaing until maturity date on October 8, 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 July 9, 1964 ~~(22)~~, in cash or other immediately available funds or a like face amount of Treasury bills maturing July 9, 1964 ~~(23)~~. Cash

~~Exhibit 2-A~~

~~REV. MODIFIED~~

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE, July 1, 1964

~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXXXXX(1)XXXXXXXXXXXXXXXXXXXXX~~

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 ~~(2)~~, or thereabouts, for cash and in exchange for Treasury bills maturing July 9, 1964 ~~(3)~~, in the amount of $ 2,100,995,000 ~~(4)~~, as follows:

91 ~~(5)~~ -day bills (to maturity date) to be issued July 9, 1964 ~~(6)~~, in the amount of $ 1,200,000,000 ~~(7)~~, or thereabouts, representing an additional amount of bills dated April 9, 1964 ~~(8)~~, and to mature October 8, 1964 ~~(9)~~, originally issued in the amount of $ 900,029,000 ~~(10)~~, the additional and original bills to be freely interchangeable.

182 ~~(11)~~ -day bills, for $ 900,000,000 ~~(12)~~, or thereabouts, to be dated July 9, 1964 ~~(13)~~, and to mature January 7, 1965 ~~(14)~~.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $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~~ Daylight Saving time, Monday, July 6, 1964 ~~(15)~~. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 1, 1964

OR IMMEDIATE RELEASE

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

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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 April 9, 1964, (91-days remaining until maturity date on October 8, 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 July 9, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing July 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.

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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FOR RELEASE A. M. NEWSPAPERS,
Thursday, July 2, 1964.

July 1, 1964

RESULTS OF TREASURY'S ONE-YEAR BILL OFFERING

The Treasury Department announced last evening that the tenders for $1,000,000,0 or thereabouts, of 358-day Treasury bills to be dated July 7, 1964, and to mature Ju 30, 1965, which were offered on June 25, were opened at the Federal Reserve Banks on July 1.

The details of this issue are as follows:

Total applied for - $2,392,540,000
Total accepted - 1,000,496,000 (includes $20,676,000 entered on a noncompetitive basis and accepted in full at the average price shown below)

Range of accepted competitive bids:

High	- 96.336	Equivalent rate of discount approx.	3.684% per annu
Low	- 96.327	" " " " "	3.694% " "
Average	- 96.329	" " " " "	3.691% " "

(81 percent of the amount bid for at the low price was accepted)

Federal Reserve District	Total Applied for	Total Accepted
Boston	$ 36,500,000	$ 1,400,000
New York	1,852,130,000	851,690,000
Philadelphia	10,708,000	708,000
Cleveland	89,870,000	30,920,000
Richmond	1,077,000	1,077,000
Atlanta	5,235,000	2,083,000
Chicago	246,874,000	76,924,000
St. Louis	7,707,000	3,669,000
Minneapolis	9,585,000	2,585,000
Kansas City	9,319,000	5,565,000
Dallas	22,025,000	1,835,000
San Francisco	101,510,000	22,140,000
TOTAL	$2,392,540,000	$1,000,496,000

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 3.85%. 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.

OR RELEASE A. M. NEWSPAPERS,
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TREASURY DEPARTMENT

WASHINGTON, D.C.

July 2, 1964

FOR IMMEDIATE RELEASE

WITHHOLDING OF APPRAISEMENT ON
AZOBISFORMAMIDE

The Treasury Department is instructing customs field officers to withhold appraisement of azobisformamide from Japan 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 allegation in this case was received on February 17, 1964. The dollar value of imports received during the period from October 1963 through April 1964 was approximately $88,000. **Azobisformamide is a foaming agent used in the manufacture of foam plastics and foam rubber.**

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 2, 1964

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

July 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 April 9, 1964, and the other series to be dated July 9, 1964, which were offered on July 1, were opened at the Federal Reserve Banks on July 6. Tenders were invited for $1,200,000,000, or thereabouts, of 91-day bills and for $900,000,000, 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 October 8, 1964		:	182-day Treasury bills maturing January 7, 1965	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.121 a/	3.477%	:	98.217 b/	3.527%
Low	99.115	3.501%	:	98.200	3.560%
Average	99.117	3.492% 1/	:	98.208	3.544% 1/

a/ Excepting one tender of $150,000; b/ Excepting one tender of $100,000
69% of the amount of 91-day bills bid for at the low price was accepted
81% 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	$ 44,729,000	$ 31,629,000	:	$ 2,103,000	$ 2,103,000
New York	1,570,554,000	760,579,000	:	1,183,450,000	718,950,000
Philadelphia	40,513,000	18,273,000	:	11,426,000	6,426,000
Cleveland	23,158,000	23,158,000	:	7,392,000	7,392,000
Richmond	10,394,000	10,394,000	:	3,722,000	3,722,000
Atlanta	30,221,000	26,159,000	:	9,785,000	9,595,000
Chicago	202,804,000	141,752,000	:	103,321,000	61,611,000
St. Louis	36,756,000	30,756,000	:	8,737,000	8,047,000
Minneapolis	22,230,000	17,610,000	:	5,381,000	5,381,000
Kansas City	39,517,000	36,517,000	:	12,984,000	12,984,000
Dallas	38,857,000	31,547,000	:	9,577,000	9,577,000
San Francisco	118,899,000	72,584,000	:	56,686,000	54,496,000
Totals	$2,178,632,000	$1,200,958,000 c/		$1,414,564,000	$900,204,000

c/ Includes $235,791,000 noncompetitive tenders accepted at the average price of 99.1
d/ Includes $60,328,000 noncompetitive tenders accepted at the average price of 98.2
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.57%, for the 91-day bills, and 3.66%, 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.

R RELEASE A. M. NEWSPAPERS,
esday, July 7, 1964.

July 6, 1964

RESULTS OF TREASURY'S WEEKLY BILL OFFERING

The Treasury Department announced last evening that the tenders for two series of easury bills, one series to be an additional issue of the bills dated April 9, 1964, d the other series to be dated July 9, 1964, which were offered on July 1, were opened the Federal Reserve Banks on July 6. Tenders were invited for $1,200,000,000, or ereabouts, of 91-day bills and for $900,000,000, or thereabouts, of 182-day bills. e details of the two series are as follows:

NGE OF ACCEPTED MPETITIVE BIDS:	91-day Treasury bills maturing October 8, 1964		:	182-day Treasury bills maturing January 7, 1965	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.121 a/	3.477%	:	98.217 b/	3.527%
Low	99.115	3.501%	:	98.200	3.560%
Average	99.117	3.492% 1/	:	98.208	3.544% 1/

a/ Excepting one tender of $150,000; b/ Excepting one tender of $100,000
69% of the amount of 91-day bills bid for at the low price was accepted
81% of the amount of 182-day bills bid for at the low price was accepted

TAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	:	Applied For	Accepted
Boston	$ 44,729,000	$ 31,629,000	:	$ 2,103,000	$ 2,103,000
New York	1,570,554,000	760,579,000	:	1,183,450,000	718,950,000
Philadelphia	40,513,000	18,273,000	:	11,426,000	6,426,000
Cleveland	23,158,000	23,158,000	:	7,392,000	7,392,000
Richmond	10,394,000	10,394,000	:	3,722,000	3,722,000
Atlanta	30,221,000	26,159,000	:	9,785,000	9,595,000
Chicago	202,804,000	141,752,000	:	103,321,000	61,611,000
St. Louis	36,756,000	30,756,000	:	8,737,000	8,047,000
Minneapolis	22,230,000	17,610,000	:	5,381,000	5,381,000
Kansas City	39,517,000	36,517,000	:	12,984,000	12,984,000
Dallas	38,857,000	31,547,000	:	9,577,000	9,577,000
San Francisco	118,899,000	72,584,000	:	56,686,000	54,496,000
Totals	$2,178,632,000	$1,200,958,000 c/		$1,414,564,000	$900,284,000 d/

Includes $235,791,000 noncompetitive tenders accepted at the average price of 99.117
Includes $60,328,000 noncompetitive tenders accepted at the average price of 98.208
On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.57%, for the 91-day bills, and 3.66%, 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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~~[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 sal 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 suc bills, whether on original issue or on subsequent purchase, and the amount actual 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.

~~XXXxxMODIFIEDx~~

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 wn account. Tenders will be received without deposit from incorporated banks nd 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 serve 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 cretary 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 April 16, 1964 (17), (91 (18) days remaining until maturity date on October 15, 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 accepted competitive bids for the respective issues. Settlement for accepted tenrs in accordance with the bids must be made or completed at the Federal Reserve ks on July 16, 1964 (22), in cash or other immediately available funds or a like face amount of Treasury bills maturing July 16, 1964 (23). Cash

Exhibit 2-A

BWTA - MODIFIED

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE, July 8, 1964

(1)

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 (2), or thereabouts, for cash and in exchange for Treasury bills maturing July 16, 1964 (3), in the amount of $ 2,000,950,000 (4), as follows:

91 (5) -day bills (to maturity date) to be issued July 16, 1964 (6), in the amount of $ 1,200,000,000 (7), or thereabouts, representing an additional amount of bills dated April 16, 1964 (8), and to mature October 15, 1964 (9), originally issued in the amount of $ 900,050,000 (10), the additional and original bills to be freely interchangeable.

182 (11) -day bills, for $ 900,000,000 (12), or thereabouts, to be dated July 16, 1964 (13), and to mature January 14, 1965 (14)

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $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 Daylight Saving ~~Standard~~ time, Monday, July 13, 1964 (15). Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 8, 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 July 16, 1964, in the amount of $2,000,950,000, as follows:

91-day bills (to maturity date) to be issued July 16, 1964, in the amount of $1,200,000,000, or thereabouts, representing an additional amount of bills dated April 16, 1964, and to mature October 15, 1964, originally issued in the amount of $900,050,000, the additional and original bills to be freely interchangeable.

182-day bills, for $900,000,000, or thereabouts, to be dated July 16, 1964, and to mature January 14, 1965.

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 Daylight Saving time, Monday, July 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 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-1272

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 April 16,1964) (91-days remaining until maturity date on October 15, 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 July 16, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing July 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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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						
nts on account of $100 e price:						
subscriber--------------	$0.95	$1.65	$0.95	$1.85	-	$1.80
subscriber--------------	-	-	-	-	$0.25	-
ximate investment yield exchange date (1/22/64) aturity of bonds offered xchange based on price ecurities eligible for ange 1/------------------	4.16%	4.15%	4.16%	4.15%	4.15%	4.16%
ximate minimum rein- nent rate for the nsion 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						
nts on account of $100 price:						
subscriber--------------	$0.05	$0.75	$0.05	$0.95	-	$0.90
subscriber--------------	-	-	-	-	$1.15	-
imate investment yield exchange date (1/22/64) rst call date or to ity of bonds offered in nge based on price of ities eligible for nge 1/-----------------	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%
imate minimum reinvest- rate for the extension d:2/						
first call date--------	4.29	4.29	4.30	4.31	4.32	4.31
maturity---------------	4.27	4.27	4.28	4.28	4.29	4.28

ld to nontaxable holder or before tax. Based on mean of bid and asked prices justed for payments on account of issue price) at noon on January 7, 1964.

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

	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	3-7/8% Notes 5/15/65	3-5/8% Notes 2/15/66	3-3/4% Bonds 5/15/66	4% Notes 8/15/66	3-5/8% Notes 2/15/67
			FOR THE NEW 4-1/4% BONDS OF AUGUST 15, 1987-92						
Payments on account of $100 issue price:									
To subscriber ---------------	-	$0.05	$0.05	$0.40	$0.10	-	-	$0.25	-
By subscriber ---------------	$0.10	-	-	-	-	$0.30	$0.15	-	$0.70
Approximate investment yield from exchange date (7/22/64) to first call date or to maturity of bonds offered in exchange based on price of securities eligible for exchange 1/ -----------------	4.24%	4.24%	4.24%	4.24%	4.25%	4.25%	4.25%	4.25%	4.25%
Approximate minimum reinvestment rate for the extension period: 2/									
To first call date ----------	4.25	4.25	4.26	4.26	4.28	4.30	4.30	4.31	4.32
To maturity -----------------	4.25	4.25	4.26	4.26	4.27	4.29	4.30	4.30	4.31

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 July 7, 1964.

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

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	3-7/8% Notes 5/15/65	3-5/8% Notes 2/15/66	3-3/4% Bonds 5/15/66	4% Notes 8/15/66	3-5/8% Notes 2/15/67
FOR THE NEW 4% BONDS OF OCTOBER 1, 1969									
Payments on account of $100 issue price:									
To subscriber	$0.30	$0.45	$0.45	$0.80	$0.50	$0.10	$0.25	$0.65	-
By subscriber	-	-	-	-	-	-	-	-	0.30
Approximate investment yield from exchange date (7/22/64) to maturity of bonds offered in exchange based on price of securities eligible for exchange 1/	4.06%	4.06%	4.06%	4.06%	4.08%	4.09%	4.08%	4.08%	4.08%
Approximate minimum reinvestment rate for the extension period 2/	4.07	4.08	4.12	4.12	4.15	4.22	4.23	4.24	4.28
FOR THE NEW 4-1/8% BONDS OF NOVEMBER 15, 1973									
Payments on account of $100 issue price:									
To subscriber	$0.75	$0.90	$0.90	$1.25	$0.95	$0.55	$0.70	$1.10	$0.15
By subscriber	-	-	-	-	-	-	-	-	-
Approximate investment yield from exchange date (7/22/64) to maturity of bonds offered in exchange based on price of securities eligible for exchange 1/	4.22%	4.22%	4.22%	4.22%	4.23%	4.24%	4.23%	4.23%	4.23%
Approximate minimum reinvest-									

securities received in exchange on their books at any amount not greater tha amount at which the eligible securities surrendered by them are carried on t books plus the amount of premium, if any, paid on the new securities, or red by the amount of discount, if any, received by the subscriber and increased the amount of gain, if any, which will be recognized as indicated in paragra

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

A holder of the outstanding eligible securities has the option of accepting Treasury's exchange offer or of holding them to maturity. Consequently, he compare the interest plus (or minus) any payment, other than the adjustment accrued interest, he will receive resulting from exchanging now with the tota the interest on the eligible issues and what he might obtain by reinvesting t proceeds of the eligible securities at maturity.

The income before tax for making the extension now through exchange will be t coupon rates plus (or minus) any payment on the new issues. If a holder of t eligible securities does not make the exchange he would receive the coupon ra on the eligible issues to their maturity and would have to reinvest at that t at a rate equal to that indicated in paragraph 13 below for the remaining ter of the issues now offered, in order to equal the return (including any paymen he would receive by accepting the exchange offer. For example, if the 3-5/8% notes of 2/15/66 are exchanged for the 4-1/8% bonds of 11/15/73, the investor receives 4-1/8% for the entire 9 years and 3-3/4 months plus $0.55 (per $100 value) immediately. If the exchange is not made, a 3-5/8% rate will be recei until February 15, 1966, requiring the reinvestment of the proceeds of the 3- of February 1966 at that time at a rate of at least 4.34% for the remaining 7 and 9 months, all at compound interest to average out to a 4-1/8% rate for 9 and 3-3/4 months plus the $0.55 immediate payment. This minimum reinvestment for the extension period is shown in the table under paragraph 13. The minim reinvestment rates for the other issues included in the exchange are also shor in the table under paragraph 13.

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. 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.

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.

Recognition or nonrecognition of gain or loss for Federal income tax purposes:

A. Recognition - four eligible issues maturing August 15 and November 15, 1964

Gain or loss, if any, upon exchanges of the 3-3/4% notes or 5% notes due August 15, 1964, or the 3-3/4% notes or 4-7/8% notes due November 15, 1964, must be fully recognized under the Internal Revenue Code.

B. Nonrecognition - five eligible issues maturing 1965-67

(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 3-7/8% notes due May 15, 1965, 3-5/8% notes due February 15, 1966, 3-3/4% bonds due May 15, 1966, 4% notes due August 15, 1966, or the 3-5/8% notes due February 15, 1967; 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.

Federal estate tax option on the bonds:

The 4% bonds of 1969 (Oct.), 4-1/8% bonds of 1973 and 4-1/4% bonds of 1987-92 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 erms of the exchange (Continued):

	Amounts to be paid to or by subscribers					
		On account of accrued interest to 7/22/64		Net amount		
ecurities to be xchanged	Payable to subscriber on account of purchase price of securities to be issued 1/	Payable to subscriber on securities to be exchanged	Payable by subscriber on securities to be issued	To be paid to sub-scriber	To be collected from sub-scriber	Extension of maturity Yrs.-Mos.
		FOR THE 4-1/4% BONDS OF 1987-92				
% note E-1964	$(0.10)	$1.627747	$1.844780	-	$0.317033	28 - 0
note B-1964	0.05	2.170330	1.844780	$0.375550	-	28 - 0
% note F-1964	0.05	0.692935	1.844780	-	1.101845	27 - 9
% note C-1964	0.40	0.900815	1.844780	-	0.543965	27 - 9
% note C-1965	0.10	0.716033	1.844780	-	1.028747	27 - 3
% note B-1966	(0.30)	1.573489	1.844780	-	0.571291	26 - 6
% bond 1966	(0.15)	0.692935	1.844780	-	1.301845	26 - 3
note A-1966	0.25	1.736264	1.844780	0.141484	-	26 - 0
% note B-1967	(0.70)	1.573489	1.844780	-	0.971291	25 - 6

ounts 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
% note E-1964 and 5% note B-1964	Aug. 15, 1964
% note F-1964 and 4-7/8% note C-1964	Nov. 15, 1964
% note B-1966, 4% note A-1966 and 3-5/8% note B-1967	Aug. 15, 1964, and subsequent
% note C-1965 and 3-3/4% bond 1966	Nov. 15, 1964, and subsequent

4. Payment:

Payment for the new securities must be completed by July 24, 1964. The new securities will be delivered July 24, 1964. Where the table in the preceding paragraph shows a net amount to be collected from subscribers such amount should accompany the subscription. 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.

5. Limitation on amount of securities to be issued:

The amount of securities to be issued under this offering will be limited to the amount of the eligible securities tendered in exchange and accepted.

6. Books open for subscriptions for the new securities:

The books will be open for the receipt of subscriptions from Monday, July 13, through Thursday, July 16, 1964. Subscriptions placed in the mail by midnight, July 16, 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 Govern-

SUPPLEMENT TO TREASURY DEPARTMENT PRESS RELEASE OF JULY 8, 1964

Statement of Terms and Conditions of the July 1964 Advance Refunding

ɔ all holders of the following outstanding Treasury securities:

iption of securities	Issue date	Final maturity date	Remaining term to maturity Yrs.	- Mos.	Amount outstanding (in billions)
	ISSUES MATURING IN 1964				
% note E-1964	Aug. 1, 1961	Aug. 15, 1964	-	3/4	$4.1
note B-1964	Oct. 15, 1959	Aug. 15, 1964	-	3/4	2.0
% note F-1964	Aug. 15, 1963	Nov. 15, 1964	-	3-3/4	6.0
% note C-1964	Feb. 15, 1960	Nov. 15, 1964	-	3-3/4	3.9
	ISSUES MATURING IN 1965 - 1967				
% note C-1965	Nov. 15, 1963	May 15, 1965	-	9-3/4	8.0
% note B-1966	May 15, 1962	Feb. 15, 1966	1	6-3/4	5.7
% bond 1966	Nov. 15, 1960	May 15, 1966	1	9-3/4	2.9
note A-1966	Feb. 15, 1962	Aug. 15, 1966	2	3/4	5.8
% note B-1967	Mar. 15, 1963	Feb. 15, 1967	2	6-3/4	3.5

ſew securities to be issued (or additional amount of an outstanding series):

ription of securities	Issue date	Amount outstanding (in billions)	Interest starts 1/	Interest payable
ond of Oct. 1, 1969	Oct. 1, 1957	$2.5	July 22, 1964	Apr. 1 & Oct. 1
8% bond of Nov. 15, 1973	July 22, 1964	-	July 22, 1964	May 15 & Nov. 15
4% bond of Aug.15, 1987-92	Aug. 15, 1962	0.4	July 22, 1964	Feb. 15 & Aug. 15

nterest on the securities surrendered stops on July 22, 1964.

Terms of the exchange:
Exchanges will be made on the basis of equal face amounts, with payments (per $100 face amount) as follows:

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 7/22/64: Payable to subscriber on securities to be exchanged	On account of accrued interest to 7/22/64: 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 1969				
/4% note E-1964	$0.30	$1.627747	$1.224044	$0.703703	-	5 - 1-1/2
note B-1964	0.45	2.170330	1.224044	1.396286	-	5 - 1-1/2
/4% note F-1964	0.45	0.692935	1.224044	-	$0.081109	4 - 10-1/2
/8% note C-1964	0.80	0.900815	1.224044	0.476771	-	4 - 10-1/2
/8% note C-1965	0.50	0.716033	1.224044	-	0.008011	4 - 4-1/2
/8% note B-1966	0.10	1.573489	1.224044	0.449445	-	3 - 7-1/2
/4% bond 1966	0.25	0.692935	1.224044	-	0.2[illegible]1109	3 - 4-1/2
note A-1966	0.65	1.736264	1.224044	1.162220	-	3 - 1-1/2
›/8% note B-1967	(0.30)	1.573489	1.224044	0.049445	-	2 - 7-1/2
		FOR THE 4-1/8% BONDS OF 1973				
3/4% note E-1964	$0.75	$1.627747	-	$2.377747	-	9 - 3
note B-1964	0.90	2.170330	-	3.070330	-	9 - 3
3/4% note F-1964	0.90	0.692935	-	1.592935	-	9 - 0

Investment Returns in the July 1964 Advance Refunding

Securities eligible for exchange	Approximate investment yield from 7/22/64 to maturity 1/			Approximate reinvestment rate for the extension period 2/			
	4% Bond 10/1/69 3/	4-1/8% Bond 11/15/73	4-1/4% Bond 8/15/87-92 3/ to first call or maturity	4% Bond 10/1/69 3/	4-1/8% Bond 11/15/73	4-1/4% Bond 8/15/87-92 3/ To first call	4-1/4% Bond 8/15/87-92 3/ To maturity
1964 maturities:							
5% Note 8/15/64 ...	4.06%	4.22%	4.24%	4.08%	4.24%	4.25%	4.25%
3-3/4% Note 8/15/64 ...	4.06	4.22	4.24	4.07	4.23	4.25	4.25
4-7/8% Note 11/15/64 ...	4.06	4.22	4.24	4.12	4.27	4.26	4.26
3-3/4% Note 11/15/64 ...	4.06	4.22	4.24	4.12	4.27	4.26	4.26
1965-67 maturities:							
3-7/8% Note 5/15/65 ...	4.08	4.23	4.25	4.15	4.29	4.28	4.27
3-5/8% Note 2/15/66 ...	4.09	4.24	4.25	4.22	4.34	4.30	4.29
3-3/4% Bond 5/15/66 ...	4.08	4.23	4.25	4.23	4.36	4.30	4.30
4% Note 8/15/66 ...	4.08	4.23	4.25	4.24	4.36	4.31	4.30
3-5/8% Note 2/15/67 ...	4.08	4.23	4.25	4.28	4.39	4.32	4.31

Office of the Secretary of the Treasury
Office of Debt Analysis

July 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 July 7, 1964.

2/ Rate for nontaxable holder (or before tax).

3/ Reopening of an existing security.

Payments to and by the Subscriber in the July 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 July 22, 1964 to be paid		Net amount to be p	
	To subscriber	By subscriber	To subscriber 2/	By subscriber 3/	To subscriber	By subscri
			For the 4% Bond 10/1/69			
1964 Maturities:						
5% Note 8/15/64..	.450000		2.170330	1.224044	1.396286	
3-3/4% Note 8/15/64..	.300000		1.627747	1.224044	.703703	
4-7/8% Note 11/15/64..	.800000		.900815	1.224044	.476771	
3-3/4% Note 11/15/64..	.450000		.692935	1.224044		.0811
1965-67 Maturities:						
3-7/8% Note 5/15/65..	.500000		.716033	1.224044		.0080
3-5/8% Note 2/15/66..	.100000		1.573489	1.224044	.449445	
3-3/4% Bond 5/15/66..	.250000		.692935	1.224044		.2811
4% Note 8/15/66..	.650000		1.736264	1.224044	1.162220	
3-5/8% Note 2/15/67..		.300000	1.573489	1.224044	.049445	
			For the 4-1/8% Bond 11/15/73			
1964 Maturities:						
5% Note 8/15/64..	.900000		2.170330	-	3.070330	
3-3/4% Note 8/15/64..	.750000		1.627747	-	2.377747	
4-7/8% Note 11/15/64..	1.250000		.900815	-	2.150815	
3-3/4% Note 11/15/64..	.900000		.692935	-	1.592935	
1965-67 Maturities:						
3-7/8% Note 5/15/65..	.950000		.716033	-	1.666033	
3-5/8% Note 2/15/66..	.550000		1.573489	-	2.123489	
3-3/4% Bond 5/15/66..	.700000		.692935	-	1.392935	
4% Note 8/15/66..	1.100000		1.736264	-	2.836264	
3-5/8% Note 2/15/67..	.150000		1.573489	-	1.723489	
			For the 4-1/4% Bond 8/15/87-92			
1964 Maturities:						
5% Note 8/15/64..	.050000		2.170330	1.844780	.375550	
3-3/4% Note 8/15/64..		.100000	1.627747	1.844780		.3170
4-7/8% Note 11/15/64..	.400000		.900815	1.844780		.5439
3-3/4% Note 11/15/64..	.050000		.692935	1.844780		1.1018
1965-67 Maturities:						
3-7/8% Note 5/15/65..	.100000		.716033	1.844780		1.0287
3-5/8% Note 2/15/66..		.300000	1.573489	1.844780		.5712
3-3/4% Bond 5/15/66..		.150000	.692935	1.844780		1.3018
4% Note 8/15/66..	.250000		1.736264	1.844780	.141484	
3-5/8% Note 2/15/67..		.700000	1.573489	1.844780		.9712

Office of the Secretary of the Treasury
Office of Debt Analysis

July 8,

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

subscribers with appropriately attractive opportunities, as shown in the attached table.

The public holds $7.6 billion of the four August and November 1964 maturities and about $8.4 billion is held by official accounts. These issues are nearer to final maturity than any issues included in previous advance refunding offers. Consequently their holders are not being offered the nontaxable exchange privilege that is, as has been customary, being made available to the other five issues eligible for this advance exchange.

The five eligible issues maturing from May 1965 to February 1967 involve $19.0 billion of public holdings. This total is somewhat larger than that involved in the most recent advance refunding in January but is smaller than the total offered in September 1963. Official accounts hold about $6.8 billion of the 1965-1967 maturities.

The Treasury is in a position to undertake this advance refunding operation because its immediate cash needs are much smaller than had been anticipated earlier. At this time, cash borrowing is being confined to increases in the weekly bill issue, beginning with $100 million for the issue dated July 16. The Treasury's cash needs over the balance of the calendar quarter will require sufficient borrowing to permit additions to the supply of Treasury bills as necessary to counter any undue downward pressure on Treasury bill yields.

Attachment

DRAFT PRESS RELEASE

7/7/64

ADVANCE REFUNDING OFFER

The Treasury today announced that the further improvement of its cash position at the close of June makes unnecessary any substantial cash borrowing at this time. Instead, the Treasury is offering holders of the ~~four~~ note issues due in August and November of this year and five other selected note and bond issues maturing from May 1965 to February 1967 an opportunity to extend the maturity of their holdings at attractive yields. Three issues are being offered in exchange: an additional amount of the outstanding 4% bonds due October 1, 1969, a new 4-1/8% bond due November 15, 1973, and an additional amount of the outstanding 4-1/4% bonds due in August 1992. The securities eligible for exchange and those being newly offered are as follows:

Securities eligible for exchange and their maturity dates		Securities offered in exchange and their maturity dates	
5% notes	8/15/64		
3-3/4% notes	8/15/64		
4-7/8% notes	11/15/64	4% bonds (reopened issue)	10/1/69
3-3/4% notes	11/15/64		
3-7/8% notes	5/15/65	4-1/8% bonds (new issue)	11/15/73
3-5/8% notes	2/15/66		
3-3/4% bonds	5/15/66	4-1/4% bonds (reopened issue)	8/15/87-92
4% notes	8/15/66		
3-5/8% notes	2/15/67		

Exchange subscription books will be open for four days, July 13 - 16. Because of differences in coupon and maturity among the various eligible issues, cash adjustments will be made to provide all

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 8, 1964

OR IMMEDIATE RELEASE

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ecurities eligible for exchange and their maturity dates		Securities offered in exchange and their maturity dates	
% notes	8/15/64		
-3/4% notes	8/15/64		
-7/8% notes	11/15/64	4% bonds	10/1/69
-3/4% notes	11/15/64	(reopened issue)	
		4-1/8% bonds	11/15/73
-7/8% notes	5/15/65	(new issue)	
-5/8% notes	2/15/66	4-1/4% bonds	8/15/87-92
-3/4% bonds	5/15/66	(reopened issue)	
% notes	8/15/66		
-5/8% notes	2/15/67		

Exchange subscription books will be open for four days, July 13-16. ecause of differences in coupon and maturity among the various ligible issues, cash adjustments will be made to provide all ubscribers with appropriately attractive opportunities, as shown in he attached table.

The public holds $7.6 billion of the four August and November 1964 aturities and about $8.4 billion is held by official accounts. These ssues are nearer to final maturity than any issues included in revious advance refunding offers. Consequently their holders are not eing offered the nontaxable exchange privilege that is, as has been

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ttachment

Payments to and by the Subscriber in the July 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 July 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 10/1/69			
Maturities:						
Note 8/15/64..	.450000		2.170330	1.224044	1.396286	
/4% Note 8/15/64..	.300000		1.627747	1.224044	.703703	
/8% Note 11/15/64..	.800000		.900815	1.224044	.476771	
/4% Note 11/15/64..	.450000		.692935	1.224044		.081109
-67 Maturities:						
/8% Note 5/15/65..	.500000		.716033	1.224044		.008011
/8% Note 2/15/66..	.100000		1.573489	1.224044	.449445	
/4% Bond 5/15/66..	.250000		.692935	1.224044		.281109
Note 8/15/66..	.650000		1.736264	1.224044	1.162220	
/8% Note 2/15/67..		.300000	1.573489	1.224044	.049445	
			For the 4-1/8% Bond 11/15/73			
Maturities:						
Note 8/15/64..	.900000		2.170330	-	3.070330	
/4% Note 8/15/64..	.750000		1.627747	-	2.377747	
/8% Note 11/15/64..	1.250000		.900815	-	2.150815	
/4% Note 11/15/64..	.900000		.692935	-	1.592935	
-67 Maturities:						
/8% Note 5/15/65..	.950000		.716033	-	1.666033	
/8% Note 2/15/66..	.550000		1.573489	-	2.123489	
/4% Bond 5/15/66..	.700000		.692935	-	1.392935	
Note 8/15/66..	1.100000		1.736264	-	2.836264	
/8% Note 2/15/67..	.150000		1.573489	-	1.723489	
			For the 4-1/4% Bond 8/15/87-92			
Maturities:						
Note 8/15/64..	.050000		2.170330	1.844780	.375550	
/4% Note 8/15/64..		.100000	1.627747	1.844780		.317033
/8% Note 11/15/64..	.400000		.900815	1.844780		.543965
/4% Note 11/15/64..	.050000		.692935	1.844780		1.101845
67 Maturities:						
8% Note 5/15/65..	.100000		.716033	1.844780		1.028747
8% Note 2/15/66..		.300000	1.573489	1.844780		.571291
4% Bond 5/15/66..		.150000	.692935	1.844780		1.301845
Note 8/15/66..	.250000		1.736264	1.844780	.141484	
8% Note 2/15/67..		.700000	1.573489	1.844780		.971291

e of the Secretary of the Treasury
Office of Debt Analysis

July 8, 1964

ayment on account of purchase price of offered securities.

n securities exchanged.

n securities offered.

Investment Returns in the July 1964 Advance Refunding

Securities eligible for exchange	Approximate investment yield from 7/22/64 to maturity 1/			Approximate reinvestment rate for the extension period 2/			
	4% Bond 10/1/69 3/	4-1/8% Bond 11/15/73	4-1/4% Bond 8/15/87-92 3/ to first call or maturity	4% Bond 10/1/69 3/	4-1/8% Bond 11/15/73	4-1/4% Bond 8/15/87-92 3/ To first call	4-1/4% Bond 8/15/87-92 3/ To maturity
<u>1964 maturities:</u>							
5% Note 8/15/64 ...	4.06%	4.22%	4.24%	4.08%	4.24%	4.25%	4.25%
3-3/4% Note 8/15/64 ...	4.06	4.22	4.24	4.07	4.23	4.25	4.25
4-7/8% Note 11/15/64 ...	4.06	4.22	4.24	4.12	4.27	4.26	4.26
3-3/4% Note 11/15/64 ...	4.06	4.22	4.24	4.12	4.27	4.26	4.26
<u>1965-67 maturities:</u>							
3-7/8% Note 5/15/65 ...	4.08	4.23	4.25	4.15	4.29	4.28	4.27
3-5/8% Note 2/15/66 ...	4.09	4.24	4.25	4.22	4.34	4.30	4.29
3-3/4% Bond 5/15/66 ...	4.08	4.23	4.25	4.23	4.36	4.30	4.30
4% Note 8/15/66 ...	4.08	4.23	4.25	4.24	4.36	4.31	4.30
3-5/8% Note 2/15/67 ...	4.08	4.23	4.25	4.28	4.39	4.32	4.31

Office of the Secretary of the Treasury
Office of Debt Analysis

July 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 July 7, 1964.

2/ Rate for nontaxable holder (or before tax).

3/ Reopening of an existing security.

SUPPLEMENT TO TREASURY DEPARTMENT PRESS RELEASE OF JULY 8, 1964

Statement of Terms and Conditions of the July 1964 Advance Refunding

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)
		ISSUES MATURING IN 1964			
3-3/4% note E-1964	Aug. 1, 1961	Aug. 15, 1964	-	3/4	$4.1
5% note B-1964	Oct. 15, 1959	Aug. 15, 1964	-	3/4	2.0
3-3/4% note F-1964	Aug. 15, 1963	Nov. 15, 1964	-	3-3/4	6.0
4-7/8% note C-1964	Feb. 15, 1960	Nov. 15, 1964	-	3-3/4	3.9
		ISSUES MATURING IN 1965 - 1967			
3-7/8% note C-1965	Nov. 15, 1963	May 15, 1965	-	9-3/4	8.0
3-5/8% note B-1966	May 15, 1962	Feb. 15, 1966	1	6-3/4	5.7
3-3/4% bond 1966	Nov. 15, 1960	May 15, 1966	1	9-3/4	2.9
4% note A-1966	Feb. 15, 1962	Aug. 15, 1966	2	3/4	5.8
3-5/8% note B-1967	Mar. 15, 1963	Feb. 15, 1967	2	6-3/4	3.5

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

Description of securities	Issue date	Amount outstanding (in billions)	Interest starts 1/	Interest payable
4% bond of Oct. 1, 1969	Oct. 1, 1957	$2.5	July 22, 1964	Apr. 1 & Oct. 1
4-1/8% bond of Nov. 15, 1973	July 22, 1964	-	July 22, 1964	May 15 & Nov. 15
4-1/4% bond of Aug.15, 1987-92	Aug. 15, 1962	0.4	July 22, 1964	Feb. 15 & Aug. 15

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

3. Terms of the exchange:
Exchanges will be made on the basis of equal face amounts, with payments (per $100 face amount) as follows:

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 7/22/64: Payable to subscriber on securities to be exchanged	On account of accrued interest to 7/22/64: 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 1969				
3-3/4% note E-1964	$0.30	$1.627747	$1.224044	$0.703703	-	5 - 1-1/2
5% note B-1964	0.45	2.170330	1.224044	1.396286	-	5 - 1-1/2
3-3/4% note F-1964	0.45	0.692935	1.224044	-	$0.081109	4 - 10-1/2
4-7/8% note C-1964	0.80	0.900815	1.224044	0.476771	-	4 - 10-1/2
3-7/8% note C-1965	0.50	0.716033	1.224044	-	0.008011	4 - 4-1/2
3-5/8% note B-1966	0.10	1.573489	1.224044	0.449445	-	3 - 7-1/2
3-3/4% bond 1966	0.25	0.692935	1.224044	-	0.281109	3 - 4-1/2
4% note A-1966	0.65	1.736264	1.224044	1.162220	-	3 - 1-1/2
3-5/8% note B-1967	(0.30)	1.573489	1.224044	0.049445	-	2 - 7-1/2
		FOR THE 4-1/8% BONDS OF 1973				
3-3/4% note E-1964	$0.75	$1.627747	-	$2.377747	-	9 - 3
5% note B-1964	0.90	2.170330	-	3.070330	-	9 - 3
3-3/4% note F-1964	0.90	0.692935	-	1.592935	-	9 - 0
4-7/8% note C-1964	1.25	0.900815	-	2.150815	-	9 - 0
3-7/8% note C-1965	0.95	0.716033	-	1.666033	-	8 - 6
3-5/8% note B-1966	0.55	1.573489	-	2.123489	-	7 - 9
3-3/4% bond 1966	0.70	0.692935	-	1.392935	-	7 - 6
4% note A-1966	1.10	1.736264	-	2.836264	-	7 - 3
3-5/8% note B-1967	0.15	1.573489	-	1.723489	-	6 - 9

Footnote appears at end of table on next page.

3. Terms of the exchange (Continued):

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 7/22/64: Payable to subscriber on securities to be exchanged	On account of accrued interest to 7/22/64: 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 4-1/4% BONDS OF 1987-92				
3-3/4% note E-1964	$(0.10)	$1.627747	$1.844780	-	$0.317033	28 - 0
5% note B-1964	0.05	2.170330	1.844780	$0.375550	-	28 - 0
3-3/4% note F-1964	0.05	0.692935	1.844780	-	1.101845	27 - 9
4-7/8% note C-1964	0.40	0.900815	1.844780	-	0.543965	27 - 9
3-7/8% note C-1965	0.10	0.716033	1.844780	-	1.028747	27 - 3
3-5/8% note B-1966	(0.30)	1.573489	1.844780	-	0.571291	26 - 6
3-3/4% bond 1966	(0.15)	0.692935	1.844780	-	1.301845	26 - 3
4% note A-1966	0.25	1.736264	1.844780	0.141484	-	26 - 0
3-5/8% note B-1967	(0.70)	1.573489	1.844780	-	0.971291	25 - 6

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 and 5% note B-1964	Aug. 15, 1964
3-3/4% note F-1964 and 4-7/8% note C-1964	Nov. 15, 1964
3-5/8% note B-1966, 4% note A-1966 and 3-5/8% note B-1967	Aug. 15, 1964, and subsequent
3-7/8% note C-1965 and 3-3/4% bond 1966	Nov. 15, 1964, and subsequent

4. Payment:

Payment for the new securities must be completed by July 24, 1964. The new securities will be delivered July 24, 1964. Where the table in the preceding paragraph shows a net amount to be collected from subscribers such amount should accompany the subscription. 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.

5. Limitation on amount of securities to be issued:

The amount of securities to be issued under this offering will be limited to the amount of the eligible securities tendered in exchange and accepted.

6. Books open for subscriptions for the new securities:

The books will be open for the receipt of subscriptions from Monday, July 13, through Thursday, July 16, 1964. Subscriptions placed in the mail by midnight, July 16, 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. 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.

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. Recognition or nonrecognition of gain or loss for Federal income tax purposes:

A. <u>Recognition - four eligible issues maturing August 15 and November 15, 1964</u>

Gain or loss, if any, upon exchanges of the 3-3/4% notes or 5% notes due August 15, 1964, or the 3-3/4% notes or 4-7/8% notes due November 15, 1964, must be fully recognized under the Internal Revenue Code.

B. <u>Nonrecognition - five eligible issues maturing 1965-67</u>

(a) <u>General</u>--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 3-7/8% notes due May 15, 1965, 3-5/8% notes due February 15, 1966, 3-3/4% bonds due May 15, 1966, 4% notes due August 15, 1966, or the 3-5/8% notes due February 15, 1967; <u>however</u>, 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) <u>Where the securities to be issued are offered by the Treasury with a payment to the investor</u>--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) <u>Where premium is paid by the subscriber</u>--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 <u>increased</u> 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 bonds:

The 4% bonds of 1969 (Oct.), 4-1/8% bonds of 1973 and 4-1/4% bonds of 1987-92 will be redeemable at par and accrued interest prior to maturity for the purpose of using the proceeds in payment of Federal estate taxes <u>but only if they are owned by the decedent at the time of his death and thereupon constitute part of his estate</u>.

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, as and to the extent that new securities are received in exchanges subject to nonrecognition of gain or loss for Federal income tax purposes as outlined in paragraph 9B hereof, 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 9B.

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 3-5/8% notes of 2/15/66 are exchanged for the 4-1/8% bonds of 11/15/73, the investor receives 4-1/8% for the entire 9 years and 3-3/4 months plus $0.55 (per $100 face value) immediately. If the exchange is not made, a 3-5/8% rate will be received until February 15, 1966, requiring the reinvestment of the proceeds of the 3-5/8's of February 1966 at that time at a rate of at least 4.34% for the remaining 7 years and 9 months, all at compound interest to average out to a 4-1/8% rate for 9 years and 3-3/4 months plus the $0.55 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.

FOR THE NEW 4% BONDS OF OCTOBER 1, 1969

	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	3-7/8% Notes 5/15/65	3-5/8% Notes 2/15/66	3-3/4% Bonds 5/15/66	4% Notes 8/15/66	3-5/8% Notes 2/15/67
Payments on account of $100 issue price:									
To subscriber ----------------	$0.30	$0.45	$0.45	$0.80	$0.50	$0.10	$0.25	$0.65	-
By subscriber ----------------	-	-	-	-	-	-	-	-	0.30
Approximate investment yield from exchange date (7/22/64) to maturity of bonds offered in exchange based on price of securities eligible for exchange 1/ -----------------	4.06%	4.06%	4.06%	4.06%	4.08%	4.09%	4.08%	4.08%	4.08%
Approximate minimum reinvestment rate for the extension period 2/ -------------------	4.07	4.08	4.12	4.12	4.15	4.22	4.23	4.24	4.28

FOR THE NEW 4-1/8% BONDS OF NOVEMBER 15, 1973

	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	3-7/8% Notes 5/15/65	3-5/8% Notes 2/15/66	3-3/4% Bonds 5/15/66	4% Notes 8/15/66	3-5/8% Notes 2/15/67
Payments on account of $100 issue price:									
To subscriber ----------------	$0.75	$0.90	$0.90	$1.25	$0.95	$0.55	$0.70	$1.10	$0.15
By subscriber ----------------	-	-	-	-	-	-	-	-	-
Approximate investment yield from exchange date (7/22/64) to maturity of bonds offered in exchange based on price of securities eligible for exchange 1/ -----------------	4.22%	4.22%	4.22%	4.22%	4.23%	4.24%	4.23%	4.23%	4.23%
Approximate minimum reinvestment rate for the extension period 2/ -------------------	4.23	4.24	4.27	4.27	4.29	4.34	4.36	4.36	4.39

	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	3-7/8% Notes 5/15/65	3-5/8% Notes 2/15/66	3-3/4% Bonds 5/15/66	4% Notes 8/15/66	3-5/8% Notes 2/15/67
				FOR THE NEW 4-1/4% BONDS OF AUGUST 15, 1987-92					
Payments on account of $100 issue price:									
To subscriber ----------------	-	$0.05	$0.05	$0.40	$0.10	-	-	$0.25	-
By subscriber ----------------	$0.10	-	-	-	-	$0.30	$0.15	-	$0.70
Approximate investment yield from exchange date (7/22/64) to first call date or to maturity of bonds offered in exchange based on price of securities eligible for exchange 1/ ------------------	4.24%	4.24%	4.24%	4.24%	4.25%	4.25%	4.25%	4.25%	4.25%
Approximate minimum reinvestment rate for the extension period: 2/									
To first call date -----------	4.25	4.25	4.26	4.26	4.28	4.30	4.30	4.31	4.32
To maturity ------------------	4.25	4.25	4.26	4.26	4.27	4.29	4.30	4.30	4.31

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

Estimated Ownership of Issues Maturing in 1964
Eligible for July 1964 Advance Refunding Offering

As of May 31, 1964

(In millions of dollars)

	August 15, 1964		November 15, 1964		Total
	5% Note	3-3/4% Note	4-7/8% Note	3-3/4% Note	
Commercial banks	$ 300	$1,300	$ 530	$ 905	$ 3,035
Mutual savings banks	78	24	108	15	225
Insurance companies:					
Life	6	1	5	1	13
Fire, casualty and marine	60	50	50	50	210
Total, insurance companies	66	51	55	51	223
Corporate pension funds	35	45	25	30	135
Corporations	120	100	60	150	430
Savings and loan associations	15	20	25	10	70
State and local general funds	60	210	140	235	645
State and local pension funds	20	5	40	10	75
All other public investors	1,217	592	575	402	2,786
Total, held by the public	1,911	2,347	1,558	1,808	7,623
Federal Reserve Banks and Government Investment Accounts	134	1,739	2,309	4,154	8,337
Total outstanding	$2,045	$4,086	$3,867	$5,961	$15,960

Office of the Secretary of the Treasury — July 8, 1964

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

Estimated Ownership of Issues Maturing in 1965-1967
Eligible for July 1964 Advance Refunding Offering

As of May 31, 1964

(In millions of dollars)

	May 15,'65 3-7/8% Note	Feb. 15,'66 3-5/8% Note	May 15,'66 3-3/4% Bond	Aug. 15,'66 4% Note	Feb. 15,'67 3-5/8% Note	Total
Commercial banks	$2,100	$3,270	$1,550	$2,700	$2,010	$11,630
Mutual savings banks	115	88	49	175	39	466
Insurance companies:						
Life	4	7	9	3	2	25
Fire, casualty & marine	115	165	80	140	105	605
Total, insurance companies	119	172	89	143	107	630
Corporate pension funds	75	65	15	30	30	215
Corporations	325	300	60	60	130	875
Savings & loan associations	175	175	70	100	75	595
State & local general funds	275	400	100	150	140	1,065
State & local pension funds	15	5	10	5	5	40
All other public investors	721	620	597	772	765	3,476
Total, held by the public	3,920	5,095	2,540	4,135	3,301	18,992
Federal Reserve Banks and Government Investment Accts	4,057	557	322	1,685	174	6,795
Total outstanding	$7,977	$5,653	$2,862	$5,820	$3,475	$25,786

Office of the Secretary of the Treasury July 8, 1964

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

July 10, 1964

FOR IMMEDIATE RELEASE

KENNECOTT COPPER RECEIVES SPECIAL TREASURY AWARD

Treasury Secretary Douglas Dillon today presented a special citation to the Kennecott Copper Corp. for outstanding achievement by its employees in the 1964 Payroll Savings campaign.

Kennecott President Frank R. Milliken, who is Chairman of the Secretary's Industrial Payroll Savings Committee, a nationwide group of [redacted] industrial leaders, accepted the citation at 10 a.m. ceremonies in Secretary Dillon's office.

Kennecott recently completed its current campaign, achieving 85.6 per cent participation by its 18,147 employees. During the campaign, 2,953 employees already participating in the company payroll savings plan increased the amount of their systematic savings.

Secretary Dillon said: "Without real savings in the hands of the citizens of our industrial community, we cannot accomplish the vigorous industrial growth that we envision for the future of our nation. Through your corporate leadership, Mr. Milliken, you and your employees at Kennecott Copper have provided an outstanding incentive for the kind of savings that we need, in order that we may continue to enjoy an economic climate that is both healthy and steady. Through your industry-wide leadership, you and the members of your Industrial Payroll Savings Committee have set a sterling example of government-business cooperation for the good of all of our people."

Kennecott Copper Corp., headquartered in New York, operates plants in Salt Lake City, Hayden, Ariz., Hurley, N.M., and McGill and East Ely, Nev. Operating as Chase Brass and Copper Co., it also has plants located at Waterbury, Conn., and Cleveland; as the Oakonite Co., in Passaic, Paterson and North Brunswick, N.J., and Phillipsdale, R.I.; as Ledgemont Laboratories, in Lexington, Mass. and, as Kennecott Refining Corp., in Baltimore.

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TREASURY DEPARTMENT

WASHINGTON, D.C.

July 10, 1964

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D-1275

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

July 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 April 16, 196 and the other series to be dated July 16, 1964, which were offered on July 8, were op at the Federal Reserve Banks on July 13. Tenders were invited for $1,200,000,000, or thereabouts, of 91-day bills and for $900,000,000, 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 October 15, 1964		:	182-day Treasury bills maturing January 14, 196	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equ Annual Rate
High	99.134	3.426%	:	98.216	3.529%
Low	99.126	3.458%	:	98.198	3.564%
Average	99.128	3.448% 1/	:	98.206	3.549% 1/

79 percent of the amount of 91-day bills bid for at the low price was accepted
94 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	$ 34,718,000	$ 24,718,000	:	$ 5,769,000	$ 5,7[illegible]9,000
New York	1,495,394,000	716,664,000	:	1,053,080,000	615,560,000
Philadelphia	41,203,000	26,203,000	:	10,439,000	5,439,000
Cleveland	32,655,000	32,655,000	:	44,489,000	39,489,000
Richmond	13,982,000	13,982,000	:	4,188,000	4,188,000
Atlanta	67,448,000	63,448,000	:	21,826,000	21,[illegible]
Chicago	217,356,000	140,936,000	:	146,844,000	90,844,000
St. Louis	48,236,000	42,236,000	:	14,456,000	13,956,000
Minneapolis	20,875,000	18,665,000	:	8,699,000	8,199,000
Kansas City	46,602,000	46,392,000	:	17,102,000	17,102,000
Dallas	26,857,000	19,647,000	:	12,470,000	11,470,000
San Francisco	74,957,000	55,567,000	:	67,815,000	66,605,000
TOTALS	$2,122,283,000	$1,201,113,000 a/		$1,[illegible]07,177,000	$900,447,000

a/ Includes $322,612,000 noncompetitive tenders accepted at the average price of 99.1
b/ Includes $92,226,000 noncompetitive tenders accepted at the average price of 98.2
1/ On a coupon issue of the same length and for the same amount invested, the return these bills would provide yields of 3.53%, for the 91-day bills, and 3.66%, for t 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 ye In contrast, yields on certificates, notes, and bonds are computed in terms of in terest on the amount invested, and relate the number of days remaining in an inte payment period to the actual number of days in the period, with semiannual compou if more than one coupon period is involved.

1276

TREASURY DEPARTMENT

WASHINGTON, D.C.

OR RELEASE A. M. NEWSPAPERS,
uesday, July 14, 1964.

July 13, 1964

RESULTS OF TREASURY'S WEEKLY BILL OFFERING

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RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing October 15, 1964		:	182-day Treasury bills maturing January 14, 1965	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.134	3.426%	:	98.216	3.529%
Low	99.126	3.458%	:	98.198	3.564%
Average	99.128	3.448% 1/	:	98.206	3.549% 1/

79 percent of the amount of 91-day bills bid for at the low price was accepted
94 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	$ 34,718,000	$ 24,718,000	:	$ 5,769,000	$ 5,769,000
New York	1,495,394,000	716,664,000	:	1,053,080,000	615,560,000
Philadelphia	41,203,000	26,203,000	:	10,439,000	5,439,000
Cleveland	32,655,000	32,655,000	:	44,489,000	39,489,000
Richmond	13,982,000	13,982,000	:	4,188,000	4,188,000
Atlanta	67,448,000	63,448,000	:	21,826,000	21,826,000
Chicago	217,356,000	140,936,000	:	146,844,000	90,844,000
St. Louis	48,236,000	42,236,000	:	14,456,000	13,956,000
Minneapolis	20,875,000	18,665,000	:	8,699,000	8,199,000
Kansas City	46,602,000	46,392,000	:	17,102,000	17,102,000
Dallas	28,857,000	19,647,000	:	12,470,000	11,470,000
San Francisco	74,957,000	55,567,000	:	67,815,000	66,605,000
TOTALS	$2,122,283,000	$1,201,113,000 a/		$1,407,177,000	$900,447,000 b/

Includes $322,612,000 noncompetitive tenders accepted at the average price of 99.128
Includes $92,226,000 noncompetitive tenders accepted at the average price of 98.206
On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.53%, for the 91-day bills, and 3.66%, 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.

-1276

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 14, 1964

FOR IMMEDIATE RELEASE

TREASURY MARKET TRANSACTIONS IN JUNE

During June 1964, 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 $140,937,500.00.

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D-1277

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 14, 1964

FOR IMMEDIATE RELEASE

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During June 1964, 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 $140,987,500.00.

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D-1277

Commodity	Period and Quantity		Unit of Quantity	Import as of July 4, 1
Absolute Quotas:				
Butter substitutes containing over 45% of butterfat, and butter oil......................	Calendar Year	1,200,000	Pound	Quota Fi
Fibers of cotton processed but not spun....................	12 mos. from Sept. 11, 1963	1,000	Pound	
Peanuts, shelled or not shelled, blanched, or otherwise prepared or preserved (except peanut butter)........................	12 mos. from August 1, 1963	1,709,000	Pound	Quota Fi

1/ Imports through July 13, 1964.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
THURSDAY, JULY 16, 1964

D-1278

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 July 4, 1964:

Commodity	Period and Quantity		Unit of Quantity	Imports as of July 4, 196
Tariff-Rate Quotas:				
Cream, fresh or sour.............	Calendar Year	1,500,000	Gallon	609,891
Whole Milk, fresh or sour........	Calendar Year	3,000,000	Gallon	26
Cattle, 700 lbs. or more each (other than dairy cows)........	April 1, 1964- June 30, 1964	120,000	Head	1,277
	July 1, 1964- Sept. 30, 1964	120,000	Head	57
Cattle less than 200 lbs. each...	12 mos. from April 1, 1964	200,000	Head	45,848
Fish, fresh or frozen, filleted, etc., cod, haddock, hake, pollock, cusk, and rosefish.......	Calendar Year	24,861,670	Pound	14,263,268
Tuna Fish.......................	Calendar Year	60,911,870	Pound	17,793,706
White or Irish potatoes:				
Certified seed.................	12 mos. from	114,000,000	Pound	73,785,610
Other..........................	Sept. 15, 1963	45,000,000	Pound	Quota Filled
Knives, forks, and spoons with stainless steel handles........	Nov. 1, 1963- Oct. 31, 1964	69,000,000	Pieces	Quota Filled

1/ Imports for consumption at the quota rate are limited to 18,646,252 pounds during the first nine months of the calendar year.

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
THURSDAY, JULY 16, 1964

D-1278

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 July 4, 1964:

Commodity	Period and Quantity		Unit of Quantity	Imports as of July 4, 1964
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Tuna Fish........................	Calendar Year	60,911,870	Pound	17,793,706
White or Irish potatoes:				
Certified seed..................	12 mos. from Sept. 15, 1963	114,000,000	Pound	73,785,610
Other...........................		45,000,000	Pound	Quota Filled
Knives, forks, and spoons with stainless steel handles........	Nov. 1, 1963- Oct. 31, 1964	69,000,000	Pieces	Quota Filled

1/ Imports for consumption at the quota rate are limited to 18,646,252 pounds during the first nine months of the calendar year.

Commodity	Period and Quantity		Unit of Quantity	Impo[r]… as … July 4, …
Absolute Quotas:				
Butter substitutes containing over 45% of butterfat, and butter oil......................	Calendar Year	1,200,000	Pound	Quota F…
Fibers of cotton processed but not spun....................	12 mos. from Sept. 11, 1963	1,000	Pound	
Peanuts, shelled or not shelled, blanched, or otherwise prepared or preserved (except peanut butter).........................	12 mos. from August 1, 1963	1,709,000	Pound	Quota F…

1/ Imports through July 13, 1964.

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 July 13, 1964	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1963, to July 13, 1964
United Kingdom	4,323,457	1,076,100	1,441,152	276,400
Canada	239,690	239,690	-	-
France	227,420	221,909	75,807	55,151
India and Pakistan	69,627	19,284	-	-
Netherlands	68,240	11,249	22,747	-
Switzerland	44,388	34,147	14,796	-
Belgium	38,559	33,511	12,853	-
Japan	341,535	59,000	-	-
China	17,322	-	-	-
Egypt	8,135	-	-	-
Cuba	6,544	-	-	-
Germany	76,329	35,738	25,443	-
Italy	21,263	-	7,088	-
Other, including the U. S.	-	-	-	-
	5,482,509	1,730,628	1,599,886	331,551

1/ Included in total imports, column 2.

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE

THURSDAY, JULY 16, 1964

D-1279

Preliminary data on imports for consumption of cotton and cotton waste chargeable to the quotas established by Presidential Proclamation No. 2351 of September 5, 1939, as amended, and as modified by the Tariff Schedules of the United States which became effective August 31, 1963.

(The country designations in this press release are those specified in the appendix to the Tariff Schedules of the United States. There is no political connotation in the use of outmoded names.)

COTTON (other than linters) (in pounds)
Cotton under 1-1/8 inches other than rough or harsh under 3/4"
Imports September 20, 1963 - July 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	24,045	Paraguay....................	871	-
India and Pakistan.........	2,003,483	159,692	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 - July 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	148,590
1-1/8" or more and under		

TREASURY DEPARTMENT
Washington, D. C.

IMMEDIATE RELEASE

THURSDAY, JULY 16,1964

D-1279

Preliminary data on imports for consumption of cotton and cotton waste chargeable to the quotas established by Presidential Proclamation No. 2351 of September 5, 1939, as amended, and as modified by the Tariff Schedules of the United States which became effective August 31, 1963.

(The country designations in this press release are those specified in the appendix to the Tariff Schedules of the United States. There is no political connotation in the use of outmoded names.)

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Imports September 20, 1963 - July 13, 1964

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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.
2/ Except Nigeria and Ghana.

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

Imports August 1, 1963 - July 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	

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 July 13, 1964	Established 33-1/3% of Total Quota	Imports 1/ Sept. 20, 1963, to July 13, 1964
United Kingdom...........	4,323,457	1,076,100	1,441,152	276,400
Canada....................	239,690	239,690	-	-
France....................	227,420	221,909	75,807	55,151
India and Pakistan........	69,627	19,284	-	-
Netherlands...............	68,240	11,249	22,747	-
Switzerland...............	44,388	34,147	14,796	-
Belgium...................	38,559	33,511	12,853	-
Japan.....................	341,535	59,000	-	-
China.....................	17,322	-	-	-
Egypt.....................	8,135	-	-	-
Cuba......................	6,544	-	-	-
Germany...................	76,329	35,738	25,443	-
Italy.....................	21,263	-	7,088	-
Other, including the U. S.	-	-	-	-
	5,482,509	1,730,628	1,599,886	331,551

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

D-1279

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE

THURSDAY, JULY 16, 1964

D-1280

The Bureau of Customs has announced the following preliminary figures showing the imports for consumption from January 1, 1964, to July 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 July 4, 1964
Buttons.............	680,000	Gross	110,535
Cigars..............	160,000,000	Number	7,986,119
Coconut oil.........	358,400,000	Pound	256,809,435
Cordage.............	6,000,000	Pound	3,559,048
Tobacco.............	5,200,000	Pound	2,774,056

TREASURY DEPARTMENT
Washington

IMMEDIATE RELEASE
THURSDAY, JULY 16, 1964

D-1280

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Cigars..............	160,000,000	Number	7,986,119
Coconut oil.........	358,400,000	Pound	256,809,435
Cordage.............	6,000,000	Pound	3,559,048
Tobacco.............	5,200,000	Pound	2,774,056

TREASURY DEPARTMENT
Washington, D. C.

D-1281

IMMEDIATE RELEASE
THURSDAY, JULY 16, 1964

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 - July 1, 1964 - September 30, 1964

IMPORTS - July 1, 1964 - July 10, 1964 (or as noted)

	ITEM 925.01*		ITEM 925.03*		ITEM 925.02*		ITEM 925.04*	
Country of Production	Lead-bearing ores and materials		Unwrought lead and lead waste and scrap		Zinc-bearing ores and materials		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	7,168,878	-	-	-	-
Belgium and Luxemburg (total)	-	-	-	-	-	-	7,520,000	7,520,000
Bolivia	5,040,000	***2,192,155	-	-	-	-	-	-
Canada	13,440,000	***620,878	15,920,000	4,184,760	66,480,000	66,480,000	37,840,000	4,966,199
Italy	-	-	-	-	-	-	3,600,000	-
Mexico	-	-	36,880,000	6,497,683	70,480,000	5,437,679	6,320,000	-
Peru	16,160,000	16,160,000	12,880,000	2,801,602	35,120,000	1,825,632	3,760,000	880,555
Republic of the Congo (formerly Belgian Congo)	-	-	-	-	-	-	5,440,000	-
**Un. So. Africa	14,880,000	14,880,000	-	-	-	-	-	-
Yugoslavia	-	-	15,760,000	***8,455	-	-	-	-
All other countries (total)	6,560,000	***43,783	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.
**Republic of South Africa.
***Imports as of July 13, 1964.

TREASURY DEPARTMENT
Washington, D. C.

D-1281

IMMEDIATE RELEASE
THURSDAY, JULY 16, 1964

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 - July 1, 1964 - September 30, 1964

IMPORTS - July 1, 1964 - July 10, 1964 (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	7,168,878	-	-	-	-
Belgium and Luxemburg (total)	-	-	-	-	-	-	7,520,000	7,520,000
Bolivia	5,040,000	***2,192,155	-	-	-	-	-	-
Canada	13,440,000	***620,878	15,920,000	4,184,760	66,480,000	66,480,000	37,840,000	4,966,199
Italy	-	-	-	-	-	-	3,600,000	-
Mexico	-	-	36,880,000	6,497,683	70,480,000	5,437,679	6,320,000	-
Peru	16,160,000	16,160,000	12,880,000	2,801,602	35,120,000	1,825,632	3,760,000	880,555
Republic of the Congo (formerly Belgian Congo)	-	-	-	-	-	-	5,440,000	-
**Un. So. Africa	14,880,000	14,880,000	-	-	-	-	-	-
Yugoslavia	-	-	15,760,000	***8,455	-	-	-	-
All other countries (total)	6,560,000	***43,783	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.
**Republic of South Africa.
***Imports as of July 13, 1964.

PREPARED IN THE BUREAU OF CUSTOMS

TREASURY DEPARTMENT
Washington, D. C.

D-1282

IMMEDIATE RELEASE
THURSDAY, JULY 16, 1964

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 - April 1, 1964 - June 30, 1964

IMPORTS - April 1, 1964 - June 30, 1964

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	12,314,036	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	36,880,000	70,480,000	61,472,325	6,320,000	6,316,427
Peru	16,160,000	16,160,000	12,880,000	12,878,843	35,120,000	30,297,570	3,760,000	3,758,924
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	15,760,000	-	-	-	-
All other countries (total)	6,560,000	3,989,036	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.
**Republic of South Africa.

TREASURY DEPARTMENT
Washington, D. C.

D-1282

IMMEDIATE RELEASE
THURSDAY, JULY 16, 1964

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 - April 1, 1964 - June 30, 1964

IMPORTS - April 1, 1964 - June 30, 1964

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	22,540,000	-	-	-	-
Belgium and Luxemburg (total)	-	-	-	-	-	-	7,520,000	7,520,000
Bolivia	5,040,000	5,040,000	-	-	-	-	-	-
Canada	13,440,000	12,314,036	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	36,880,000	70,480,000	61,472,325	6,320,000	6,316,427
Peru	16,160,000	16,160,000	12,880,000	12,878,843	35,120,000	30,297,570	3,760,000	3,758,924
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	15,760,000	-	-	-	-
All other countries (total)	6,560,000	3,989,036	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.
**Republic of South Africa.

PREPARED IN THE BUREAU OF CUSTOMS

BETA - 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 sal 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 subjec 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 actuall 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.

DATA - MODIFIED

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 April 23, 1964 (17), (91 (18) days remaining until maturity date on October 22, 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 July 23, 1964 (22), in cash or other immediately available funds or in a like face amount of Treasury bills maturing July 23, 1964 (23). Cash

Exhibit 2-A

~~BETA - MODIFIED~~

TREASURY DEPARTMENT
Washington

July 15, 1964

FOR IMMEDIATE RELEASE,

~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~
(1)

TREASURY'S WEEKLY BILL OFFERING

The Treasury Department, by this public notice, invites tenders for two serie of Treasury bills to the aggregate amount of $ 2,100,000,000 (2), or thereabouts, for cash and in exchange for Treasury bills maturing July 23, 1964 (3), in the amoun of $ 2,000,693,000 (4), as follows:

91 (5) -day bills (to maturity date) to be issued July 23, 1964 (6), in the amount of $ 1,200,000,000 (7), or thereabouts, representing an additional amount of bills dated April 23, 1964 (8), and to mature October 22, 1964 (9), originally issued in the amount of $ 900,793,000 (10), the additional and original bills to be freely interchangeable.

182 (11) -day bills, for $ 900,000,000 (12), or thereabouts, to be dated July 23, 1964 (13), and to mature January 21, 1965 (14).

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $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/Daylight Saving ~~Standard~~ time, Monday, July 20, 1964 (15). Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 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 July 23, 1964, in the amount of $2,000,693,000, as follows:

91-day bills (to maturity date) to be issued July 23, 1964, in the amount of $1,200,000,000, or thereabouts, representing an additional amount of bills dated April 23,1964, and to mature October 22,1964, originally issued in the amount of $900,793,000, the additional and original bills to be freely interchangeable.

182-day bills, for $900,000,000, or thereabouts, to be dated July 23,1964, and to mature January 21, 1965.

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 Daylight Saving time, Monday, July 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.

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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 April 23,1964, (91days remaining until maturity date on October 22, 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 July 23, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing July 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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TREASURY DEPARTMENT

WASHINGTON, D.C.

July 15, 1964

FOR IMMEDIATE RELEASE

TREASURY DECISION ON GRAY PORTLAND CEMENT
UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that gray portland cement from Mexico, manufactured by Cementos California, S. A., Baja California, Mexico, is not being, nor likely to be, sold in the United States at less than fair value within the meaning of the Antidumping Act. Notice of the determination will be published in the Federal Register.

The dollar value of imports of the involved merchandise received during the first 6 months of 1963 was approximately $180,000.

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 15, 1964

FOR IMMEDIATE RELEASE

TREASURY DECISION ON GRAY PORTLAND CEMENT
UNDER THE ANTIDUMPING ACT

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The dollar value of imports of the involved merchandise received during the first 6 months of 1963 was approximately $180,000.

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 15, 1964

FOR IMMEDIATE RELEASE

TREASURY DECISION ON CAST ACRYLIC PLASTIC SHEET, "PERSPEX," UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that cast acrylic plastic sheet, "Perspex," from the United Kingdom is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act.

Accordingly, this case is being referred to the United States Tariff Commission for an injury determination.

Notice of the determination and of the reference of the case to the Tariff Commission will be published in the Federal Register.

The dollar value of imports received during the first 6 months of 1963 was approximately $197,000.

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 15, 1964

FOR IMMEDIATE RELEASE

TREASURY DECISION ON CAST ACRYLIC PLASTIC SHEET, "PERSPEX," UNDER THE ANTIDUMPING ACT

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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 first 6 months of 1963 was approximately $197,000.

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

July 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 April 23, 1964, and the other series to be dated July 23, 1964, which were offered on July 15, were opened at the Federal Reserve Banks on July 20. Tenders were invited for $1,200,000,000, or thereabouts, of 91-day bills and for $900,000,000, 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 October 22, 1964		:	182-day Treasury bills maturing January 21, 1965	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.128	3.450%	:	98.182 a/	3.596%
Low	99.112	3.513%	:	98.159	3.642%
Average	99.115	3.503% 1/	:	98.170	3.619% 1/

a/ Excepting three tenders totaling $1,335,000
31 percent of the amount of 91-day bills bid for at the low price was accepted
13 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	$ 44,462,000	$ 34,462,000	:	$ 4,644,000	$ 4,644,000
New York	1,497,218,000	819,978,000	:	978,876,000	618,886,000
Philadelphia	41,076,000	16,076,000	:	3,858,000	3,858,000
Cleveland	22,522,000	22,522,000	:	25,168,000	25,168,000
Richmond	9,906,000	9,906,000	:	4,835,000	4,835,000
Atlanta	34,188,000	28,090,000	:	8,394,000	8,394,000
Chicago	174,282,000	105,744,000	:	126,411,000	75,411,000
St. Louis	32,673,000	24,300,000	:	9,663,000	7,663,000
Minneapolis	20,942,000	14,562,000	:	5,649,000	5,649,000
Kansas City	31,536,000	30,501,000	:	8,289,000	8,289,000
Dallas	18,300,000	18,300,000	:	4,359,000	4,359,000
San Francisco	142,794,000	76,384,000	:	147,975,000	132,975,000
Totals	$2,069,899,000	$1,200,825,000 b/		$1,333,141,000	$900,091,000 c/

b/ Includes $237,310,000 noncompetitive tenders accepted at the average price of 99.115
c/ Includes $60,605,000 noncompetitive tenders accepted at the average price of 98.170
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.58%, 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 semi-annual compounding if more than one coupon period is involved.

TREASURY DEPARTMENT

WASHINGTON, D.C.

RELEASE A. M. NEWSPAPERS,
sday, July 21, 1964.

July 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 April 23, 1964, the other series to be dated July 23, 1964, which were offered on July 15, were ned at the Federal Reserve Banks on July 20. Tenders were invited for $1,200,000,000, thereabouts, of 91-day bills and for $900,000,000, or thereabouts, of 182-day bills. details of the two series are as follows:

IGE OF ACCEPTED PETITIVE BIDS:	91-day Treasury bills maturing October 22, 1964		:	182-day Treasury bills maturing January 21, 1965	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.128	3.450%	:	98.182 a/	3.596%
Low	99.112	3.513%	:	98.159	3.642%
Average	99.115	3.503% 1/	:	98.170	3.619% 1/

a/ Excepting three tenders totaling $1,335,000
31 percent of the amount of 91-day bills bid for at the low price was accepted
13 percent of the amount of 182-day bills bid for at the low price was accepted

TAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	:	Applied For	Accepted
Boston	$ 44,462,000	$ 34,462,000	:	$ 4,664,000	$ 4,664,000
New York	1,497,218,000	819,978,000	:	978,876,000	618,826,000
Philadelphia	41,076,000	16,076,000	:	8,858,000	3,858,000
Cleveland	22,522,000	22,522,000	:	25,168,000	25,168,000
Richmond	9,906,000	9,906,000	:	4,835,000	4,835,000
Atlanta	34,188,000	28,090,000	:	8,394,000	8,394,000
Chicago	174,282,000	105,744,000	:	126,411,000	75,411,000
St. Louis	32,673,000	24,300,000	:	9,663,000	7,663,000
Minneapolis	20,942,000	14,562,000	:	5,649,000	5,649,000
Kansas City	31,536,000	30,501,000	:	8,289,000	8,289,000
Dallas	18,300,000	18,300,000	:	4,359,000	4,359,000
San Francisco	142,794,000	76,384,000	:	147,975,000	132,975,000
Totals	$2,069,899,000	$1,200,825,000 b/		$1,333,141,000	$900,091,000 c/

Includes $237,310,000 noncompetitive tenders accepted at the average price of 99.115
Includes $60,605,000 noncompetitive tenders accepted at the average price of 98.170
On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.58%, 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 semi-annual compounding if more than one coupon period is involved.

D-1284

books closed last week. The full results of that refunding are not yet available. Reports in hand, however, indicate that public holders of the eligible issues subscribed for ~~over $3~~ $3 1/2 billion of the reopened 4% bonds of 1969, ~~over $4~~ about 4 1/4 billion of the new 4-1/8% bonds of 1973, and over $1.1 billion of the reopened 4-1/4% bonds of 1987-92. A ~~further announcement of~~ full report of the ~~preliminary~~ results of that refunding will be made ~~after the close of the market this afternoon.~~

[The Treasury also noted that some additional amounts of cash would be raised in the short-term area to meet potential needs later in the summer, but the timing and form of such additional financing has not yet been determined.]

7/20/64

Treasury Offers Additional Bills

The Treasury this morning announced several additional steps in its financing program for the summer. A total of ~~[illegible]~~ $1 billion Treasury bills will be added to the outstanding weekly issues maturing from October ~~29~~ 15 through December ~~3~~ 17, inclusive. The offering will be divided into equal amounts of $100 million for each of these weekly maturit~~y~~ies. Tenders for the ~~$600 million~~ $1 billion strip of bills will be received on Friday, July 24, at the Federal Reserve Banks and branches, and payment will be required in immediately available funds on Wednesday July 29, at those same locations.

In inviting tenders next Wednesday, July 22, for the regular weekly Treasury bill auction on Monday, July 27, the Treasury will offer $2.1 billion, $100 million more than the amount maturing. In addition, an announcement will be made on Thursday, July 23, of the Treasury's plans for completing the cycle of one-year bills maturing at monthly intervals.

The Treasury also presently expects to announce on Wednesday, July 29, plans for further short-term financing to replace the securities maturing on August 15 that were not exchanged in the advance refunding for which the subscription

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 20, 1964

FOR IMMEDIATE RELEASE

TREASURY OFFERS ADDITIONAL BILLS

The Treasury this morning announced several additional steps in its financing program for the summer. A total of $1 billion Treasury bills will be added to the outstanding weekly issues maturing from October 15 through December 17, inclusive. The offering will be divided into equal amounts of $100 million for each of those weekly maturities. Tenders for the $1 billion strip of bills will be received on Friday, July 24, at the Federal Reserve Banks and branches, and payment will be required in immediately available funds on Wednesday, July 29, at those same locations. Payments by credit to Treasury Tax and Loan Accounts will not be permitted.

In inviting tenders next Wednesday, July 22, for the regular weekly Treasury bill auction on Monday, July 27, the Treasury will offer $2.1 billion, $100 million more than the amount maturing. In addition, an announcement will be made on Thursday, July 23, of the Treasury's plans for completing the cycle of one-year bills maturing at monthly intervals.

The Treasury also presently expects to announce on Wednesday, July 29, plans for further short-term financing to replace the securities maturing on August 15 that were not exchanged in the advance refunding for which the subscription books closed last week. The full results of that refunding are not yet available. Reports in hand, however, indicate that public holders of the eligible issues subscribed for almost $9 billion, including over $3-1/2 billion of the reopened 4% bonds of 1969, about $4-1/4 billion of the new 4-1/8% bonds of 1973, and over $1.1 billion of the reopened 4-1/4% bonds of 1987-92. A full report of the preliminary results of that refunding will be made available tomorrow.

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D-1285

~~XXXXXXXXXXXX~~

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. Purchasers of a strip of the bills offered hereunder should, for tax purposes, take such bills on to their books on the basis of their purchase price prorated to each of the ten outstanding issues using as a basis for proration the closing market prices for each of the issues on July 29, 1964. (Federal Reserve Banks will have available a list of these market prices, based on the mean between the bid and asked quotations furnished by the Federal Reserve Bank of New York.)

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

oOo

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. Noncompetitive tenders for \$ 100,000 or less (in even multiples of \$ 10,000) without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids, provided, however, that if the total of noncompetitive tenders exceeds \$ 200,000,000, the Secretary of the Treasury reserves the right to allot less than the amount applied for on a straight percentage basis with adjustments where necessary to the next higher multiple of \$10,000 . Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank or Branch in cash or other immediately available funds on July 29, 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.

The bills offered hereunder 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 Daylight Saving time, Friday, July 24, 1964. Tenders will not be received at the Treasury Department, Washington. 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. A single price must be submitted for each unit of \$10,000, or even multiple thereof. A unit represents \$1,000 face amount of each issue of bills offered hereunder, as previously described. 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 and 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 compa

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

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TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE, July 20, 1964

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TREASURY OFFERS $1 BILLION STRIP OF WEEKLY BILLS

The Treasury Department, by this public notice, invites tenders for additional amounts of ten series of Treasury bills to an aggregate amount of $ 1,000,000,000 , or thereabouts, for cash. The additional bills will be issued July 29, 1964 , will be in the amounts, and will be in addition to the bills originally issued and maturing, as follows:

Amount of Additional Issue	Original Issue Dates 1964	Maturity Dates 1964	Days from July 29, 1964 to Maturity	Amount Currently Outstanding (in millions
$ 100,000,000	April 16	October 15	78	$ 2,102
100,000,000	April 23	October 22	85	901
100,000,000	April 30	October 29	92	900
100,000,000	May 7	November 5	99	900
100,000,000	May 14	November 12	106	900
100,000,000	May 21	November 19	113	900
100,000,000	May 28	November 27	121	900
100,000,000	June 4	December 3	127	905
100,000,000	June 11	December 10	134	901
100,000,000	June 18	December 17	141	901
$1,000,000,000				

The additional and original bills will be freely interchangeable.

Each tender submitted must be in the amount of $10,000, or an even multipl thereof, and the amount tendered will be applied to each of the above series of bills on the basis of the ratio of each series to the total of all series. (Fo example, an accepted tender for $50,000 will be applied $ 5,000 to the iss with original date of April 16, 1964 , and $5,000 to each of the additional weekly issues through the issue with original date of June 18, 1964

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 20, 1964

'OR IMMEDIATE RELEASE

TREASURY OFFERS $1 BILLION STRIP OF WEEKLY BILLS

The Treasury Department, by this public notice, invites tenders for ıdditional amounts of ten series of Treasury bills to an aggregate ımount of $1,000,000,000, or thereabouts, for cash. The additional bills ·ill be issued July 29, 1964, will be in the amounts, and will be in ıddition to the bills originally issued and maturing, as follows:

Amount of dditional Issue	Original Issue Dates 1964	Maturity Dates 1964	Days from July 29, 1964 to Maturity	Amount Currently Outstanding (in millions)
100,000,000	April 16	October 15	78	$2,102
100,000,000	April 23	October 22	85	901
100,000,000	April 30	October 29	92	900
100,000,000	May 7	November 5	99	900
100,000,000	May 14	November 12	106	900
100,000,000	May 21	November 19	113	900
100,000,000	May 28	November 27	121	900
100,000,000	June 4	December 3	127	905
100,000,000	June 11	December 10	134	901
100,000,000	June 18	December 17	141	901
000,000,000				

'he additional and original bills will be freely interchangeable.

Each tender submitted must be in the amount of $10,000, or an even ultiple thereof, and the amount tendered will be applied to each of the bove series of bills on the basis of the ratio of each series to the otal of all series. (For example, an accepted tender for $50,000 will e applied $5,000 to the issue with original date of April 16, 1964, and 5,000 to each of the additional weekly issues through the issue with riginal date of June 18, 1964.)

The bills offered hereunder will be issued on a discount basis under ompetitive and noncompetitive bidding as hereinafter provided, and at aturity their face amount will be payable without interest. They will e 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).

D-1286

Tenders will be received at Federal Reserve Banks and Branches up the closing hour, one-thirty p.m., Eastern Daylight Saving time, Frida July 24, 1964. Tenders will not be received at the Treasury Departmen Washington. In the case of competitive tenders the price offered must expressed on the basis of 100, with not more than three decimals, e.g. 99.925. Fractions may not be used. A single price must be submitted each unit of $10,000, or even multiple thereof. A unit represents $1,000 face amount of each issue of bills offered hereunder, as previously described. 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 and 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 bills. 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. Noncompetitive tenders for $100,000 or less (in even multiples of $10,000) without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids, provided, however, that if the total of noncompetitive tenders exceeds $200,000,000, the Secretary of the Treasury reserves the right to allot less than the amount applied for on a straight percentage basis with adjustments where necessary to the next higher multiple of $10,000. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank or Branch in cash or other immediately available funds on July 29, 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 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. Purchasers of a strip of the bills offered hereunder should, for tax purposes, take such bills on to their books on the basis of their purchase price prorated to each of the ten outstanding issues using as a basis for proration the closing market prices for each of the issues on July 29, 1964. (Federal Reserve Banks will have available a list of these market prices, based on the mean between the bid and asked quotations furnished by the Federal Reserve Bank of New York.)

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

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payments made for "know-how" beginning January 1, 1963. On an administrative basis, exemption would also apply in certain cases to payments made prior to that date under an agreement. Included would be cases where the taxpayer had been previously notified by the German tax authorities that payments under the agreement were exempt from tax. In such cases, however, the exemption would not apply to payments made after the German tax authorities informed the taxpayer that the exemption no longer applied.

Agreement in principle was also reached with respect to the tax treatment of capital gains, religious, charitable, scientific and similar institutions, the definition of a permanent establishment, and several other matters.

The German delegation was headed by Mr. Walther Grund, State Secretary of Finance, and the United States delegation was headed by Mr. Stanley S. Surrey, Assistant Secretary of the Treasury. The meetings were held last week, and were concluded last Friday, July 17.

July 17, 1964

For Release Monday

Draft Press Release

Agreement in principle on modification of the income tax convention between The Federal Republic of Germany and the United States was reached between delegations from the two countries, it was announced today. The meetings, held in Washington, D. C., were concluded on July 17.

A limit of 15 percent was agreed upon in the withholding tax on dividends flowing from corporations in one country to stockholders in the other. This limit ~~compares with~~ generally supersedes a statutory withholding tax rate of 30 percent in the United States and 25 percent in Germany.

Special note was taken of the fact that Germany imposes a substantially lower tax rate on the profits distributed by a corporation than on the profits retained by it. It was therefore decided that where profits are distributed by a German company to a parent corporation in the United States, the 25 percent statutory rate of tax would apply to that portion of the distribution received by the parent corporation which is reinvested in the subsidiary if the amount reinvested exceeds 7.5 percent of the dividend received from the subsidiary. In effect, the principle adopted is that an amount reinvested by a U.S. parent company within a specified period before or after a distribution is declared by a subsidiary would not be considered eligible for the reduced rate of withholding tax.

The exemption in the present tax treaty accorded royalties for the use of patents will be extended to payments for "know-how". It was agreed that this extended exemption would apply with respect to all payments under the agreement were exempt from tax. In such cases, however, the exemption would not apply to payments made after the German tax authorities informed the taxpayer that the exemption no longer applied.

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July 20, 1964

FOR IMMEDIATE RELEASE

UNITED STATES AND WEST GERMANY AGREE TO MODIFY INCOME TAX CONVENTION

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TREASURY DEPARTMENT

WASHINGTON, D.C.

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D-1287

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STATEMENT OF THE HONORABLE DOUGLAS DILLON
SECRETARY OF THE TREASURY
BEFORE
SUBCOMMITTEE NO. 1
SELECT COMMITTEE ON SMALL BUSINESS
HOUSE OF REPRESENTATIVES
ON TAX-EXEMPT FOUNDATIONS
10:00 A.M., EDT, JULY 21, 1964

Mr. Chairman, I appreciate your invitation to testify before this Subcommittee on the important question of tax-exempt charitable foundations. As you know, these foundations play a very significant role in American life. Their effect is felt in all aspects of education, charity, science, medicine, the literary arts and religion. Each year substantial sums are contributed to foundations, and the foundations, in turn, make substantial, annual disbursements on which many people and institutions are vitally dependent.

Because of the importance which we as a nation attach to private philanthropy, we have promoted it by generous provisions for tax exemption. This privilege applies to activities of foundations as well as to the tax deductions which are available to contributors to foundations. Because of this privilege it is healthy, indeed necessary, that the Congress and the Administration periodically re-examine those areas where tax exemption and tax deductions are provided. It is important to make sure that no one is abusing the privilege of tax exemption, and to put an end to such abuses as may be found. For example, study is necessary to determine whether any foundations have been the subject of a misuse which affords unintended or undesirable tax benefits to contributors and others; whether situations exist where the interests of the intended beneficiaries of charitable bounty have been unduly slighted in deference to the financial interests of foundation contributors or those in control of foundations; whether some investment policies of certain foundations may have been geared more to the interests of controlling private parties than to the interests of charity; whether charity has received less than a full dollar of value for every dollar of tax deduction and tax exemption; and whether any foundations have engaged in business activities to the detriment of their primary charitable concern, to the advantage of their contributors and managers, or to the disadvantage of competing private businesss operating without tax exemption.

Both the Congress and the Treasury have studied these problem areas in the past. A major study resulted in important legislation in 1950 when opportunities for self-dealing were restricted and the unrelated business income of tax-exempt foundations was subjected to income tax. The Revenue Act of 1964 further restricted the opportunities for self-dealing in the case of foundations seeking to qualify for unlimited charitable contributions, and those organizations are now required to make substantial disbursements of their income and contributed assets.

It is now 14 years since the major revisions of 1950 were adopted, and it is time to see whether the legislation of that period was adequate to the task of remedying the abuses it was designed to eliminate; whether the legislation needs strengthening, either from a policy or administrative point of view; and whether other abuses have developed since 1950 which require correction by legislative or administrative action.

Both the Senate Finance Committee and the House Ways and Means Committee have requested that the Treasury Department prepare a report on this subject, and your Subcommittee has, of course, already issued reports calling attention to a number of possible problem areas. The Treasury began its current study of foundation problems in 1961. In its early stages the study proceeded with limitations imposed by the priorities given to the Revenue Act of 1962 and the Revenue Act of 1964. However, the study will be completed and our report submitted by the end of this year.

In conjunction with the Treasury's study, in 1963 I appointed an Informal Advisory Committee on Foundations composed of reputable and responsible individuals who are associated with foundations on a full-time, professional basis, lawyers and accountants who have worked in the foundation area in their private practices, and a law professor who has been a scholarly observer of foundations and has written on the subject. The Committee has met on five occasions with Assistant Secretary Surrey, the Tax Legislative Counsel, and others from the Treasury and Internal Revenue Service. The purpose of these meetings was to canvass the views of knowledgeable people on the practices of taxpayers with respect to foundations, on the management, investment and disbursement practices of foundations, and on various alleged abuses and proposed remedies which have been discussed in this

Subcommittee's reports and elsewhere. The Treasury found these meetings valuable as a source of informed opinion, but our ultimate conclusions and recommendations will be based on all aspects of our studies and from evidence drawn from varied sources, including, of course, field studies by the Internal Revenue Service and data provided by this Subcommittee.

This Subcommittee's reports contain statistics gleaned from a study of several hundred foundations, including their asset values, receipts, accumulations, and disbursements. The Treasury study will benefit from that information and from updated statistical data based upon an extensive survey of the information returns which foundations have filed on Form 990-A for the year 1962. It will also benefit from the responses to a questionnaire which we are sending to a number of foundations requesting additional statistics and information not available from existing sources. I would like at this point to submit for the record a copy of this questionnaire. Information provided by The Foundation Directory (published by the Russell Sage Foundation) is also being studied. Thus, to the extent available, concrete facts and figures will provide the background material for the Treasury's ultimate conclusions and recommendations.

Although policy considerations will be fundamental to the Treasury's ultimate recommendations, and to the Congress' ultimate judgments, each policy question carries with it technical aspects which are important to the overall statutory scheme, to equity and administrative practicability. Treasury lawyers intend to study these technical matters in conjunction with the Staff of the Joint Committee on Internal Revenue Taxation so that the ultimate report will place each conclusion and recommendation in proper perspective, indicating its linkage with related provisions of law and other relevant considerations.

As part of the Treasury's general interest in the foundation area, and as Mr. Caplin will tell you in greater detail, the Internal Revenue Service has, in the last three years, stepped up its program for auditing exempt organization returns. Whereas only approximately 2,000 exempt organization returns per year had been audited before, about 10,000 exempt organization returns were examined in fiscal year 1964. This should bring about more widespread and fuller compliance with existing provisions of law. It will also help us to form judgments as to which abuses can be corrected by the vigorous enforcement of existing law and which require new legislation. In order to provide more meaningful information and to bring to light areas of possible concern, the information return required of foundations was modified recently and is undergoing continued re-evaluation.

The scope of existing law is also being determined in litigation. Appropriate cases are being diligently litigated by the Office of the Chief Counsel of the Internal Revenue Service and by the Tax Division of the Justice Department. Court decisions are helping to mark off those areas where vigorous enforcement of existing law will carry out the Congressional objectives from those where new action by the Congress may be necessary. Such litigation tests some of the judgments made in 1950 in light of the years of experience which have passed since then. A vigorous litigation policy is a continuous necessity if the effects of legislation are to be reviewed on an empirical basis. This Administration has pursued such a policy where warranted.

Both the administrative and litigation experience since 1950 will shed light on the propriety of the sanctions which the law now provides in cases of abuse and outright violation of law. The study will examine whether, in some cases, sanctions are inadequate or misdirected, and whether in other cases sanctions are so stringent and automatic that courts may be reluctant to hold them applicable.

Conclusion

Privately administered philanthropy has a vital, affirmative contribution to make to a dynamic, democratic society like ours. Ours is a pluralistic society composed of people and groups with diverse, competing interests and ideas; it is dependent on a free market place for these ideas and for qualified people to experiment with them. Foundations directed by private individuals, not by government, have made great contributions in education, in science, in medicine, in fostering an environment for the creation of ideas, for their debate, and for experiment and innovation. Government has contributed to this healthy environment in many ways, not the least of which is by providing tax benefits. This is a cost which the Congress has always considered worth incurring. It is essential, however, that the cost be a measured one - that abuses and inequitable tax advantages claimed under the shelter of provisions of law designed to aid philanthropy be ferreted out and eliminated. The 1950 amendments were expected to eliminate abuses and undesirable private benefit cases such as those involving self-dealing between a contributor and the foundation which he controls. To the extent that they may not have proved fully effective, they must be strengthened. The study now under way will explore this type of problem along with others. It is our hope that we will be able to devise recommendations which will eliminate abuses and make for efficient, even-handed administration - this without detracting from the policy and provisions of law which encourage society's realization of the true values of modern philanthropy.

The Treasury's study is proceeding with care and impartiality. Until it is concluded and our report is submitted to the competent legislative committees, it would be neither desirable nor proper for me to discuss in any detail particular issues or recommendations which may be under consideration. You may be sure, however, that all available data and views, including those set forth in this Subcommittee's reports, are being given our utmost attention.

trust fund), and $0.4 billion lower trust fund expenditures (mainly reductions ~~of $0.5 billion~~ in net expenditures from deposit funds and ~~$0.4 billion in~~ the military assistance trust fund, somewhat offset by increases ~~of $0.4 billion~~ in the Federal home loan banks and other Government-sponsored enterprises, and ~~$0.1 billion~~ in the OASI trust fund); and

(2) An increase of $1.4 billion over the estimate for the noncash adjustment items (interest accruals, transactions in non-interest-bearing notes with the International Monetary Fund, and the clearing accounts) which are deducted to arrive at total payments to the public.

sales in the home loan guaranty program; and $73 million for interest on the public debt, ~~due to somewhat higher interest rates than assumed last January~~.

All other changes, both upward and downward, combined, amount to a decrease of $315 million.

Administrative budget receipts totaled $1 billion above the January estimate. Individual income tax collections were $1.1 billion over the earlier estimates, reflecting the one-month delay in reducing the ~~rates for~~ withholding tax rate and ~~plus~~ a somewhat higher level of personal income in calendar 1963 than assumed in making the January estimates. Corporation income tax collections were $0.2 billion below the January estimate, ~~reflecting a slightly lower level of corporate profits in calendar 1963 than had been anticipated~~. The remaining increase in total receipts was due to higher collections of estate and gift taxes and miscellaneous receipts, partially offset by lower than anticipated customs duty collections.

Consolidated cash statement.--The $3.7 billion reduction in the cash deficit since the January estimate is $2.0 billion greater than the decline in the administrative budget deficit. This difference is accounted for by:

(1) An increase of about $0.6 billion in the excess of trust fund receipts over expenditures, reflecting $0.2 billion higher total trust fund receipts than anticipated (mainly increases for OASI, the unemployment trust fund, Federal employees retirement funds, and the highway trust fund, offset only in part by a decline in the military assistance

primarily to a slower rate of procurement than anticipated. Other sizable reductions since January were:

(1) $229 million for the National Aeronautics and Space Administration's programs, reflecting primarily the fact that research development expenditures did not increase as rapidly as had be ex

(2) $129 million for the Departments of Labor, State, and Health, Education, and Welfare, combined, reflecting nonenactment or reductions in supplemental appropriation requests and ~~nonenactment thus far of~~ the fact that some proposed legislation has not yet been enacted;

(3) $123 million for foreign economic assistance, largely in disbursements to Latin America under loans already approved;

(4) $101 million in the Department of Commerce programs, primarily for area redevelopment and maritime subsidies; and

(5) $52 million, net, for the operations of the Export-Import Bank, reflecting a lower level of sales of loans than anticipated, but also greater loan prepayments than estimated.

~~Somewhat~~ Partially offsetting these and other decreases are some increases over the January estimates, including: $948 million for the Department of Agriculture (primarily the Commodity Credit Corporation), mainly because of greater than anticipated redemptions of CCC loans held by banks and higher feed grain and tobacco production; $137 million for the Housing and Home Finance Agency, reflecting lower mortgage sales by the Federal National Mortgage Association for its special assistance functions; $132 million for the Veterans Administration, mainly due to more acquisitions of foreclosed properties and lower mortgage

The following table shows the results for fiscal year 1964 as compared with the estimates in the January 1963 and January 1964 budget documents and the results for 1963.

FEDERAL FINANCES

(Fiscal years. In billions)

Description	1963 actual	1964 January 1963 estimate	1964 January 1964 estimate	1964 Actual	1964 Change from January 1964 estimate
Administrative budget:					
Expenditures........	$92.6	$98.8	$98.4	$97.7	-$0.7
Receipts............	86.4	86.9	88.4	89.4	+1.0
Deficit...........	6.3	11.9	10.0	8.3	-1.7
Consolidated cash statement:					
Payments to the public.............	113.8	122.5	122.7	120.1	-2.6
Receipts from the public.............	109.7	112.2	114.4	115.4	+1.1
Excess of payments.........	4.0	10.3	8.3	4.7	-3.7

COMPARISON OF BUDGET RESULTS WITH
JANUARY 1964 ESTIMATES

Administrative budget.--The reduction of $0.7 billion in total administrative budget expenditures was the net result of various decreases and increases compared with the January estimates.

By far the largest decrease was in expenditures for the military functions of the Department of Defense (including military foreign assistance); these expenditures were $1.1 billion below the January estimate due

~~result mainly from slower rates of activity than anticipated in certain programs and ~~later~~ enactment / or nonenactment of legislation and appropriations assumed last January. The largest ~~increases over~~ the January estimate result from relatively uncontrollable Commodity Credit Corporation operations ~~and~~ from lower than expected sales of mortgages and other financial assets by various lending agencies.~~ Tax collections were higher than estimated last January largely because the lower withholding rate provided in the Revenue Act of 1964 took effect one month later than assumed in the budget; 1965 receipts will be reduced correspo by increases in refunds to be made as tax returns for calendar 1964 ar

On a consolidated cash basis--including the transactions of Federal trust funds--the fiscal year 1964 deficit was $4.7 billion, $3.7 billion below the amount that had been estimated last January. Total cash payments to the public in 1964 were $120.1 billion, $2.6 billion less than the January estimate. Receipts from the public totaled $115.4 billion, $1.1 billion higher than estimated in January.

In terms of the national income accounts--including only transactions which directly affect current production and incomes, and measuring receipts and expenditures on an accrual, rather than a cash basis--rough preliminary estimates indicate expenditures of $117 billion and receipts of $114 billion, resulting in a fiscal year 1964 deficit of $3 billion. This compares with an estimated deficit of $5.5 billion last January. (These estimates are subject to change when the official Department of Commerce figures are available.)

~~DRAFT~~ - 7/18/64

JOINT STATEMENT OF DOUGLAS DILLON, SECRETARY OF THE TREASURY,
AND KERMIT GORDON, DIRECTOR OF THE BUREAU OF THE BUDGET,
ON BUDGET RESULTS FOR FISCAL YEAR 1964

The administrative budget totals for fiscal year 1964 show a substantial improvement over the estimates of ~~made in the budget~~ last January. Receipts were \$1 billion higher and expenditures \$0.7 billion lower than the January estimates, reducing the deficit by \$1.7 billion from the \$10 billion expected at that time to the \$8.3 billion actually incurred. The actual deficit was \$3.6 ~~about \$3½~~ billion less than originally estimated for fiscal year 1964 in the budget document of January 1963.

Detailed figures on each source of receipts and each agency's expenditures are provided in the Treasury monthly statement of receipts and expenditures for June, released today. The statement shows that administrative budget expenditures totaled \$97.7 billion in fiscal year 1964 compared with the January 1964 estimate of \$98.4 billion. Receipts totaled \$89.4 billion compared with \$88.4 billion estimated in January.

Insert A

Expenditures have been brought down steadily since the original estimate was made more than ~~over~~ a year and a half ago. ~~A general factor in this result has been continuous pressure in the executive branch for increased economy in operations and better use of manpower; through these efforts, for example, Federal civilian employment at the end of fiscal 1964 was held 102 thousand below the number originally estimated, and 22 thousand less than at the end of fiscal 1963. Other reductions~~

July 21, 1964

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(2) An increase of $1.4 billion over the estimate for the noncash adjustment items (interest accruals, transactions in non-interest-bearing notes with the International Monetary Fund, and the clearing accounts) which are deducted to arrive at total payments to the public.

ADMINISTRATIVE BUDGET RECEIPTS AND EXPENDITURES

(Fiscal Years. In millions)

Description	1963 Actual	1964 January budget	1964 Actual	1964 Change from budget
Receipts by source				
Individual income taxes	$47,588	$47,500	$48,636	+$1,136
Corporation income taxes	21,579	23,700	23,493	-207
Excise taxes	9,915	10,221	10,214	-7
Miscellaneous receipts	4,435	4,053	4,045	-8
All other receipts	3,372	3,610	3,644	+34
Subtotal	86,889	89,084	90,032	+948
Deduct interfund transactions	513	685	664	-21
Net receipts	86,376	88,400	89,368	+968
Expenditures by major agency				
Legislative Branch and the Judiciary	210	233	217	-16
Executive Office of the President	23	25	23	-2
Funds Appropriated to the President:				
Foreign assistance - economic	2,043	2,100	1,977	-123
Foreign assistance - military	1,721	1,400	1,476	+76
International financial institutions and Peace Corps	164	185	171	-14
Public works acceleration	62	365	332	-33
Other	-22	168	133	-35
Agriculture:				
CCC, and Foreign Assistance Programs	5,138	4,158	5,127	+969
Other	2,597	2,820	2,799	-21
Commerce	676	786	685	-101
Defense:				
Military	48,252	50,900	49,749	-1,151
Civil	1,128	1,141	1,153	+12
Health, Education, and Welfare	4,909	5,530	5,490	-40
Interior	1,029	1,114	1,126	+12
Justice	317	330	332	+2
Labor	257	415	370	-45
Post Office	770	546	547	+1
State	408	385	341	-44
Treasury:				
Interest on the public debt	9,895	10,600	10,673	+73
Other	1,133	1,274	1,281	+7
Atomic Energy Commission	2,758	2,800	2,765	-35
Export-Import Bank of Washington	-392	-650	-702	-52
Federal Aviation Agency	726	790	751	-39

Description	1963 Actual	1964 January budget	1964 Actual	1964 Change from budget
Expenditures by major agency - Continued				
General Services Administration............	$464	$555	$600	+$45
Housing and Home Finance Agency............	410	212	349	+137
National Aeronautics and Space Administration............................	2,552	4,400	4,171	-229
United States Information Agency...........	155	160	160	--
Veterans Administration....................	5,173	5,349	5,481	+132
Other independent agencies.................	529	683	701	+18
District of Columbia.......................	66	66	57	-9
Allowances, undistributed:				
Contingencies............................	--	250	--	-250
Subtotal.............................	93,155	99,089	98,334	-755
Deduct interfund transactions..............	513	685	664	-21
Total expenditures....................	92,642	98,405	97,671	-734
Administrative budget surplus (+) or deficit (-)...............................	-6,266	-10,005	-8,303	+1,702

FEDERAL RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

(Fiscal Years. In millions)

Federal receipts from the public:				
Administrative budget receipts (net).....	$86,376	$88,400	$89,368	+$968
Trust and other receipts (net)...........	27,689	30,163	30,332	+169
Deduct intragovernmental and other non-cash transactions.............................	4,326	4,197	4,261	+64
Total Federal receipts from the public...............................	109,739	114,366	115,440	+1,074
Federal payments to the public:				
Administrative budget expenditures (net).	92,642	98,405	97,671	-734
Trust fund and other expenditures (net)..	26,545	29,315	28,870	-445
Deduct intragovernmental and other non-cash transactions.............................	5,436	5,016	6,422	+1,406
Total Federal payments to the public...............................	113,751	122,704	120,119	-2,585
Excess of cash receipts from or payments to (-) the public.........................	-4,012	-8,338	-4,680	+3,658

NOTE:--Figures are rounded to nearest million and will not necessarily add to totals.

Preliminary Statement of
Receipts and Expenditures of the United States Government

for the period from July 1, 1963 through June 30, 1964

(Cents omitted, therefore details will not add to totals)

TABLE I--SUMMARY (In millions)

Fiscal Year	Administrative Budget Funds			Trust Funds			Public Debt (end of period) [2]	Balance in account of Treasurer (end of period)
	Net receipts	Net expenditures	Surplus (+) or deficit (-)	Net receipts	Net expenditures	Excess of receipts or expenditures(-)		
Estimated 1965*	$93,000	$97,900	-$4,900	$30,872	$29,372	$1,500	$317,000	$8,200
Estimated 1964*	88,400	98,405	-10,005	30,163	29,315	+848	311,800	8,200
Actual fiscal year 1964 .. (Twelve months)	89,368	97,671	-8,303	30,332	28,870	+1,462	311,713	11,036
Actual fiscal year 1963 ..	86,376	92,642	-6,266	27,689	26,545	+1,143	305,860	12,116
Actual fiscal year 1962 ..	81,409	87,787	-6,378	24,290	25,140	-850	298,201	10,430
Actual fiscal year 1961 ..	77,659	81,515	-3,856	23,583	22,791	+792	288,971	6,694

TABLE II--SUMMARY OF ADMINISTRATIVE BUDGET AND TRUST FUND RECEIPTS AND EXPENDITURES

Classification	Administrative Budget Funds		Trust Funds	
	Fiscal Year 1964 to date	Fiscal Year 1964 estimates (net)*	Fiscal Year 1964 to date	Fiscal Year 1964 estimates (net)*
RECEIPTS				
nternal Revenue..........................	$112,198,353,262	$110,913,482,000	....	....
Transfers to trust funds	-20,647,753,774	-20,539,482,000	$20,647,753,774	$20,539,482,000
Reimbursement from trust funds for refunds of taxes	296,727,392	284,000,000	-296,727,392	-284,000,000
Refunds of receipts	-7,112,711,899	-6,902,000,000	....	....
Subtotal--Net Internal Revenue	84,734,614,980	83,756,000,000	20,351,026,382	20,255,482,000
Customs..................................	1,284,176,379	1,310,000,000	....	....
Refunds of receipts	-32,313,290	-34,900,000	....	....
All other................................	4,046,418,595	4,054,257,000	10,502,830,445	10,395,716,000
Refunds of receipts	-1,196,561	-792,000	....	....
Interfund transactions	-663,621,619	-684,565,000	-521,379,439	-487,960,000
Net receipts.............................	89,368,078,483	88,400,000,000	30,332,477,388	30,163,238,000
EXPENDITURES				
Legislative Branch	151,508,170	165,836,000	1,639,201	1,707,000
The Judiciary	65,127,496	67,257,000	495,754	440,000
Executive Office of the President	22,926,066	24,677,000	....	....
Funds appropriated to the President:				
Foreign assistance--military	1,476,390,976	1,400,000,000	480,882,394	860,000,000
Foreign assistance--economic	1,977,310,075	2,100,000,000	2,009,625	3,120,000
Other....................................	635,630,600	717,186,000	151,822	206,000
Agriculture Department	7,926,318,599	6,977,551,000	51,331,765	51,723,000
ommerce Department	684,799,843	786,050,000	3,670,484,698	3,581,018,000
efense Department:				
Military.................................	49,749,088,586	50,900,000,000	5,034,573	5,131,000
Civil	1,153,042,067	1,141,295,000	44,148,145	41,505,000
ealth, Education, and Welfare Department	5,490,325,901	5,530,278,000	16,626,063,308	16,704,561,000
nterior Department	1,126,055,702	1,113,900,000	76,798,771	80,647,000
ustice Department	331,731,812	329,990,000	52,795,025	51,867,000
abor Department	370,268,018	415,374,000	3,706,864,039	3,555,535,000
ost Office Department	[3] 546,565,143	546,015,000	....	....
tate Department	340,664,652	385,000,000	7,755,000	7,878,000
reasury Department:				
Interest on the public debt	10,673,203,408	10,600,000,000	....	....
Other....................................	1,280,960,593	1,273,984,000	18,487,477	18,840,000
tomic Energy Commission	2,764,926,471	2,800,000,000	575,578	2,223,000
ederal Aviation Agency	750,572,119	790,000,000	36,084	36,000
eneral Services Administration	599,789,499	554,975,000	360,618	362,000
using and Home Finance Agency............	348,639,242	212,339,000	-31,181,647	29,872,000
ational Aeronautics and Space Adm.	4,170,522,237	4,400,000,000	97,955	500,000
eterans Administration...................	5,480,923,643	5,348,818,000	662,820,119	634,404,000
ther independent agencies	159,719,733	192,829,000	2,393,093,819	2,425,137,000
istrict of Columbia	57,473,800	66,030,000	353,563,923	395,613,000
posit funds	....	....	-589,425,690	-115,855,000
overnment-sponsored enterprises	....	....	1,856,991,700	1,466,645,000
llowances, undistributed	....	250,000,000	....	....
terfund transactions	-663,621,619	-684,565,000	-521,379,439	-487,960,000
Net expenditures	97,670,862,844	98,404,819,000	28,870,494,626	29,315,155,000
dministrative budget surplus or deficit (-) ...	-8,302,784,360	-10,004,819,000		
cess of trust receipts or expenditures (-) ...			+1,461,982,761	+848,083,000

e footnotes on page 10

Classification RECEIPTS	This month	Corresponding month last year	Fiscal Year 1964 to date	Corresponding period fiscal year 1963
Internal Revenue:				
Individual income taxes:				
Withheld [3]	[5] $2,614,239,896	$3,272,142,006	[5] $39,218,834,540	$38,718,702,
Other [4]	[5] 2,196,050,462	2,032,773,180	15,308,824,452	14,268,878,
Total individual income taxes	4,810,290,359	5,304,915,187	54,527,658,993	52,987,580,
Corporation income taxes	6,196,182,919	5,511,462,132	24,300,862,881	22,336,133,
Excise taxes	1,292,692,912	1,170,502,504	13,952,979,714	13,409,737,
Employment taxes:				
Federal Insurance Contributions Act and Self-Employment Contributions Act [4]	[5] 1,404,121,109	1,288,099,155	[5] 15,557,782,663	13,484,378
Railroad Retirement Tax Act	53,111,950	49,243,311	593,706,249	571,643
Federal Unemployment Tax Act	2,739,212	2,304,511	850,858,129	948,464
Total employment taxes	1,459,972,272	1,339,646,979	17,002,347,041	15,004,486
Estate and gift taxes	206,015,520	188,650,998	2,414,504,630	2,187,457
Total internal revenue	13,965,153,984	13,515,177,800	112,198,353,262	105,925,395
Customs	117,483,446	95,366,826	1,284,176,379	1,240,537
Miscellaneous receipts:				
Interest	111,209,971	101,209,965	946,411,576	764,782,0
Dividends and other earnings	91,169,049	74,317,542	970,206,082	859,655,4
Realization upon loans and investments	-10,527,922	-7,131,286	754,265,007	1,075,691,8
Recoveries and refunds	6,733,636	62,005,297	132,932,870	199,656,3
Royalties	12,505,836	63,211,011	77,536,626	123,908,6
Sales of Government property and products	107,653,802	34,089,113	786,802,418	633,425,5
Seigniorage	6,181,411	4,292,045	68,745,284	44,896,0
Other	30,897,026	53,961,028	309,518,730	733,597,4
Total miscellaneous receipts	355,822,811	385,954,716	4,046,418,595	4,435,613,4
Subtotal gross receipts	14,438,460,241	13,996,499,343	117,528,948,237	111,601,546,6
Deduct:				
Refunds of receipts: [6]				
Internal revenue:				
Applicable to budget accounts:				
Individual income taxes	238,565,873	218,227,269	5,892,077,935	5,399,834,5
Corporation income taxes	49,429,009	60,485,505	808,029,996	757,233,6
Excise taxes	9,037,387	7,997,956	92,831,050	89,299,7
Estate and gift taxes	1,400,675	1,632,910	22,659,057	20,192,2
Applicable to trust accounts:				
Federal old-age and survivors insurance trust fund	....	....	152,470,000	127,850,0
Federal disability insurance trust fund	....	....	13,330,000	11,575,0
Highway trust fund	....	....	126,636,555	126,319,3
Railroad retirement account	1,555	2,460	386,465	109,4
Unemployment trust fund	570,093	418,977	4,290,836	3,097,1
Subtotal internal revenue refunds	299,004,595	288,765,080	7,112,711,899	6,535,511,0
Customs	2,656,626	3,064,386	32,313,290	35,174,9
Other	37,859	24,389	1,196,561	700,9
Total refunds of receipts	301,699,080	291,853,856	7,146,221,751	6,571,386,9
Transfers to trust accounts:				
Federal old-age and survivors insurance trust fund [4]	[5] 1,310,546,305	1,198,840,292	[5] 14,335,126,928	12,351,191,0
Federal disability insurance trust fund [4]	[5] 93,574,804	89,258,863	[5] 1,056,855,734	993,762,6
Highway trust fund	319,900,000	266,900,000	3,519,156,642	3,278,697,7
Railroad retirement account	53,110,394	49,240,850	593,319,783	571,534,0
Unemployment trust fund	2,169,118	1,885,534	846,567,293	945,367,0
Total transfers to trust accounts	1,779,300,622	1,606,125,541	20,351,026,382	18,140,552,4
Interfund transactions:				
Interest on loans to Government-owned enterprises	44,098,981	34,581,304	648,044,385	499,383,
Reimbursements	3,124,918	2,819,357	15,108,433	13,623,
Fees and other charges	....	250,000	468,800	390,
Total interfund transactions	47,223,900	37,650,662	663,621,619	513,396,
Total deductions	2,128,223,603	1,935,630,060	28,160,869,753	25,225,336,
Net administrative budget receipts	12,310,236,637	12,060,869,283	89,368,078,483	86,376,210,
EXPENDITURES				
Legislative Branch:				
Senate	2,544,321	2,481,331	29,920,822	29,309
House of Representatives	4,288,917	4,133,941	55,647,024	52,982
Architect of the Capitol	1,774,760	1,442,062	23,149,822	33,516
Botanic Garden	42,984	34,407	516,054	459
Library of Congress	2,301,300	1,762,039	21,193,281	18,263
Government Printing Office:				
General fund appropriations	2,388,827	1,985,765	22,125,334	19,612
Revolving fund (net)	-657,394	-711,743	-1,044,169	-6,939
Total--Legislative Branch	12,683,716	11,127,805	151,508,170	147,205

See footnotes on pages 10 and 14

Classification EXPENDITURES--Continued	This month	Corresponding month last year	Fiscal Year 1964 to date	Corresponding period fiscal year 1963
he Judiciary:				
Supreme Court of the United States	$163,889	$160,907	$2,107,933	$2,011,523
Court of Customs and Patent Appeals	42,818	42,247	389,209	362,823
Customs Court	79,579	78,380	916,538	902,684
Court of Claims	97,187	95,807	1,107,452	1,026,478
Courts of appeals, district courts, and other judicial services	5,341,251	5,097,320	60,606,363	57,242,558
Total--The Judiciary	5,724,726	5,474,663	65,127,496	61,546,067
xecutive Office of the President:				
Compensation of the President	12,500	12,500	150,000	150,000
The White House Office	231,417	181,028	2,704,698	2,501,535
Special projects	103,725	151,954	1,205,667	1,039,288
Executive mansion and grounds	19,122	50,176	661,705	659,586
Bureau of the Budget	734,511	448,844	6,636,366	5,824,795
Council of Economic Advisers	61,318	56,296	613,357	675,121
National Aeronautics and Space Council	33,544	30,563	422,973	393,691
National Security Council	40,923	76,676	514,630	484,917
Office of Emergency Planning:				
Emergency preparedness functions of Federal agencies	170,135	377,119	3,787,068	4,792,317
Other	409,168	520,405	5,137,453	6,149,593
Office of Science and Technology	112,665	53,825	822,650	463,665
Special representative for trade negotiations	68,734	....	400,229	....
Miscellaneous	248,510	309	-130,736	-21,588
Total--Executive Office of the President	2,246,278	1,959,701	22,926,066	23,112,922
unds appropriated to the President:				
Disaster relief	1,206,448	1,028,195	21,190,806	30,802,990
Emergency fund for the President	83,806	-295	509,190	389,345
Expansion of defense production (net)	-15,864,964	-1,345,238	91,125,167	-57,069,193
Expenses of management improvement	11,950	14,048	181,178	127,004
Peace Corps	7,145,569	3,617,493	59,082,961	42,258,588
International Financial Institutions:				
Investment in Inter-American Development Bank	....	....	50,000,000	60,000,000
Subscription to the International Development Assn	....	....	61,655,825	61,655,825
Public works acceleration	39,771,534	16,656,342	331,784,030	62,459,527
Transitional grants to Alaska	16,583,062	143,078	19,430,487	3,110,295
Other	24,590	50,429	670,952	671,070
Foreign assistance:				
Military:				
Office of Secretary of Defense:				
Repayment of credit sales [7]	-6,143,942	-2,778,542	-48,153,912	-46,401,735
Other	7,721,134	10,819,104	85,775,880	123,984,449
Department of the Army	195,740,964	257,588,137	612,347,787	806,321,952
Department of the Navy	36,501,488	37,762,166	202,335,430	198,314,009
Department of the Air Force	104,054,778	71,235,231	612,565,573	630,050,819
Agency for International Development	-1,639	5,505	2,426,866	570,014
All other agencies	272,085	1,891,305	9,093,350	7,915,001
Total--Military	338,144,868	376,522,908	1,476,390,976	1,720,754,510
Economic: [8]				
Development grants, general	26,605,582	26,077,141	222,366,233	244,877,442
Development grants, Alliance for progress	9,412,103	13,293,759	87,353,211	94,942,368
Social progress fund, Inter-American Dev. Bank	2,000,000	3,000,000	65,000,000	49,000,000
Supporting assistance	26,372,695	35,647,142	366,763,916	493,691,799
Contributions to international organizations	40,426,897	7,304,458	178,813,234	93,568,438
Contingencies	5,629,687	13,255,711	120,901,683	137,186,346
Other	10,079,753	5,005,500	62,954,311	56,539,268
Public enterprise funds (net):				
Alliance for progress, development loans	28,245,951	142,286,833	108,978,143	190,594,844
Development loan funds	69,147,810	-73,795,669	769,010,436	685,621,693
Foreign investment guarantee fund	-763,532	-317,192	-4,831,094	-2,930,625
Total--Economic	217,156,948	171,757,685	1,977,310,075	2,043,091,577
Total--Foreign assistance	555,301,816	548,280,593	3,453,701,052	3,763,846,087
Total--Funds appropriated to the President	604,263,816	568,444,647	4,089,331,653	3,968,251,540
'iculture Department:				
gricultural Research Service:				
Intragovernmental funds (net)	109,794	140,760	35,701	136,927
Other	21,477,299	15,207,368	191,762,407	175,617,805
ooperative state research service	186,658	110,385	41,608,814	37,992,460
xtension Service	1,107,410	742,890	79,397,237	74,545,376
armer Cooperative Service	119,924	87,413	1,207,956	653,647
oil Conservation Service:				
Conservation operations	8,326,066	7,884,782	96,212,097	92,997,438
Flood prevention, watershed protection and other	7,142,712	6,733,312	85,025,250	79,607,889
Great Plains conservation program	1,327,200	944,396	11,881,542	9,745,908
conomic Research Service	1,185,819	678,645	10,078,186	9,742,444
atistical Reporting Service	1,476,432	1,098,126	11,170,247	10,019,448

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Classification EXPENDITURES--Continued	This month	Corresponding month last year	Fiscal Year 1964 to date	Corresponding period fiscal year 1!
Agriculture Department--Continued				
Agricultural Marketing Service:				
Marketing research and service	$3,565,434	$2,247,561	$43,527,763	$40,61
Payments to States and possessions	23,248	23,368	1,500,000	1,42
Special milk program	12,480,917	737,516	97,476,645	95,36
School lunch program	339,901	295,012	180,648,481	169,59
Removal of surplus agricultural commodities	112,442,542	16,726,963	[9] 270,011,179	131,78
Intragovernmental funds (net)	821	2,698	370	-
Other	89,177	59,998	834,907	77
Total--Agricultural Marketing Service	128,942,043	20,093,120	593,999,348	439,55
Foreign Agricultural Service	1,685,322	1,569,905	19,620,290	16,56
Commodity Exchange Authority	121,563	83,476	1,115,794	1,04
Agricultural Stabilization and Conservation Service:				
Expenses, Agricultural Stabilization and Conservation Service	16,028,942	9,479,475	116,840,243	88,48
Acreage allotments and marketing quotas	...	-10,393	667	7
Sugar act program	95,604	1,039,921	87,071,359	76,92
Agricultural conservation program	12,227,006	2,237,640	200,542,250	210,78
Cropland conservation program	72,145	3,995,585	9,113,026	3,99
Emergency conservation measures	8,883,534	237,485	12,005,527	2,70
Soil bank program	173,350	-3,408,127	289,927,029	305,37
Intragovernmental funds (net)	-61,069	-1,289,066	-396,191	11,00
Foreign assistance and Commodity Credit Corporation:				
Foreign assistance programs	194,231,055	124,197,744	2,089,588,077	2,091,02
Commodity Credit Corporation:				
Public enterprise funds (net):				
Price support and related programs and special milk [10]	-91,933,970	-354,187,096	3,487,696,801	3,115,73
Special activities financed by C.C.C [11]	-19,596,479	485,627,489	-449,995,078	-68,671
Total--Foreign assistance and C.C.C.	82,700,605	255,638,137	5,127,289,800	5,138,08
Federal Crop Insurance Corporation:				
Administrative expenses	430,174	-1,473,207	7,665,056	6,793
Federal Crop Insurance Corporation fund (net)	1,309,386	2,167,434	-1,356,635	7,713
Rural Electrification Administration:				
Loans	29,745,927	24,884,363	330,193,786	331,656
Salaries and expenses	1,294,891	466,320	11,354,180	10,395
Farmers Home Administration:				
Rural housing grants and loans	13,190,728	8,281,583	130,578,247	184,203
Rural renewal	35,562	...	142,733	...
Salaries and expenses	4,241,208	1,842,706	39,793,962	35,690
Public enterprise funds (net):				
Direct loan account	13,873,757	10,992,240	60,128,514	55,011
Emergency credit revolving fund	225,532	531,884	-8,615,419	7,384
Agricultural credit insurance fund	-3,118,061	1,805,860	42,351,113	13,548
Rural housing for the elderly, revolving fund	50,000	...	100,000	...
Total--Farmers Home Administration	28,498,727	23,454,275	264,479,150	295,838
Office of Rural Areas Development	221,731	134,324	186,559	-155
Office of General Counsel	454,945	272,192	4,024,659	3,773
Office of Information	161,419	109,605	1,642,327	1,577
Centennial observance of Agriculture	...	-480	...	58
National Agricultural Library	164,359	110,668	1,455,623	1,153
General administration:				
Intragovernmental funds (net)	200,203	11,802	-283,505	241
Other	696,441	293,450	4,304,049	3,423
Forest Service:				
Intragovernmental funds (net)	-249,293	-551,067	-531,969	255
Other	26,310,433	21,411,480	317,676,727	286,860
Total--Agriculture Department	382,567,716	394,586,405	7,926,318,599	7,735,260
Commerce Department:				
General Administration:				
Public enterprise funds (net)	-1,100	-300	-17,611	-13
Other	814,813	380,862	15,520,806	7,668
Economic development:				
Area Redevelopment Administration:				
Public enterprise funds (net)	-580,665	-42,468	-2,321,500	-495
Other	9,766,034	11,750,579	70,222,319	39,459
Office of Business Economics	153,630	148,255	1,908,364	1,848
Bureau of the Census	2,792,960	2,281,578	30,348,097	19,392
Business and Defense Services Administration	429,839	486,958	4,963,544	3,993
Office of Field Services	300,310	281,576	3,637,255	3,387
International activities	1,098,402	932,042	11,976,850	10,026
Office of Trade Adjustment	5,849	2,689	107,733	2
U. S. Travel Service	215,418	164,784	2,544,678	2,902
Total--Economic development	14,181,779	16,005,996	123,387,345	80,517

See footnotes on page 14

Classification EXPENDITURES--Continued	This month	Corresponding month last year	Fiscal Year 1964 to date	Corresponding period fiscal year 1963
mmerce Department--Continued				
Science and technology:				
Civilian industrial technology	$10,055	$3,409	$138,124	$3,409
Coast and Geodetic Survey	2,595,466	2,392,828	33,336,347	25,077,124
Patent Office	2,020,594	2,165,394	27,276,906	26,504,425
National Bureau of Standards:				
Intragovernmental funds (net)	1,808,521	436,279	633,270	-3,512,579
Other	2,766,048	4,023,144	47,264,348	44,917,549
Office of Technical Services	97,279	4,263	697,181	1,098,871
Weather Bureau	7,536,618	6,300,897	89,405,146	85,293,663
Total--Science and technology	16,834,586	15,326,218	198,751,324	179,382,465
Transportation:				
Inland Waterways Corporation (net)	....	....	-799,500	-824,749
Martime Administration:				
Public enterprise funds (net)	-742,014	-1,604,613	5,790,747	9,131,226
Operating-differential subsidies	12,127,052	5,477,460	203,036,847	220,676,685
Other	10,146,276	11,763,358	98,344,761	134,988,576
Bureau of Public Roads	2,178,384	4,114,930	39,864,523	44,121,265
Transportation Research	30,939	1,149	920,598	1,149
Total--Transportation	23,740,638	19,752,285	347,157,977	408,094,154
Total--Commerce Department	55,570,717	51,465,062	684,799,843	675,649,766
fense Department:				
Military:				
Military personnel:				
Department of the Army	531,603,716	438,199,111	4,595,872,237	4,302,548,368
Department of the Navy	370,775,919	287,761,263	3,830,874,041	3,485,621,076
Department of the Air Force	395,423,024	362,450,271	4,549,072,608	4,196,666,324
Defense agencies	108,241,119	89,073,187	1,209,507,228	1,014,673,118
Total--Military personnel	1,406,043,779	1,177,483,833	14,185,326,117	12,999,508,887
Operation and maintenance:				
Department of the Army	304,790,288	350,110,115	3,558,829,032	3,757,264,125
Department of the Navy	265,863,545	317,914,009	3,071,345,043	3,058,088,202
Department of the Air Force	570,630,935	396,379,554	4,698,175,569	4,682,112,602
Defense agencies	49,135,467	36,535,534	504,237,634	351,169,315
Total--Operation and maintenance	1,190,420,235	1,100,939,213	11,832,587,279	11,848,634,246
Procurement:				
Department of the Army	112,011,816	213,080,916	2,311,584,491	2,370,712,612
Department of the Navy	824,233,202	938,150,124	6,044,170,191	6,580,950,550
Department of the Air Force	771,936,040	812,971,672	6,958,512,696	7,698,028,133
Defense agencies	4,752,662	1,086,664	34,812,699	6,774,431
Subtotal	1,712,933,721	1,965,289,377	15,349,080,079	16,656,465,728
Classification adjustment[2]	....	-6,082,000	....	-339,100,000
Total--Procurement	1,712,933,721	1,959,207,377	15,349,080,079	16,317,365,728
Research, development, test and evaluation:				
Department of the Army	144,298,455	190,103,347	1,334,717,130	1,354,424,879
Department of the Navy	154,485,495	133,756,221	1,578,241,260	1,429,341,325
Department of the Air Force	411,265,316	322,147,680	3,721,436,335	3,300,374,264
Defense agencies	43,474,533	36,449,414	384,428,145	291,423,529
Subtotal	753,523,800	682,456,663	7,018,822,872	6,375,563,998
Classification adjustment[2]	....	6,082,000	....	339,100,000
Total--Research, development, test and evaluation	753,523,800	688,538,663	7,018,822,872	6,714,663,998
Military construction:				
Department of the Army	33,695,129	-5,966,167	232,581,387	178,352,485
Department of the Navy	12,740,160	19,722,118	188,708,090	195,783,794
Department of the Air Force	61,509,925	71,672,147	552,479,325	741,984,273
Defense agencies	8,827,843	1,268,981	49,133,862	27,467,877
Total--Military construction	116,773,059	86,697,079	1,022,902,665	1,143,588,431
Family housing:				
Department of the Army	25,897,545	17,445,353	203,220,781	155,498,589
Department of the Navy	13,057,869	9,644,679	131,437,396	87,842,812
Department of the Air Force	26,794,046	35,407,034	240,448,286	181,290,712
Defense agencies	1,206,324	-21,422,198	3,188,164	2,025,815
Total--Family housing	66,955,785	41,074,869	578,294,628	426,657,928
Civil Defense	8,354,102	7,928,578	106,825,198	202,614,053

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Classification EXPENDITURES--Continued	This month	Corresponding month last year	Fiscal Year 1964 to date	Correspondi period fiscal year 1
Defense Department--Continued				
Military--Continued				
Revolving and management funds (net):				
Public enterprise funds:				
Department of the Army:				
Defense housing	....	....	....	....
Defense production guarantees	-$2.437	-$4,973	-$37,061	-$7
Department of the Navy:				
Defense production guarantees	-857,247	-241,530	1,095,471	-69
Other	7,748	46,325	36,819	-2
Department of the Air Force--Defense production guarantees	-948,781	374,242	2,671,910	4,43
Defense agencies	-525	....	-855	....
Civil defense procurement fund	-5,085	1,421	345	-4
Intragovernmental funds:				
Department of the Army	-14,039,536	-343,100,905	-82,054,549	-464,72
Department of the Navy	-83,199,641	-478,745,612	-204,736,049	-743,91
Department of the Air Force	20,091,695	16,603,306	-1,717,018	17,94
Defense agencies	-22,977,935	-130,991,745	-156,833,696	-213,518
Undistributed stock fund transactions	-49,933,412	-132,863,245	96,824,427	....
Total--Revolving and management funds	-151,865,159	-1,068,922,717	-344,750,255	-1,400,612
Total--Military	5,103,139,325	3,992,946,898	49,749,088,586	48,252,420
Civil:				
Army:				
Corps of Engineers:				
Rivers and harbors and flood control	119,978,639	100,797,087	1,091,865,870	1,069,380
Intragovernmental funds (net)	3,055,902	1,017,674	839,479	2,542
The Panama Canal:				
Canal Zone Government	3,724,763	2,319,444	30,806,089	26,720
Panama Canal Company:				
Public enterprise funds (net)	2,596,038	3,108,109	2,083,774	8,364
Thatcher Ferry Bridge	735	205,278	-310,650	1,716
Total--The Panama Canal	6,321,536	5,632,832	32,579,214	36,800
Other	2,942,671	1,718,825	27,730,713	19,314
Navy--Wildlife conservation, etc.	....	....	1,290	....
Air Force--Wildlife conservation, etc.	1,592	2,177	25,498	28
Total--Civil	132,300,342	109,168,597	1,153,042,067	1,128,065
Total--Defense Department	5,235,439,668	4,102,115,496	50,902,130,653	49,380,486
Health, Education, and Welfare Department:				
Food and Drug Administration:				
Public enterprise fund (net)	61,767	....	-134,185	....
Other	4,417,728	2,745,417	38,510,147	29,227
Office of Education:				
Payments to school districts	23,653,781	18,862,596	283,687,269	276,868
Assistance for school construction	2,131,884	7,070,372	50,601,125	66,241
Defense educational activities	12,503,620	14,028,545	239,576,372	198,335
Other	2,445,078	1,942,957	86,022,886	82,258
Vocational Rehabilitation Administration	3,694,069	2,179,641	119,907,952	97,593
Public Health Service:				
Community health:				
Hospital construction activities	18,088,660	13,692,193	194,388,293	189,116
Other	11,237,185	4,750,592	118,191,979	80,615
Environmental health	13,631,891	8,755,075	140,711,965	111,536
Medical services	11,768,439	9,961,136	123,267,934	118,798
National Institutes of Health	97,051,456	72,499,600	906,761,334	723,596
Operation of commissaries, narcotic hospitals (net)	4,114	3,846	-5,228	2
Emergency health activities	632,566	1,677,034	19,388,371	19,998
Other	20,753,194	11,389,780	35,410,885	10,938
Total--Public Health Service	173,167,507	122,729,259	1,538,115,536	1,254,604
Saint Elizabeths Hospital	-293,761	526,212	9,351,876	7,489
Social Security Administration:				
Operating fund, Bureau of Federal Credit Unions (net)	177,921	46,060	116,471	-132
Other	4,532	3,229	-339	32
Welfare Administration:				
Grants to States for public assistance	421,469,494	186,382,680	2,944,051,522	2,729,582
Grants for maternal and child welfare	7,568,165	2,153,574	89,355,448	76,057
Other	5,835,642	5,853,404	61,433,832	65,862
Special institutions:				
American Printing House for the Blind	....	....	775,000	718
Freedmen's Hospital	441,803	430,360	4,173,462	3,739
Gallaudet College	191,833	74,960	2,353,511	1,982
Howard University	1,292,083	1,138,344	12,087,750	11,127
Office of the Secretary:				
Intragovernmental funds (net)	48,962	-23,042	-80,739	48
Other	1,742,704	809,882	10,420,999	7,700
Total--Health, Education, and Welfare Dept.	660,554,822	366,954,456	5,490,325,901	4,909,339

Classification EXPENDITURES--Continued	This month	Corresponding month last year	Fiscal Year 1964 to date	Corresponding period fiscal year 1963
terior Department:				
Public Land Management:				
Bureau of Land Management	$5,122,097	$4,500,838	$118,569,464	$113,568,445
Bureau of Indian Affairs:				
Public enterprise funds (net):				
Revolving fund for loans	359,804	1,023,438	5,094,471	4,860,923
Other	-50	-222	-1,647	2,028
Other	15,782,086	14,714,760	199,224,749	191,329,990
National Park Service	10,238,435	9,470,320	128,178,112	110,543,324
Bureau of Outdoor Recreation	141,044	122,787	1,900,049	969,030
Office of Territories:				
Public enterprise funds (net)	....	-12,356	-86,244	22,854
Other	65,343	2,073,705	40,200,365	31,033,551
The Alaska Railroad (net)	1,666,836	-149,985	1,859,142	-942,184
Mineral Resources:				
Geological Survey	2,213,018	3,825,880	62,283,578	56,490,758
Bureau of Mines:				
Public enterprise funds (net)	657,158	235,633	9,794,345	-9,507,974
Other	3,212,936	3,125,103	38,878,471	37,365,743
Office of Coal Research	342,751	164,604	2,626,813	1,470,232
Office of Minerals Exploration	74,346	87,550	1,200,147	2,060,258
Office of Oil and Gas	55,375	42,897	613,212	556,154
Fish and Wildlife Service:				
Office of Commissioner of Fish and Wildlife	26,327	42,195	380,112	375,801
Bureau of Commercial Fisheries:				
Public enterprise funds (net)	166,427	-16,329	-535,402	-1,402,298
Other	3,111,805	2,511,031	32,733,531	27,166,087
Bureau of Sport Fisheries and Wildlife	7,145,642	5,093,228	70,241,582	65,790,800
Water and Power Development:				
Bureau of Reclamation:				
Public enterprise funds (net):				
Continuing fund for emergency expenses, Fort Peck project, Montana	-26,871	30,530	-895,609	-995,560
Upper Colorado River Basin fund	7,411,107	8,212,037	95,562,384	106,528,560
Other	22,851,372	19,153,310	244,639,067	238,644,056
Total--Bureau of Reclamation	30,235,608	27,395,879	339,305,842	344,177,055
Bonneville Power Administration	5,616,742	2,222,763	45,078,211	29,970,123
Southeastern Power Administration	55,887	27,472	757,563	457,226
Southwestern Power Administration	547,709	745,000	10,303,474	6,215,907
Office of Saline Water	1,362,260	1,068,401	9,493,993	8,674,176
Secretarial Offices:				
Office of the Solicitor	302,323	304,945	3,901,852	3,676,661
Office of the Secretary	369,298	363,652	3,733,855	3,321,948
Virgin Islands Corporation (net)	-88,018	104,556	326,052	553,819
Total--Interior Department	88,783,200	79,087,756	1,126,055,702	1,028,800,448
stice Department:				
Legal activities and general administration	5,038,687	5,080,643	60,657,568	58,083,292
Federal Bureau of Investigation	12,160,199	10,483,202	143,024,458	135,527,256
Immigration and Naturalization Service	5,380,889	5,532,860	67,101,006	66,323,120
Federal Prison System:				
Federal Prison Industries, Inc. (net)	4,103,588	-40,527	-609,926	-3,120,855
Other	6,244,171	4,862,580	61,558,705	60,222,447
Total--Justice Department	32,927,537	25,918,759	331,731,812	317,035,261
abor Department:				
Bureau of Labor Statistics	1,666,091	1,072,737	17,860,362	15,824,965
Bureau of International Labor Affairs	102,897	33,671	943,910	791,027
Manpower Administration:				
Public enterprise funds (net):				
Advances to employment security administration account, unemployment trust fund	....	4,500,000	-7,434,616	-85,248,149
Farm labor supply revolving fund	56,593	44,786	-1,140,025	-1,225,817
Manpower, development and training activities	16,574,184	11,419,121	109,928,441	51,823,615
Bureau of Apprenticeship and Training	590,199	427,659	5,647,074	5,290,556
Payment to the Federal extended compensation account	-19,358,259	....	-19,357,595	2,391,879
Unemployment compensation for Federal employees and ex-servicemen	15,742,604	19,349,210	152,514,219	152,858,563
Other	329,210	1,377,757	9,154,011	9,998,064
Total--Manpower Administration	13,934,532	37,118,536	249,311,510	135,888,712
Labor-Management Relations:				
Bureau of Veterans' Reemployment Rights	80,671	54,883	755,837	653,297
Labor-Management Services Administration	904,654	494,848	7,240,007	5,928,835
Wage and Labor Standards:				
Bureau of Labor Standards	376,991	346,065	3,708,641	4,155,910
Women's Bureau	61,635	74,105	802,380	914,056
Wage and Hour Division	2,046,564	1,569,294	19,925,639	17,789,364

Classification EXPENDITURES--Continued	This month	Corresponding month last year	Fiscal Year 1964 to date	Correspondi period fiscal year 1
Labor Department--Continued				
Employees' Compensation:				
Employees' compensation claims and expenses	$5,918,857	$4,202,987	$58,810,545	$65,26
Other	386,785	259,837	4,376,178	3,89
Office of the Solicitor	490,903	411,149	4,615,823	4,30
Office of the Secretary	-447,920	237,627	1,917,182	1,86
Total--Labor Department	25,522,665	45,875,744	370,268,018	257,27
Post Office Department:				
Public enterprise fund (net)--Postal fund	45,476,932	104,170,705	[3] 546,565,143	770,33
State Department:				
Administration of foreign affairs:				
Salaries and expenses	-7,412,616	-6,103,965	[13] 144,168,567	151,91
Acquisition, operation and maintenance of buildings abroad	1,135,315	5,962,166	15,127,772	13,42
Intragovernmental funds (net)	45,059	59,759	347,385	-1,45
Other	226,691	171,500	3,201,498	2,95
Total--Administration of foreign affairs	-6,005,550	89,460	162,845,224	166,84
International organizations and conferences:				
Contributions to international organizations	842,983	1,822,738	98,830,963	94,55
Loans to the United Nations	769,379	6,854,082	4,193,354	72,06
Other	693,037	720,794	5,126,336	4,231
International commissions	969,980	371,285	12,483,122	15,99
Educational exchange	3,809,204	3,608,614	45,368,410	45,579
Other	2,037,376	1,550,662	11,817,240	9,210
Total--State Department	3,116,411	15,017,637	340,664,652	408,493
Treasury Department:				
Office of the Secretary:				
Public enterprise funds (net):				
Reconstruction Finance Corp. liquidation fund	-1,732,862	-59,170	-2,435,632	-3,126
Federal Farm Mortgage Corp. liquidation fund	-133,036	-135,740	-407,150	-532
Civil defense program fund	-5,699	-5,974	-58,711	-135
Intragovernmental funds (net)	152	94	574	-1
Other	544,732	341,985	5,283,003	4,624
Bureau of Accounts:				
Interest on uninvested funds	97,583	97,819	10,719,407	10,917
Claims, judgments and relief acts	13,544,551	2,046,511	31,896,388	26,247
Government losses in shipment fund (net)	3,091	9,098	338,917	536
Salaries and expenses	1,570,128	3,944,024	31,853,244	31,935
Other	5	....	138	
Bureau of Customs:				
Intragovernmental funds (net)	261,396	109,921	....	....
Other	8,469,244	5,329,600	74,610,902	67,267
Bureau of Engraving and Printing:				
Intragovernmental funds (net)	135,508	-139,747	252,693	-2,272
Other	68,220	64	148,451	43
Bureau of the Mint	835,959	484,186	9,009,044	7,534
Bureau of Narcotics	595,144	372,392	5,388,576	4,659
Bureau of Public Debt	4,107,829	4,408,663	48,545,485	48,786
Coast Guard:				
Intragovernmental funds (net)	1,340,168	462,522	-1,633,293	-2,195
Other	30,382,166	21,637,467	351,098,641	298,777
Internal Revenue Service:				
Interest on refunds of taxes	6,441,580	6,230,559	88,384,298	73,857
Payments to Puerto Rico for taxes collected	4,650,060	4,504,347	44,961,835	44,779
Salaries and expenses	66,652,341	40,320,722	560,193,281	497,273
Office of the Treasurer:				
Check forgery insurance fund (net)	5,072	1,433	20,147	-2
Other	978,503	1,278,215	13,656,652	16,111
United States Secret Service	1,066,693	644,674	9,133,698	7,540
Interest on the public debt:[14]				
Public issues	794,966,009	727,818,667	9,287,452,118	8,604,272
Special issues	153,246,075	137,215,395	1,385,751,289	1,291,031
Total--Interest on the public debt	948,212,085	865,034,062	10,673,203,408	9,895,303
Total--Treasury Department	1,088,090,621	956,917,735	11,954,164,001	11,027,930
Atomic Energy Commission	242,485,076	241,253,167	2,764,926,471	2,757,875
Federal Aviation Agency:				
Grants-in-aid for airports	4,986,010	4,441,959	65,247,695	51,493
Other	61,301,332	53,612,052	685,324,424	674,817
Total--Federal Aviation Agency	66,287,342	58,054,011	750,572,119	726,310
General Services Administration:				
Real property activities:				
Construction, public buildings projects	18,017,113	13,691,677	160,818,336	91,778
Repair and improvement of public buildings	4,298,027	4,743,991	71,218,462	62,502
Intragovernmental funds (net)	14,248,050	22,123,785	-16,027,427	5,707
Other	2,402,283	4,596,260	258,507,074	232,419

See footnotes on pages 10 and 14

Classification EXPENDITURES--Continued	This month	Corresponding month last year	Fiscal Year 1964 to date	Corresponding period fiscal year 1963
General Services Administration--Continued				
Personal property activities:				
Intragovernmental funds (net)	-$758,052	-$4,255,817	$33,455,905	-$17,894,710
Other	3,491,109	2,309,021	46,469,499	40,090,613
Utilization and disposal activities	768,006	710,934	9,574,633	9,698,832
Records activities	1,147,626	1,021,517	14,554,876	14,389,420
Transportation and communications activities	314,417	359,284	4,920,125	4,651,510
Defense materials activities:				
Public enterprise funds (net)	....	....	....	30
Intragovernmental funds (net)	456,183	410,594	-185,916	-859,182
Strategic and critical materials	1,295,209	1,618,462	15,944,031	22,671,105
Other	....	....	....	....
General activities:				
Public enterprise funds (net)	-862	-2,283	-582,931	-168,488
Intragovernmental funds (net)	1,994,764	1,437,959	-618,509	-700,075
Other	150,340	136,009	1,741,337	1,608,634
Total--General Services Administration	47,824,217	48,901,399	599,789,499	465,895,964
Housing and Home Finance Agency:				
Office of the Administrator:				
Public enterprise funds (net):				
College housing loans	11,554,897	15,276,108	219,334,549	283,573,515
Liquidating programs	-63,792	-199,659	-1,799,428	-2,013,934
Urban renewal fund	24,555,033	-6,898,427	235,012,399	173,208,174
Other	4,489,695	1,726,969	79,959,060	53,608,487
Open-space land grants	710,493	....	5,130,371	265,013
Other	3,942,009	1,919,734	31,409,106	27,180,078
Total--Office of the Administrator	45,188,335	11,824,726	569,046,057	535,821,334
Federal National Mortgage Association (net):				
Loans for secondary market operations	-14,360,000	....	4,460,000	....
Purchase of preferred stock	....	....	-70,820,304	....
Management and liquidating functions fund	2,348,015	-10,595,593	-147,365,911	-162,265,416
Special assistance functions fund	-18,036,167	-54,762,176	-139,094,640	-277,044,015
Total--Federal National Mortgage Association	-30,048,152	-65,357,769	-352,820,856	-439,309,432
Federal Housing Administration (net)	-45,208,432	19,367,965	-16,798,744	134,950,803
Public Housing Administration (net)	18,107,694	20,474,988	149,212,786	178,867,002
Total--Housing and Home Finance Agency	-11,960,554	-13,690,088	348,639,242	410,329,708
National Aeronautics and Space Administration	504,373,303	299,652,291	4,170,522,237	2,552,346,500
Veterans Administration:				
Compensation, pensions, and benefit programs	341,720,968	336,478,344	4,060,109,895	4,001,325,547
Public enterprise funds (net):				
Direct loans to veterans and reserves	-14,054,168	-34,633,854	-32,306,086	-86,186,773
Loan guaranty revolving fund	28,696,564	-18,128,851	76,480,071	-22,921,880
Other	-5,166,544	-3,622,346	-16,838,377	-20,676,318
Other	147,786,915	103,656,359	1,393,478,139	1,301,281,942
Total--Veterans Administration	498,983,735	383,749,651	5,480,923,643	5,172,822,517
Other independent agencies:				
Advisory Commission on Intergovernmental Relations	34,988	24,851	361,622	411,589
Alaska International Rail and Highway Commission	....	-640	....	-640
American Battle Monuments Commission	229,409	115,159	1,677,602	1,826,041
Central Intelligence Agency-construction	-12,137	19,940	265,516	1,722,419
Civil Aeronautics Board:				
Payments to air carriers	5,356,900	6,695,229	84,122,285	81,856,762
Other	826,415	755,956	10,022,669	9,374,166
Civil Service Commission:				
Payment to Civil Service retirement and disability fund	....	....	62,000,000	30,000,000
Government payment for annuitants, employees health benefits fund	....	....	9,500,000	6,789,000
Government contribution, retired employees health benefits fund	....	....	14,800,000	13,200,000
Other	2,774,316	2,047,179	25,126,181	23,693,760
Total--Civil Service Commission	2,774,316	2,047,179	111,426,181	73,682,760
Commission of Fine Arts	8,188	6,482	87,078	82,208
Commission on Civil Rights	73,958	63,362	821,088	1,045,824
Commission on International Rules of Judicial Procedure	....	2,530	7,469	2,530
Export-Import Bank of Washington (net)	-37,619,229	-26,733,725	-701,783,845	-391,550,110
Farm Credit Administration:				
Public enterprise funds (net):				
Short-term credit investment fund	1,100,000	2,200,000	5,490,000	13,310,000
Banks for cooperatives investment fund	....	....	-13,926,400	-11,979,500
Total--Public enterprise funds	1,100,000	2,200,000	-8,436,400	1,330,500
Administrative expenses	215,336	206,242	2,668,497	2,567,229
Total--Farm Credit Administration	1,315,336	2,406,242	-5,767,902	3,897,729

Classification EXPENDITURES--Continued	This month	Corresponding month last year	Fiscal Year 1964 to date	Corresponding period fiscal year 196
Other independent agencies--Continued				
Federal Coal Mine Safety Board of Review	$5,045	$4,974	$63,760	$59
Federal Communications Commission	1,651,863	1,116,328	16,717,021	14,087
Federal Home Loan Bank Board (net):				
Federal Savings and Loan Insurance Corp. fund	-145,073,246	-81,741,397	-248,099,765	-263,543
Other	64,172	58,342	-322,431	-118
Federal Maritime Commission	209,687	203,175	2,611,387	2,142
Federal Mediation and Conciliation Service	646,766	392,332	5,701,676	5,051
Federal Power Commission	1,350,468	927,508	12,324,394	10,711
Federal Reconstruction and Development Planning Commission for Alaska	32,441	....	-20,685	....
Federal Trade Commission	942,153	956,117	12,117,728	11,515
Foreign Claims Settlement Commission	1,912,109	86,269	8,800,183	804
General Accounting Office	5,035,091	3,361,859	45,116,087	42,293
Historical and memorial commissions	18,735	15,311	122,936	99
Indian Claims Commission	32,827	14,248	294,478	268
Interstate Commerce Commission	1,962,142	1,961,655	24,378,287	23,518
National Capital Housing Authority	-410	4,327	38,383	40
National Capital Planning Commission	82,823	54,098	735,483	1,881
National Capital Transportation Agency	81,785	120,778	981,682	2,322
National Labor Relations Board	1,786,368	1,650,213	22,049,363	20,945
National Mediation Board	185,285	158,857	1,939,470	1,811
National Science Foundation	46,415,368	27,950,519	310,172,286	206,372
Outdoor Recreation Resources Review Commission	....	153	6	87
Participation in Interstate Federal Commissions:				
Delaware River Basin Commission	2,493	2,640	152,795	129
Interstate Commission on the Potomac River Basin	....	....	5,000	5
President's Adv. Com. on Labor-Mgmt. Policy	10,127	5,069	112,514	120
Railroad Retirement Board	....	-601,407	....	-601
Renegotiation Board	199,637	199,553	2,508,699	2,325
Saint Lawrence Seaway Development Corporation (net)	156,524	149,104	154,131	1,436
Securities and Exchange Commission	1,598,873	1,039,052	14,336,737	13,206
Selective Service System	5,794,677	2,897,030	40,931,856	34,488
Small Business Administration:				
Public enterprise funds (net)	18,472,850	20,160,205	122,996,214	137,408
Salaries and expenses	1,204,524	2,469,943	8,472,654	4,849
Other	224,231	133,906	143,662	149
Total--Small Business Administration	19,901,606	22,764,055	131,612,531	142,407,
Smithsonian Institution	2,377,432	1,421,050	21,789,708	20,203,
Subversive Activities Control Board	37,054	25,489	348,466	337,
Tariff Commission	225,458	219,319	2,931,835	2,767,
Tax Court of the United States	188,732	144,615	1,927,620	1,769,
Tennessee Valley Authority (net)	10,634,863	5,119,083	59,286,671	53,448,
U.S. Arms Control and Disarmament Agency	957,870	200,699	6,190,028	2,333,
United States Information Agency:				
Informational media guarantee fund (net)	104,777	-152,587	1,046,709	1,849,
Salaries and expenses	17,833,641	16,003,559	139,747,881	131,564,
Radio construction	657,433	1,280,762	12,156,829	14,755,
Other	670,572	523,070	7,347,793	7,293,
Total--U.S. Information Agency	19,266,425	17,654,804	160,299,213	155,463,
United States Study Commissions	....	19,442	170,418	774,
Total--Other independent agencies	-48,318,592	-6,042,150	159,719,733	293,322,
District of Columbia:				
Federal payment to District of Columbia	....	....	40,368,000	33,199,
Advances for general expenses (repayable)	17,000,000	10,000,000	7,000,000	7,000,
Loans to District of Columbia for capital outlay	1,025,000	1,250,000	9,450,000	24,950,
Loans to District of Columbia (stadium fund)	....	....	655,800	415,
Interfund transactions (-) (See detail on page 2)	-47,223,900	-37,650,662	-663,621,619	-513,396,
Net administrative budget expenditures	9,513,444,459	7,714,594,199	97,670,862,844	92,641,797,
Administrative budget surplus (+) or deficit (-)	+2,796,792,178	+4,346,275,083	-8,302,784,360	-6,265,586,

FOOTNOTES

Source: Prepared by the United States Treasury Department, Bureau of Accounts, on the basis of reports received from disbursing, collecting, and administrative agencies of the Government.

*From 1965 Budget Document released January 21, 1964. Revised estimates of administrative budget receipts and expenditures for fiscal years 1964 and 1965 were submitted to the President by the Secretary of the Treasury and the Budget Director and announced by the White House on May 22, 1964 as follows in billions of dollars: fiscal year 1964: receipts $89.5; expenditures $98.3; deficit (-) $8.8; fiscal year 1965: receipts $91.5; expenditures $97.3; deficit (-) $5.8.

[1] This statement is preliminary and based on reports from disbursing, collecting and administrative agencies of the Government received through July 14, 1964. Final reports of Government disbursing, collecting and administrative agencies, including certain overseas transactions for the year ended June 30, 1964, which it has not been possible to include in this statement, will be incorporated in the final statement for fiscal year 1964 to be published at a later date.

[2] Includes debt not subject to limitation, which on June 30, 1 amounted to $361,717,548. The statutory debt limitation establi at $285 billions by act approved June 30, 1959, has been tempora increased during the periods covered by this table. The dates each increase became effective are as follows: $293 billion July 1, 1960; $298 billions on July 1, 1961; $300 billions on March 1962; $308 billions on July 1, 1962; $305 billions on April 1, 1 $307 billions on May 29, 1963; $309 billions on July 1, 1963; billions on December 1, 1963; and $324 billions on June 29, 1964

[3] Transactions cover the period July 1, 1963 through June 30, and are partially estimated.

[4] Distribution between income taxes and employment taxes m in accordance with provisions of Sec. 201 of the Social Security as amended, for transfer to the Federal Old-Age and Survivors surance Trust Fund and the Federal Disability Insurance Trust F

Footnotes continued on pag

Classification RECEIPTS	This month	Corresponding month last year	Fiscal Year 1964 to date	Corresponding period fiscal year 1963
gislative Branch:				
Payments from general fund	$89,555	$89,360	$179,799	$179,429
Other	162,326	88,092	1,831,310	1,450,768
e Judiciary:				
Judicial survivors annuity fund:				
Contributions	49,506	49,100	645,013	595,159
Interest on investments	1,519	1,519	81,624	62,941
nds appropriated to the President:				
Foreign assistance--military advances	31,493,661	209,878,700	719,850,460	949,788,903
Foreign assistance--economic	105,026	702,287	769,082	3,624,085
Other	64,324	243	164,273	127,627
riculture Department	4,091,004	4,477,080	54,797,030	51,034,531
mmerce Department:				
Highway trust fund:				
Transfers from general fund receipts	319,900,000	266,900,000	3,645,793,198	3,405,017,064
Less refunds of taxes	....	....	-126,636,555	-126,319,308
Interest on investments	4,636,401	7,941,213	20,361,229	14,268,227
Total--Highway trust fund	324,536,401	274,841,213	3,539,517,872	3,292,965,983
Other	834,329	852,644	32,633,677	28,499,085
fense Department:				
Military	8,300	52,635	5,174,835	5,549,191
Civil:				
Payments from general fund	....	....	3,057,247	2,956,696
Other	589,557	4,047,541	42,896,326	34,689,044
alth, Education, and Welfare Department:				
Federal old-age and survivors insurance trust fund:				
Transfers from general fund receipts:				
Appropriated	1,332,546,305	1,187,840,292	14,488,596,928	12,466,041,002
Unappropriated	-22,000,000	11,000,000	-1,000,000	13,000,000
Less refunds of taxes	....	....	-152,470,000	-127,850,000
Deposits by States	-1,307,595	-3,482,073	1,166,598,174	989,571,146
Interest and profits on investments	196,700,791	180,952,669	539,044,380	512,407,651
Other	16,857	9,220	2,603,613	2,490,079
Total--Federal old-age and survivors insurance trust fund	1,505,956,358	1,376,320,108	16,043,373,097	13,855,659,880
Federal disability insurance trust fund:				
Transfers from general fund receipts:				
Appropriated	96,574,804	90,258,863	1,070,185,734	1,006,337,625
Unappropriated	-3,000,000	-1,000,000	....	-1,000,000
Less refunds of taxes	....	....	-13,330,000	-11,575,000
Deposits by States	1,688,821	3,974,118	86,305,332	81,858,483
Interest and profits on investments	27,635,934	30,206,257	67,659,757	69,635,323
Total--Federal disability insurance trust fund	122,899,560	123,439,239	1,210,820,825	1,145,256,432
Other	29,938	11,573	866,685	541,432
terior Department:				
Indian tribal funds	17,837,440	2,988,053	67,651,590	46,504,095
Payments from general fund	11,443,729	24,685	26,060,207	22,653,975
Other	1,142,686	1,381,010	10,831,745	11,455,245
bor Department:				
Unemployment trust fund:				
Employment security administration account:				
Transfers (Federal unemployment taxes):				
Appropriated	2,545,000	2,586,000	854,305,736	948,338,550
Unappropriated	194,212	-281,488	-3,447,607	125,642
Less refunds of taxes	-570,093	-418,977	-4,290,836	-3,097,161
Advances from general (revolving) fund	....	4,500,000	239,705,000	173,500,000
Less return of advances to the general fund	....	....	-244,205,000	-255,411,596
State accounts--deposits by States	32,497,800	20,014,069	3,042,286,947	3,008,933,538
Railroad unemployment insurance account:				
Deposits by Railroad Retirement Board	29,591,453	27,465,076	143,330,693	149,798,351
Advances from railroad retirement account	....	....	35,187,000	37,699,000
Advances from general fund	....	....	....	....
Less return of advances to general fund	....	-601,407	....	-601,407
Railroad unemployment insurance adm. fund:				
Deposits by Railroad Retirement Board	1,972,680	1,445,515	12,726,057	7,883,888
Federal extended compensation account:				
Advances from general fund	....	....	664	2,391,879
Interest and profits on investments	67,572,585	61,716,442	212,608,189	191,107,356
Total--Unemployment trust fund	133,803,638	116,425,230	4,288,206,845	4,260,668,040
Other	1,040	2,803	88,833	38,738
ate Department:				
Foreign Service retirement and disability fund:				
Deductions from salaries and other receipts	299,547	305,067	3,367,736	3,298,486
Employing agency contributions	292,992	293,117	3,236,583	3,136,093
Receipts from Civil Service retirement and disability fund	80,332	33,776	385,359	336,127
Interest on investments	1,369,785	1,331,087	1,507,411	1,461,309
Other	18,372	4,200	339,043	110,430
reasury Department	1,642,095	1,487,377	26,043,749	16,454,241

TABLE IV--TRUST RECEIPTS AND EXPENDITURES-- JUNE 30, 1964 Continued

Classification RECEIPTS--Continued	This month	Corresponding month last year	Fiscal Year 1964 to date	Correspondi period fiscal year 1
Atomic Energy Commission	....	$80,000	$629,312	$2
Federal Aviation Agency	....	....	....	
General Services Administration	$25,000	214,196	285,252	2,0
National Aeronautics and Space Administration	500	-8	201,033	
Veterans Administration:				
Government life insurance fund:				
Premiums and other receipts	1,546,042	940,557	16,401,438	16,9
Payments from general fund	6,996	23,037	-142,522	-2
Interest on investments	32,830,976	34,214,089	34,370,125	35,1
National service life insurance fund:				
Premiums and other receipts	42,062,763	34,786,051	481,490,338	476,7
Payments from general fund	523,275	546,937	5,969,469	5,9
Interest on investments	173,839,253	171,039,689	176,471,453	175,0
Other	103,644	142,576	1,855,376	1,8
Total--Veterans Administration	250,912,952	241,692,940	716,415,679	711,4
Other independent agencies:				
Civil Service Commission:				
Civil Service retirement and disability fund:				
Deductions from employees' salaries, etc	83,143,034	72,866,103	979,885,732	920,7
Payments from other funds:				
Employing agency contributions	83,150,043	72,871,962	979,941,019	920,8
Federal contribution	....	....	62,000,000	30,0
Voluntary contributions, donations, etc	1,383,485	1,117,591	14,592,256	13,1
Interest and profits on investments	378,982,857	327,006,230	419,838,372	362,2
Total--Civil Service Commission	546,659,420	473,861,888	2,456,257,381	2,247,0
Railroad Retirement Board:				
Railroad retirement account:				
Transfers (Railroad Act taxes):				
Appropriated	61,160,206	38,405,538	608,969,561	559,0
Unappropriated	-8,049,812	10,835,312	-15,649,777	12,4
Fines and penalties	100	....	100	....
Interest and profits on investments	73,394,511	61,583,607	130,127,866	105,2
Interest on advances to railroad unemployment insurance account	9,060,235	8,945,768	9,507,533	8,9
Repayment of advances to railroad unemployment insurance account	11,095,000	....	37,454,000	....
Payment from Federal old-age and survivors and Federal disability insurance trust funds	421,775,000	442,132,000	421,775,000	442,1
Total--Railroad Retirement Board	568,435,242	561,902,226	1,192,184,284	1,127,8
Other	24,398	19,418	48,093,187	24,3
District of Columbia:				
Revenues from taxes, etc	15,212,354	12,527,208	272,163,169	253,8
Payments from general fund:				
Federal contribution	....	....	40,368,000	33,1
Advances for general expenses	17,000,000	10,000,000	33,000,000	10,0
Less return of advances to general fund	....	....	-26,000,000	-3,0
Loans for capital outlay	1,025,000	1,250,000	9,450,000	24,9
Other loans and grants	4,384,424	786,874	26,431,257	22,3
Interfund transactions (-):				
Payments to employee's retirement fund receipts	1,198,562	1,096,863	14,562,638	13,3
Payments between funds:				
FOASI fund to railroad retirement account	402,636,000	422,523,000	402,636,000	422,5
Unemployment trust fund from railroad retirement account	....	....	35,187,000	37,6
Other	39,374,568	28,588,544	68,993,801	31,3
Total interfund transactions (-)	-443,209,131	-452,208,407	-521,379,439	-504,8
Net trust receipts	3,119,313,195	2,969,254,088	30,332,477,388	27,688,5
EXPENDITURES				
Legislative Branch	203,486	134,068	1,639,201	1,7
The Judiciary--Judicial survivors annuity fund	60,075	27,067	495,754	41
Funds appropriated to the President:				
Foreign assistance--military advances	84,724,063	217,827,894	480,882,394	673,7
Foreign assistance--economic	71,968	15,602	2,009,625	1,01
Other	957	8,633	151,822	7
Agriculture Department:				
Trust enterprise funds (net)	1,072,138	-579,988	569,044	-51
Other	5,860,870	4,239,673	50,762,721	45,7
Commerce Department:				
Highway trust fund - Federal-Aid Highways	334,225,221	300,371,324	3,645,760,507	3,016,7
Other	2,026,829	2,678,537	24,724,190	26,1
Defense Department:				
Military	556,734	187,933	5,034,573	5,11
Civil:				
Trust enterprise funds (net)	3,085	249	5,956	
Other	5,538,987	2,513,869	44,142,189	29,1

Classification EXPENDITURES--Continued	This month	Corresponding month last year	Fiscal Year 1964 to date	Corresponding period fiscal year 1963
lealth, Education, and Welfare Department:				
Federal old-age and survivors insurance trust fund:				
Administrative expenses-Bureau of Old-Age and Survivors Insurance	$37,808,585	$24,516,262	$312,440,660	$275,423,432
Reimbursement of administrative expenses from Federal disability insurance trust fund	...	...	-63,849,716	-62,935,120
Payments to general fund--administrative expenses	4,196,524	3,940,156	51,713,954	48,458,421
Payment to Railroad Retirement Board	402,636,000	422,523,000	402,636,000	422,523,000
Benefit payments	1,244,860,189	1,194,631,065	14,579,186,966	13,844,583,650
Construction	217,890	216,426	2,557,977	1,656,527
Total--Federal old-age and survivors insurance trust fund	1,689,719,189	1,645,826,911	15,284,685,842	14,529,709,912
Federal disability insurance trust fund:				
Administrative expenses--reimbursement to Federal old-age and survivors insurance trust fund	...	...	66,357,624	65,349,370
Payments to general fund--administrative expenses	320,506	303,419	3,841,295	3,577,372
Benefit payments	110,677,787	102,376,344	1,251,207,209	1,170,678,397
Payment to Railroad Retirement Board	19,139,000	19,609,000	19,139,000	19,609,000
Total--Federal disability insurance trust fund	130,137,293	122,288,764	1,340,545,129	1,259,214,140
Other	130,539	38,790	832,336	549,202
nterior Department:				
Indian tribal funds	8,784,307	8,678,568	66,085,589	66,870,786
Other	1,297,919	1,322,722	10,713,181	12,066,786
ustice Department (net):				
Alien property activities	995,775	340,093	52,783,427	31,688,528
Federal Prison System commissary funds	-19,257	-34,858	11,597	18,226
abor Department:				
Unemployment trust fund:				
Employment security administration account:				
Salaries and expenses, Bur. of Empl. Security	1,358,201	952,973	12,906,570	11,551,602
Grants to States for unemployment compensation and employment service administration	35,373,733	70,490,953	412,773,479	336,419,877
Payments to general fund:				
Reimbursements and recoveries	223,144	63,183	54,594,261	5,604,281
Interest on refunds of taxes	12,256	6,304	92,825	73,297
Payment of interest on advances from general (revolving) fund	...	...	2,934,616	3,336,553
Railroad unemployment insurance account:				
Benefit payments	7,975,410	8,296,122	133,912,147	166,743,968
Temporary extended unemployment benefits	...	-3,392	...	93,594
Repayment of advances to railroad retirement acct	11,095,000	...	37,454,000	...
Payment of interest on advances from railroad retirement account	9,060,235	8,945,768	9,507,533	8,945,768
Repayment of advances from general fund	...	1,806,894	7,090,380	9,853,328
Railroad unemployment insurance adm. fund:				
Administrative expenses	751,733	324,697	9,200,474	8,839,703
State accounts:				
Withdrawals by States	182,700,638	184,206,444	2,703,174,544	2,812,637,077
Reimbursements from Fed. extended comp. account	...	...	-664	-2,391,879
Federal extended compensation account:				
Temporary extended unempl. compensation payments	-1,244,473	...	-2,304,877	-14,967,307
Reimbursements to State accounts	...	...	664	2,391,879
Repayment of advances from general fund	20,053,044	1,067,129	325,402,030	466,326,784
Total--Unemployment trust fund	267,358,925	276,157,079	3,706,737,988	3,815,458,528
Other	98,355	80,605	126,051	165,597
tate Department:				
Foreign Service retirement and disability fund	634,047	599,671	7,485,890	7,084,788
Other	53,914	26,176	269,109	192,866
reasury Department	1,897,477	1,457,194	18,487,477	22,677,074
tomic Energy Commission	46,807	22,158	575,578	125,128
ederal Aviation Agency	30,183	324	36,084	19,168
eneral Services Administration:				
Trust enterprise funds (net)	-28,314	-4,423	-24,364	4,206
Other	61,124	216,470	384,983	2,168,514
ousing and Home Finance Agency:				
Federal National Mortgage Association:				
Loans for secondary market operations (net)	14,360,000	...	[15] 66,360,304	...
Other secondary market operations (net)	-20,235,733	-63,917,501	-97,541,952	-730,222,304
ational Aeronautics and Space Administration	9,466	-8	97,955	...
eterans Administration:				
Government life insurance fund-Benefits, refunds and dividends	5,331,390	3,873,585	72,706,907	79,131,341
National service life insurance fund-Benefits, refunds and dividends	35,666,315	31,415,435	588,458,390	747,095,371
Other	116,769	139,996	1,654,821	1,660,383

ee footnotes on page 14.

Classification EXPENDITURES--Continued	This month	Corresponding month last year	Fiscal Year 1964 to date	Corresponding period fiscal year 196
Other independent agencies:				
Civil Service Commission:				
Civil service retirement and disability fund	$113,953,919	$121,635,012	$1,318,273,477	$1,175,886
Employees health benefits fund (net)	2,733,098	3,375,103	-14,562,188	-12,326
Employees life insurance fund (net)	367,533	742,765	-49,295,742	-32,239
Retired employees health benefits fund (net)	1,168,795	1,091,426	-115,355	-142
Total--Civil Service Commission	118,223,347	126,844,307	1,254,300,190	1,131,178,
National Capital Housing Authority (net)	72,531	121,502	-428,619	-2,436,
Railroad Retirement Board:				
Railroad retirement account:				
Administrative expenses	1,247,941	1,128,252	10,890,941	9,832,
Benefit payments, etc	92,111,936	90,160,001	1,092,451,026	1,064,000,
Payment to Federal old-age and survivors and disability insurance trust funds	....	....	....	....
Advances to railroad unemployment insurance account	....	....	35,187,000	37,699,
Interest on refunds of taxes	85	9	275	
Total--Railroad Retirement Board	93,359,963	91,288,263	1,138,529,243	1,111,533,
Other:				
Trust enterprise funds (net)	7,916	13,276	43,497	10,
Other	4,559	22,240	649,506	289,
District of Columbia	43,345,769	26,609,913	353,563,923	333,546,
Deposit fund accounts:				
Food stamps issued (receipts):				
Payments from general fund	-2,315,470	-2,317,457	-28,646,274	-18,639,
Receipts from sales	-3,757,710	-3,662,044	-44,994,887	-31,051,
Food stamps redeemed (expenditures)	6,193,597	5,745,641	73,663,476	48,602,
Other deposit funds (net)	-202,444,388	99,220,530	-589,448,004	146,756,
Subtotal trust and deposit fund expenditures	2,623,481,033	2,899,838,795	27,534,882,365	26,364,812,
Government-sponsored enterprises (net):				
Farm Credit Administration:				
Banks for cooperatives	-29,489,000	-29,705,000	37,092,000	29,289,
Federal intermediate credit banks	69,595,000	96,500,000	182,228,000	276,889,
Federal land banks	-572,000	-291,500	248,443,700	176,418,
Federal Home Loan Bank Board:				
Home loan banks	289,684,000	481,640,000	1,572,094,000	363,215,
Federal Deposit Insurance Corporation	-500,000	2,800,000	-182,866,000	-160,546,
Total Government-sponsored enterprises	328,718,000	550,943,500	1,856,991,700	685,265,
Interfund transactions (-) (See detail on page 12)	-443,209,131	-452,208,407	-521,379,439	-504,847,
Net trust expenditures	2,508,989,901	2,998,573,887	28,870,494,626	26,545,230,
Excess of trust receipts (+) or expenditures (-)	+610,323,293	-29,319,798	+1,461,982,761	+1,143,306,

Continued from page 10.

FOOTNOTES

[5] Individual income taxes withheld have been decreased $57,313,801 to correct estimates for the quarter ended September 30, 1963 and prior, and "Individual income taxes other" have been increased $106,192,692 to correct estimates for the calendar years 1962, 1961 and prior. The total of the above adjustments $48,878,890 is shown as a decrease of employment taxes under "Federal Contributions Act and Self-Employment Contributions Act," representing decreases in appropriations of $46,453,694 for the Federal Old-Age and Survivors Insurance Trust Fund, and $2,425,195 for the Federal Disability Insurance Trust Fund.

[6] Beginning with the statement for January 1962, amounts representing refunds of principal for overpayment of taxes formerly reported net of reimbursements for trust fund accounts are now shown on a gross basis. These reimbursements to Internal Revenue Service for refunds are now included and netted with amounts shown for transfers to the respective trust fund accounts. The distribution of amounts by type of tax applicable to budget accounts for the month of June is partially estimated.

[7] Represents net cash transactions under provisions of Sec. 2(a) (3) of Public Law 85-141, approved August 14, 1957.

[8] Effective with the month of May 1964, in order to conform with the budget structure in 1965 Budget Document, the breakdown for Economic Assistance has been changed from an organizational basis to a program basis.

[9] Includes $28,646,274 transferred to Agriculture Department, Food Stamp Program (Sec. 32 of Act of August 24, 1935, as amended, 7 U.S.C. 612). See page 14.

[10] Represents residual of gross receipts and expenditures after reductions for certain costs which are included in amounts shown for special activities.

[11] Includes certain costs transferred from price support operati for which expenditures may have been made in prior years, in ad tion to adjustments for prior months' transactions.

[12] Represents estimated adjustments to reclassify expenditures comparability with the 1964 budget appropriation structure. Th adjustments are made between the major categories of expenditu and therefore, do not affect total military expenditures. Amou shown for the respective Departments represent the expenditures recorded in books of account of the Departments and do not incl any adjustments for comparability.

[13] Gives effect to reimbursements collected for administrat support furnished to other agencies amounting to approximat $93,232,290.

[14] Expenditures are stated on an accrual basis.

[15] Includes purchase of preferred stock in amount of $70,820, and net borrowings from Treasury for secondary marketing ope tions in amount of $4,460,000.

[16] Includes sales in amount of $53,462,250 for the Management Liquidating functions fund and sales in amount of $9,115,500 for Special Assistance functions fund.

[17] Represents changes in cash on hand, in banks held outside Treasurer's account, deposits in transit and cash payments not covered by vouchers processed through accounts.

[18] Amounts shown for individual classifications are net of ref of taxes. For gross amounts of administrative budget receipts cluding Internal Revenue and also Trust fund receipts see Table page 2 and Table IV, page 11.

TABLE V--INVESTMENTS IN PUBLIC DEBT AND AGENCY SECURITIES (NET)

Classification	This month	Corresponding month last year	Fiscal Year 1964 to date	Corresponding period fiscal year 1963
Public enterprise funds:				
Commerce Department:				
Federal ship mortgage insurance fund	....	$125,000	-$2,785,000	$3,543,000
War risk insurance revolving fund	....	100,000	212,000	3,153,000
Federal National Mortgage Association:				
Public debt securities (management and liquidating functions)	....	....	....	....
Guaranteed securities (FHA debentures)	-$25,777,850	3,040,300	-62,577,750	-27,336,100
Federal Housing Administration:				
Public debt securities	36,574,000	-10,952,000	62,309,000	-4,965,000
Guaranteed securities (FHA debentures)	....	11,649,550	51,439,750	41,321,700
Public Housing Administration	2,000,000	....	24,500,000	....
Federal Savings and Loan Insurance Corporation	196,000,000	123,000,000	244,000,000	268,594,000
Tennessee Valley Authority	....	....	....	-10,000,000
Other:				
Veterans Administration	5,170,000	-3,712,000	23,085,000	12,632,000
Housing and Home Administration (FHA debentures)	....	-1,000	....	-4,200
Total public enterprise funds	213,966,150	123,249,850	340,183,000	286,938,400
Trust accounts, etc.:				
Judicial survivors annuity fund	58,000	91,500	225,000	241,000
Highway trust fund	-39,371,000	87,869,000	-68,715,000	241,808,000
Foreign service retirement and disability fund	1,350,000	1,349,000	1,023,000	1,181,000
Federal disability insurance trust fund	34,369,580	43,319,661	-138,734,678	-128,893,507
Federal old-age and survivors insurance trust fund	172,126,049	-133,818,143	691,679,475	-821,475,511
Unemployment trust fund	-93,285,897	-106,398,071	573,222,677	456,477,602
Federal National Mortgage Association:				
Secondary market operations:				
Public debt securities	....	22,500,000	-91,500,000	91,500,000
Guaranteed securities (FHA debentures)	3,580,700	-8,935,100	-19,389,750	-15,423,000
Not guaranteed securities	....	19,300,000	-59,570,000	59,570,000
Veterans life insurance funds:				
Government life insurance fund:				
Public debt securities	28,137,000	31,190,000	-47,162,000	-24,807,000
Not guaranteed securities	....	....	25,000,000	....
National service life insurance fund	176,196,000	173,674,000	72,257,000	-89,614,000
Civil Service Commission:				
Civil service retirement and disability fund	429,661,000	376,861,000	1,124,529,000	1,073,961,000
Employees health benefits fund	696,000	972,500	15,103,000	14,425,500
Employees life insurance fund	941,500	930,235	49,416,500	55,836,235
Retired employees health benefits fund	-1,500,000	-1,507,000	....	-1,531,000
Railroad retirement account	482,885,000	458,766,000	68,963,000	501,000
Government-sponsored enterprises (net):				
Farm Credit Administration:				
Banks for cooperatives	-11,000	....	1,408,000	51,000
Federal intermediate credit banks	....	....	-78,000	781,000
Federal land banks	....	....	-79,000	-1,933,000
Federal Home Loan Bank Board:				
Home loan banks	184,486,000	253,125,000	-140,744,000	611,935,000
Federal Deposit Insurance Corporation	500,000	-2,800,000	182,866,000	160,546,000
Other	156,202,524	-33,357,165	176,165,640	96,702,574
Total trust accounts, etc	1,537,021,456	1,183,132,416	2,415,885,865	1,781,839,893
Net investments, or sales (-)	1,750,987,606	1,306,382,266	2,756,068,865	2,068,778,293

TABLE VI--SALES AND REDEMPTIONS OF GOVERNMENT AGENCY SECURITIES IN MARKET (NET)

Public enterprise funds:				
Guaranteed by the United States:				
Federal Farm Mortgage Corporation in liquidation	$200	$500	$16,900	$8,700
Federal Housing Administration:				
Issues (net) to government agencies	22,197,150	-5,753,750	30,527,750	1,441,600
Issues (net) to the public	-10,718,600	-23,871,000	-236,940,650	-163,854,150
Home Owners' Loan Corporation	875	1,450	14,450	12,400
Not guaranteed by the United States:				
Federal National Mortgage Association (management and liquidating functions)	....	....	....	5,000
Home Owners' Loan Corporation	....	....	50	1,125
Tennessee Valley Authority	....	....	-35,000,000	....
Trust enterprise funds:				
Guaranteed by the United States:				
District of Columbia stadium fund	....	....	....	....
Not guaranteed by the United States:				
Federal National Mortgage Association (secondary market operations)	444,000	24,132,000	261,685,000	597,018,000
Government-sponsored enterprises (net):				
Not guaranteed by the United States:				
Farm Credit Administration:				
Banks for cooperatives	29,500,000	29,705,000	-38,500,000	-29,340,000
Federal intermediate credit banks	-69,595,000	-96,500,000	-182,150,000	-277,670,000
Federal land banks	572,000	291,500	-248,364,700	-174,485,500
Federal Home Loan Bank Board:				
Home loan banks	-474,170,000	-734,765,000	-1,431,350,000	-975,150,000
Net redemptions, or sales (-)	-501,769,375	-806,759,300	-1,880,061,200	-1,022,012,825

See footnotes on page 14.

TABLE VII--PUBLIC DEBT RECEIPTS AND EXPENDITURES

(Includes exchanges)

Classification	This month	Corresponding month last year	Fiscal Year 1964 to date	Corresponding period fiscal year 1963
Receipts (issues):				
Public issues:				
Marketable obligations	$9,418,319,000	$10,331,383,000	$170,967,497,500	$180,164,431,[illegible]
Non-marketable obligations	754,903,427	893,136,011	8,517,136,436	8,864,648,[illegible]
Total public issues	10,173,222,427	11,224,519,011	179,484,633,936	189,029,079,[illegible]
Special issues	15,180,166,417	14,093,829,232	48,847,074,784	37,462,979,[illegible]
Other obligations	1,205,724,740	....	1,680,429,280	508,652,[illegible]
Total public debt receipts	26,559,113,584	25,318,348,243	230,012,138,000	227,000,711,[illegible]
Expenditures (retirements):				
Public issues:				
Marketable obligations	11,017,829,539	10,951,698,947	167,982,551,162	172,800,564,[illegible]
Non-marketable obligations	694,287,098	779,867,519	7,940,484,235	8,705,162,[illegible]
Total public issues	11,712,116,638	11,731,566,466	175,923,035,397	181,505,726,[illegible]
Special issues	13,586,849,392	12,854,468,048	47,020,554,268	37,600,770,[illegible]
Other obligations	1,079,221,610	76,492,675	1,215,282,073	235,404,[illegible]
Total public debt expenditures	26,378,187,640	24,662,527,190	224,158,871,740	219,341,901,[illegible]
Excess of receipts (+) or expenditures(-)	+180,925,943	+655,821,053	+5,853,266,260	+7,658,810,[illegible]

TABLE VIII--EFFECT OF OPERATIONS ON PUBLIC DEBT

Administrative budget surplus (-) or deficit (+) (Table III)	-$2,796,792,178	-$4,346,275,083	+$8,302,784,360	+$6,265,586,
Excess of trust receipts (-) or expenditures (+) (Table IV)	-610,323,293	+29,319,798	-1,461,982,761	-1,143,306,
Excess of investments (+) or sales (-) in public debt and agency securities (Table V)	+1,750,987,606	+1,306,382,266	+2,756,068,865	+2,068,778,
Excess of sales (-) or redemptions (+) of Government agency securities in market (net) (Table VI)	-501,769,375	-806,759,300	-1,880,061,200	-1,022,012,
Increase (-) or decrease (+) in checks outstanding and deposits in transit (net) and other accounts	-1,072,228,296	-692,595,464	-1,100,155,186	+63,944,
Increase (-) or decrease (+) in public debt interest accrued	+525,214,536	+462,084,634	-30,622,891	-185,593,
Increase (+) or decrease (-) in cash held outside Treasurer's account [7]	+150,419,787	+145,286,431	+347,680,029	-74,368,
Increase (+) or decrease (-) in balance of Treasurer's account	+2,735,417,156	+4,558,377,770	-1,080,444,954	+1,685,782,
Increase (+) or decrease (-) in public debt (Table VII above)	+180,925,943	+655,821,053	+5,853,266,260	+7,658,810,
Gross debt at beginning of period	311,531,973,313	305,203,811,942	305,859,632,996	298,200,822,
Gross public debt at end of period	311,712,899,257	305,859,632,996	311,712,899,257	305,859,632,
Guaranteed securities of Government agencies, not owned by Treasury	812,991,925	606,610,375	812,991,925	606,610,
Total public debt and guaranteed securities	312,525,891,182	306,466,243,371	312,525,891,182	306,466,243,
Deduct: Debt not subject to statutory limitation	361,717,548	367,743,327	361,717,548	367,743,
Total debt subject to statutory limitation	312,164,173,634	306,098,500,043	312,164,173,634	306,098,500,

TABLE IX--SUPPLEMENTARY TABLE OF RECEIPTS AND EXPENDITURES OF PUBLIC ENTERPRISE (REVOLVING) FUNDS

(Included in expenditures in Table III on a net basis)

Classification	Fiscal year 1964 to date			Corresponding fiscal year 1963 Net receipts (-) or expenditures
	Receipts	Expenditures	Net receipts (-) or expenditures	
Funds appropriated to the President:				
Expansion of defense production	$70,750,788	$161,875,956	$91,125,167	-$57,069
Foreign assistance-economic:				
Alliance for progress, development loans	17,122,627	126,100,771	108,978,143	190,594
Development loan funds	31,709,988	800,720,425	769,010,436	685,621
Foreign investment guarantee fund	4,907,649	76,555	-4,831,094	-2,930
Total--Funds appropriated to the President	124,491,054	1,088,773,708	964,282,653	816,216
Agriculture Department:				
Commodity Credit Corporation:				
Price support, and related programs, and special milk	2,227,956,293	5,715,653,094	3,487,696,801	3,115,735
Special activities financed by C. C. C.	564,924,416	114,929,338	-449,995,078	-68,671

TABLE IX--SUPPLEMENTARY TABLE OF RECEIPTS AND EXPENDITURES OF PUBLIC ENTERPRISE (REVOLVING) FUNDS--Continued

(Included in expenditures in Table III on a net basis)

Classification	Fiscal year 1964 to date: Receipts	Fiscal year 1964 to date: Expenditures	Fiscal year 1964 to date: Net receipts (-) or expenditures	Corresponding fiscal year 1963 Net receipts (-) or expenditures
Agriculture Department--Continued				
Federal Crop Insurance Corporation	$24,901,801	$23,545,165	-$1,356,635	$7,713,044
Farmers Home Administration:				
Direct loan account, revolving fund	302,868,936	362,997,451	60,128,514	55,011,918
Other	243,049,393	276,885,086	33,835,693	20,932,771
Total--Agriculture Department	3,363,700,840	6,494,010,136	3,130,309,295	3,130,721,029
Commerce Department:				
Area Redevelopment Administration	2,344,400	22,899	-2,321,500	-495,206
Maritime Administration	11,382,632	17,173,379	5,790,747	9,131,226
Other	818,700	1,588	-817,111	-838,022
Total--Commerce Department	14,545,732	17,197,868	2,652,136	7,797,997
Defense Department:				
Military:				
Defense production guarantees	14,286,871	18,016,337	3,729,465	3,668,523
Other	712,102	749,267	37,164	-65,047
Civil - Panama Canal Company	121,281,438	123,365,212	2,083,774	8,364,185
Total--Defense Department	136,280,412	142,130,817	5,850,405	11,967,661
Health, Education, and Welfare Department	6,984,565	6,961,622	-22,943	-129,154
Interior Department:				
Bureau of Indian Affairs	1,607,649	6,700,473	5,092,824	4,862,952
Bureau of Mines	25,968,182	35,762,528	9,794,345	-9,507,974
Bureau of Reclamation	7,399,869	102,066,644	94,666,774	105,532,999
Other	25,755,839	27,319,387	1,563,547	-1,767,809
Total--Interior Department	60,731,540	171,849,033	111,117,492	99,120,167
Labor Department:				
Advances to employment security administration account, unemployment trust fund	247,139,616	239,705,000	-7,434,616	-85,248,149
Farm labor supply revolving fund	3,113,312	1,973,286	-1,140,025	-1,225,817
Total--Labor Department	250,252,928	241,678,286	-8,574,641	-86,473,966
Post Office Department--Postal Fund	4,424,994,496	4,971,559,640	[3] 546,565,143	770,334,766
Treasury Department:				
Office of the Secretary	2,934,831	33,337	-2,901,494	-3,794,790
Bureau of Accounts--Government losses in shipment fund	4,798	343,715	338,917	536,494
Office of the Treasurer--Check forgery insurance fund	532,423	552,570	20,147	-2,066
Total--Treasury Department	3,472,052	929,623	-2,542,429	-3,260,362
General Services Administration	592,888	9,957	-582,931	-168,457
Housing and Home Finance Agency:				
Office of the Administrator:				
College housing loans	119,262,855	338,597,404	219,334,549	283,573,515
Liquidating programs	2,049,911	250,483	-1,799,428	-2,013,934
Urban renewal fund	99,581,653	334,594,053	235,012,399	173,208,174
Other	28,304,973	108,264,033	79,959,060	53,608,487
Federal National Mortgage Association:				
Loans for secondary market operations	43,270,000	47,730,000	4,460,000	....
Purchase of preferred stock	70,820,304	....	-70,820,304	....
Management and liquidating functions fund	283,684,258	136,318,346	-147,365,911	-162,265,416
Special assistance functions fund	295,200,736	156,106,095	-139,094,640	-277,044,015
Federal Housing Administration	750,944,379	734,145,634	-16,798,744	134,950,803
Public Housing Administration	510,558,951	659,771,738	149,212,786	178,867,002
Total--Housing and Home Finance Agency	2,203,678,024	2,515,777,790	312,099,765	382,884,617
Veterans Administration:				
Direct loans to veterans and reserves	313,230,746	280,924,659	-32,306,086	-86,186,773
Loan guaranty revolving fund	277,702,380	354,182,452	76,480,071	-22,921,880
Other	89,719,864	72,881,486	-16,838,377	-20,676,318
Total--Veterans Administration	680,652,991	707,988,598	27,335,607	-129,784,972
Other independent agencies:				
Export-Import Bank of Washington	1,229,843,825	528,059,980	-701,783,845	-391,550,110
Farm Credit Administration	14,036,400	5,600,000	-8,436,400	1,330,500
Federal Home Loan Bank Board	337,410,500	88,988,303	-248,422,197	-263,661,355
Saint Lawrence Seaway Development Corporation	4,962,706	5,116,837	154,131	1,436,609
Small Business Administration	236,938,462	359,934,677	122,996,214	137,408,066
Tennessee Valley Authority	311,646,855	370,933,526	59,286,671	53,448,886
United States Information Agency	2,500,919	3,547,628	1,046,709	1,849,612
Total--Other independent agencies	2,137,339,671	1,362,180,954	-775,158,716	-459,737,790
Total--Public enterprise funds	13,407,717,200	17,721,048,038	4,313,330,837	4,539,488,253

See footnotes on page 10.

TABLE X--SUPPLEMENTARY TABLE OF RECEIPTS AND EXPENDITURES OF TRUST ENTERPRISE (REVOLVING) FUNDS

(Included in expenditures in Table IV on a net basis)

Classification	Fiscal year 1964 to date			Corresponding fiscal year 196
	Receipts	Expenditures	Net receipts (-) or expenditures	Net receipts (- or expenditures
Department of Agriculture:				
Farmers Home Administration	$13,525,685	$14,094,729	$569,044	-$517
Department of Defense - Civil:				
United States Soldiers' Home	127,974	133,930	5,956	9
Department of Justice:				
Alien property activities	2,607,185	55,390,613	52,783,427	31,688
Federal Prison System commissary funds	2,472,715	2,484,313	11,597	18
General Services Administration:				
Records activities: National Archives trust fund	511,965	487,600	-24,364	4
Housing and Home FinanceAgency:				
Federal National Mortgage Association:				
Loans for secondary market operations	47,730,000	114,090,304	[15] 66,360,304	....
Other secondary market operations	410,319,824	312,777,871	-97,541,952	-730,222
Other independent agencies:				
Civil Service Commission:				
Employees health benefits fund	398,475,021	383,912,832	-14,562,188	-12,326
Employees life insurance fund	171,521,361	122,225,619	-49,295,742	-32,239
Retired employees health benefits fund	28,409,610	28,294,255	-115,355	-142
National Capital Housing Authority	18,514,289	18,085,670	-428,619	-2,436
Federal Communications Commission	248,737	292,235	43,497	10
Total--Trust enterprise funds	1,094,464,371	1,052,269,977	-42,194,394	-746,154

TABLE XI--RÉSUMÉ OF RECEIPTS BY SOURCES AND EXPENDITURES BY FUNCTIONS

(Figures are rounded in millions of dollars and may not add to totals)

Classification	Administrative Budget Funds				Trust Funds			
	This month	Same month last year	F.Y. 1964 to date	F.Y. 1963 to date	This month	Same month last year	F.Y. 1964 to date	F.Y. 1 to date
NET RECEIPTS [18]								
Individual income taxes	$4,572	$5,087	$48,636	$47,588	....	....	....	.....
Corporation income taxes	6,147	5,451	23,493	21,579	....	....	....	.....
Employment taxes	....	....	....	....	$1,459	$1,339	$16,832	$14
Excise taxes	964	896	10,214	9,915	320	267	3,519	3
Unemployment tax deposits by States	....	....	....	....	32	20	3,042	3
Estate and gift taxes	205	187	2,392	2,167	....	....	....	.....
Customs	115	92	1,252	1,205	....	....	....	.....
Federal employees retirement	....	....	....	....	167	146	2,029	1,
Interest on trust fund investments	....	....	....	....	957	876	1,603	1,
Veterans life insurance premiums	....	....	....	....	44	36	498	
Miscellaneous receipts	356	386	4,045	4,435	583	737	3,331	3,
Interfund transactions (-)	-47	-38	-664	-513	-443	-452	-521	-
Total net receipts	12,310	12,061	89,368	86,376	3,119	2,969	30,332	27,
NET EXPENDITURES								
National defense	5,665	4,616	54,150	52,755	85	218	486	
International affairs and finance	236	257	2,156	2,612	2	1	62	
Space research and technology	504	299	4,171	2,552	(*)	(*)	(*)	.....
Agriculture and agricultural resources	318	298	7,095	6,929	44	68	496	
Natural resources	243	199	2,481	2,352	18	14	137	
Commerce and transportation	288	291	2,979	2,843	335	305	3,482	2
Housing and community development	-150	-99	-60	-67	327	444	1,894	
Health, labor, and welfare	656	370	5,467	4,790	2,300	2,263	22,734	21,
Education	111	96	1,338	1,244	(*)	(*)	2	
Veterans benefits and services	500	385	5,494	5,186	42	35	670	
Interest	955	871	10,772	9,980	....	....	....	.....
General government	235	168	2,291	1,979	2	2	18	
Deposit funds (net)	....	....	....	....	-202	100	-589	
Interfund transactions (-)	-47	-38	-664	-513	-443	-452	-521	
Total net expenditures	9,513	7,715	97,671	92,642	2,509	2,999	28,870	26,

* Less than $500,000

See footnotes on page 14

TABLE XII--SUMMARY OF FEDERAL GOVERNMENT CASH TRANSACTIONS WITH THE PUBLIC

Classification	This month	Corresponding month last year	Fiscal Year 1964 to date	Corresponding period fiscal year 1963
deral receipts from the public:				
Administrative budget receipts (net) - see Table III	$12,310,236,637	$12,060,869,283	$89,368,078,483	$86,376,210,347
Trust receipts (net)-see Table IV	3,119,313,195	2,969,254,088	30,332,477,388	27,688,537,531
Intragovernmental and other non-cash transactions - see receipt adjustments Table XIII	-1,143,814,239	-1,050,284,630	-4,260,974,020	-4,325,553,707
Total Federal receipts from the public	14,285,735,593	13,979,838,741	115,439,581,851	109,739,194,172
deral payments to the public:				
Administrative budget expenditures (net) - see Table III	9,513,444,459	7,714,594,199	97,670,862,844	92,641,797,059
Trust fund expenditures (net) - see Table IV	2,508,989,901	2,998,573,887	28,870,494,626	26,545,230,596
Intragovernmental and other non-cash transactions - see payment adjustments Table XIII	-1,732,650,893	-1,240,722,502	-6,422,077,485	-5,435,669,784
Total Federal payments to the public	10,289,783,466	9,472,445,584	120,119,279,985	113,751,357,871
xcess of cash receipts from or payments to (-) the public	3,995,952,126	4,507,393,156	-4,679,698,133	-4,012,163,698
ash borrowing from the public or repayment (-):				
Public debt increase or decrease (-) see Table VII	180,925,943	655,821,053	5,853,266,260	7,658,810,275
Net sales of Government agency securities in market (net) - see Table VI	501,769,375	806,759,300	1,880,061,200	1,022,012,825
Net investment (-) in public debt and agency securities	-1,750,987,606	-1,306,382,266	-2,756,068,865	-2,068,778,293
Other non-cash transactions - see borrowing adjustments Table XIII	-48,004,313	35,780,866	-1,099,072,963	-1,033,364,173
Total net cash borrowing from the public or repayment (-)	-1,116,296,601	191,978,953	3,878,185,632	5,578,680,633
igniorage	6,181,418	4,292,091	68,747,576	44,897,238
Total cash transactions with the public	2,885,836,944	4,703,664,202	-732,764,925	1,611,414,173
ash balances - net increase or decrease (-):				
Treasurer's account	2,735,417,156	4,558,377,770	-1,080,444,954	1,685,782,614
Cash held outside Treasury	150,419,787	145,286,431	347,680,029	-74,368,441
Total changes in the cash balances	2,885,836,944	4,703,664,202	-732,764,925	1,611,414,173

TABLE XIII--INTRAGOVERNMENTAL AND OTHER NON-CASH TRANSACTIONS

(Showing details of amounts included as adjustments in Table XII above)

justments applicable to receipts:				
Intragovernmental transactions:				
Interest on trust fund investments	$956,979,469	$875,992,807	$1,602,625,272	$1,466,552,213
Civil Service retirement - payroll deductions for employees	82,543,753	72,317,672	972,604,413	914,092,519
Civil Service retirement - employers' share	82,550,761	72,323,531	972,659,700	914,192,787
Other	15,558,554	25,354,713	644,328,661	985,785,728
Subtotal	1,137,632,538	1,045,988,724	4,192,218,047	4,280,623,248
Tax refund bonds	282	3,813	8,396	33,220
Seigniorage	6,181,418	4,292,091	68,747,576	44,897,238
Total receipt adjustments	1,143,814,239	1,050,284,630	4,260,974,020	4,325,553,707
justments applicable to payments:				
Intragovernmental transactions (see detail under receipt adjustments)	1,137,632,538	1,045,988,724	4,192,218,047	4,280,623,248
Applicable also to net borrowings:				
Savings bond increment	47,939,682	58,707,092	610,562,415	576,707,058
Discount on securities	-1,653,326	-18,419,094	268,164,970	119,083,409
International Monetary Fund notes	....	-54,000,000	117,000,000	255,000,000
Other special security issues	1,718,240	-22,065,050	103,353,974	82,606,925
Subtotal	48,004,595	-35,777,052	1,099,081,359	1,033,397,393
Accrued interest on public debt	-525,214,536	-462,084,634	30,622,891	185,593,217
Checks outstanding and other accounts	1,072,228,296	692,595,464	1,100,155,186	-63,944,074
Total payment adjustments	1,732,650,893	1,240,722,502	6,422,077,485	5,435,669,784
justments applicable to net borrowings:				
Debt issuance representing:				
Receipts - tax refund bonds	-282	-3,813	-8,396	-33,220
Payments - (see detail under payment adjustments)	48,004,595	-35,777,052	1,099,081,359	1,033,397,393
Total borrowing adjustments (net)	48,004,313	-35,780,866	1,099,072,963	1,033,364,173

 TABLE XIV--COMPARATIVE STATEMENT OF ADMINISTRATIVE BUDGET RECEIPTS

AND EXPENDITURES BY MONTHS OF THE FISCAL YEAR 1964

(Figures are rounded in millions of dollars and may not add to totals.)

Classification	July	August	September	October	November	December	January	February	March	April	May	June	Cumulative thru June	Comparable period F. Y. 1963	Estimates (net) F. Y. 1964*
RECEIPTS															
Internal Revenue:															
Individual income taxes withheld	$1,295	$5,607	$3,210	$1,404	$5,429	$3,176	$1,432	$6,105	$3,222	$889	$4,837	$2,614	$39,219	$38,719	$38,200
Individual income taxes--other	381	179	2,140	247	113	405	2,441	870	770	5,006	561	2,196	15,309	14,269	14,900
Corporation income taxes	574	386	3,603	557	396	3,726	583	451	6,654	684	491	6,196	24,301	22,336	24,600
Excise taxes	1,179	1,207	1,165	1,156	1,065	1,271	1,087	1,112	1,121	1,103	1,195	1,293	13,953	13,410	13,921
Employment taxes	537	2,064	1,098	468	1,440	1,147	404	2,835	1,579	1,106	2,864	1,460	17,002	15,004	16,932
Estate and gift taxes	221	175	148	158	139	150	180	184	196	422	234	206	2,415	2,187	2,360
Customs	117	108	104	123	106	103	101	87	108	109	100	117	1,284	1,241	1,310
Miscellaneous receipts	567	250	254	257	224	400	352	591	313	240	243	356	4,046	4,436	4,054
Gross receipts	4,871	9,977	11,722	4,371	8,911	10,379	6,580	12,235	13,961	9,559	10,525	14,438	117,529	111,602	116,277
Deduct:															
Refunds of receipts:															
Applicable to budget accounts	244	225	201	207	-31	103	-41	914	1,959	1,575	1,191	301	6,849	6,302	6,654
Applicable to trust accounts	(*)	3	(*)	(*)	90	(*)	166	31	1	(*)	4	1	297	269	284
Transfers to trust accounts	834	2,406	1,398	753	1,720	1,447	521	3,124	1,842	1,360	3,167	1,779	20,351	18,141	20,255
Interfund transactions	245	52	28	11	1	26	80	120	12	15	26	47	664	513	685
Total deductions	1,323	2,687	1,627	971	1,780	1,576	727	4,188	3,813	2,951	4,389	2,128	28,161	25,225	27,877
Net receipts F.Y. 1964	3,547	7,290	10,095	3,400	7,131	8,803	5,853	8,047	10,148	6,609	6,136	12,310	89,368	86,376	88,400
Comparable totals F.Y. 1963	3,566	7,089	10,053	3,030	7,027	8,360	5,533	7,305	9,663	5,735	6,953	12,061	86,376	......	
EXPENDITURES															
Legislative Branch	14	10	13	13	10	13	15	16	9	13	12	13	152	147	166
The Judiciary	5	5	5	6	5	5	5	5	6	6	5	6	65	62	67
Executive Office of the President	3	1	1	2	1	1	2	2	2	3	2	2	23	23	25
Funds appropriated to the President:															
Foreign assistance-military	125	109	99	75	102	52	85	83	148	106	154	338	1,476	1,721	1,400
Foreign assistance-economic	173	158	142	204	146	200	157	150	134	141	155	217	1,977	2,043	2,100
Other	22	28	23	39	94	37	35	131	37	86	54	49	636	204	717
Agriculture Department:															
Foreign assistance programs	.....	89	125	358	263	158	168	184	188	169	193	194	2,090	2,091	1,879
Commodity Credit Corporation	751	554	135	476	167	364	341	154	192	131	-116	-112	3,038	3,047	2,279
Other	232	227	415	137	207	190	279	230	187	219	175	301	2,799	2,597	2,820
Commerce Department	75	67	52	76	45	41	65	53	48	76	31	56	685	676	786
Defense Department:															
Military:															
Department of the Army	894	997	1,016	1,097	993	1,049	1,055	1,010	910	1,058	935	1,138	12,155	11,654	12,241
Department of the Navy	1,122	1,127	1,076	1,227	1,092	1,254	1,119	1,098	1,229	1,398	1,342	1,557	14,641	14,093	15,088
Department of the Air Force	1,631	1,622	1,648	1,832	1,561	1,735	1,670	1,671	1,658	1,600	1,835	2,257	20,721	20,823	20,633
Defense agencies	162	161	168	132	154	163	191	170	181	155	199	193	2,028	1,480	2,788
Undistrib. stock fund transactions	32	131	-1	19	10	28	-17	-3	8	-6	-54	-50	97	......	......
Civil defense	7	8	9	9	8	8	13	11	9	8	7	8	107	203	150
Total Military	3,848	4,047	3,916	4,316	3,818	4,237	4,031	3,957	3,995	4,215	4,265	5,103	49,749	48,252	50,900
Civil	99	106	112	122	94	94	88	70	76	85	75	132	1,153	1,128	1,141
Health, Education, and Welfare Dept.	464	441	387	490	389	413	513	496	489	538	210	661	5,490	4,909	5,530
Interior Department	89	117	117	106	91	91	93	99	72	78	84	89	1,126	1,029	1,114
Justice Department	26	34	24	24	25	27	35	25	26	26	26	33	332	317	330
Labor Department	97	21	71	67	65	68	77	-224	48	31	24	26	370	257	415
Post Office Department	-13	85	79	32	22	30	-15	145	28	44	64	45	547	770	546
State Department	59	29	41	25	27	34	59	30	3	24	8	3	341	408	385
Treasury Department:															
Interest on the public debt	882	850	856	865	863	903	925	880	907	895	899	948	10,673	9,895	10,600
Interest on refunds, etc.	11	11	7	20	4	5	5	11	4	6	7	7	99	85	101
Other	106	93	87	96	91	90	130	74	98	87	95	133	1,182	1,048	1,173
Atomic Energy Commission	254	229	215	242	220	230	228	228	221	233	223	242	2,765	2,758	2,800
Federal Aviation Agency	55	77	60	69	56	63	73	58	64	55	55	66	751	726	790
General Services Administration	39	53	48	45	50	56	59	48	54	50	50	48	600	466	555
Housing and Home Finance Agency:															
Federal National Mortgage Assn	-49	-40	-32	-28	-12	-69	-3	-24	-29	-35	-2	-30	-353	-439	-578
Other	133	110	19	35	53	92	205	-54	26	124	-58	18	701	850	790
National Aeronautics and Space Adm	270	285	287	342	301	372	355	317	359	452	326	504	4,171	2,552	4,400
Veterans Administration	467	465	437	462	453	454	479	450	454	414	448	499	5,481	5,173	5,349
Other independent agencies:															
Export-Import Bank of Washington	-241	9	-17	-14	42	-28	-34	-5	-53	-382	58	-38	-702	-392	-650
Small Business Administration	7	6	32	11	5	16	3	3	9	7	11	20	132	142	141
Tennessee Valley Authority	4	8	3	9	3	5	4	(*)	5	4	4	11	59	53	57
Other	76	69	79	66	83	71	95	50	65	58	-1	-41	671	489	645
District of Columbia	23	1	3	1	1	(*)	17	1	8	-15	1	18	57	66	66
Allowances, undistributed	.....	.....	.....	.....	.....	......	.....	......	.....	.....	......	......	......	......	250
Interfund transactions (-)	-245	-52	-28	-11	-1	-26	-80	-120	-12	-15	-26	-47	-664	-513	-685
Net expenditures F.Y. 1964	7,863	8,305	7,815	8,778	7,784	8,289	8,492	7,521	7,871	7,930	7,511	9,513	97,671	92,642	98,405
Comparable totals F.Y. 1963	7,252	8,541	7,327	8,524	8,070	7,572	8,013	6,763	7,806	7,590	7,470	7,715	92,642	......	
Surplus (+) or deficit (-) F.Y. 1964	-4,316	-1,015	+2,279	-5,377	-652	+514	-2,639	+526	+2,277	-1,322	-1,375	+2,797	-8,303	-6,266	-10,005
Comparable results F.Y. 1963	-3,686	-1,452	+2,727	-5,494	-1,042	+788	-2,480	+542	+1,857	-1,854	-516	+4,346	-6,266	......	

* See footnote on page 10

(*) Less than $500,000.

For sale by the Superintendent of Documents, U. S. Government Printing Office, Washington, D.C. 20402
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GPO 877-027

TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR IMMEDIATE RELEASE July 21, 1964

PRELIMINARY RESULTS OF TREASURY'S ADVANCE REFUNDING

The Treasury Department today announced that about $9,248 million of subscriptions have been received from public holders of the nine eligible outstanding issues for the three issues of bonds included in the Department's current advance refunding. This is 34.7% of the total of $26,615 million of the outstanding issues held by the public. In addition official accounts subscribed for $26 million.

Subscriptions include $3,726 million for the 4 percent bonds of 1969 (Oct.), $4,354 million for the 4-1/8 percent bonds of 1973, and $1,194 million for the 4-1/4 percent bonds of 1987-92.

Following is a breakdown of securities to be exchanged for the securities to be issued (in millions):

ELIGIBLE FOR EXCHANGE		SECURITIES TO BE ISSUED				
Securities	Amounts	4% Bonds 1969	4-1/8% Bonds 1973	4-1/4% Bonds 1987-92	Total	Total unexchanged
3-3/4% notes, E-1964	$ 4,086	$ 634	$ 344	$ 196	$1,174	$ 2,912
5% notes, B-1964	2,045	289	367	197	853	1,192
3-3/4% notes, F-1964	5,961	161	205	145	511	5,450
4-7/8% notes, C-1964	3,867	250	232	118	600	3,267
3-7/8% notes, C-1965	7,977	400	766	188	1,354	6,623
3-5/8% notes, B-1966	5,653	942	1,303	146	2,391	3,262
3-3/4% bonds, 1966	2,862	293	327	18	638	2,224
4% notes, A-1966	5,820	178	308	151	637	5,183
3-5/8% notes, B-1967	3,475	579	502	35	1,116	2,359
Total	$41,746	$3,726	$4,354	$1,194	$9,274	$32,472

Details by Federal Reserve Districts as to subscriptions will be announced later.

D-1290

Treasury for information about its law enforcement agencies and agents and, at the same time, to serve as a general reference work.

"Treasury Agent" is available at 30 cents a copy from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402.

FOR RELEASE: A. M., NEWSPAPERS
SUNDAY, JULY 26, 1964

TREASURY ANNOUNCES BOOKLET, "TREASURY AGENT," ON ITS LAW ENFORCEMENT AGENCIES

The Treasury Department today announced publication of a 40-page booklet -- entitled "Treasury Agent" -- describing the work of each of the Treasury's seven law enforcement agencies: the Customs Agency Service, the U.S. Coast Guard's Intelligence Division, the U.S. Secret Service, the Bureau of Narcotics, and the Internal Revenue Service's Intelligence, Alcohol and Tobacco Tax, and Inspection Divisions.

"Treasury Agent" briefly recounts the history and explains the principal tasks of each Treasury law enforcement agency -- and through illustrative cases tells the story of the Treasury Agent, his job and the skills and techniques it requires. Replacing a 1957 pamphlet on the same subject, "Treasury Agent" is designed to answer the numerous requests received by the

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 22, 1964

FOR RELEASE A.M. NEWSPAPERS
SUNDAY, July 26, 1964

TREASURY ANNOUNCES BOOKLET, "TREASURY AGENT," ON ITS LAW ENFORCEMENT AGENCIES

The Treasury Department today announced publication of a 40-page booklet -- entitled "Treasury Agent" -- describing the work of each of the Treasury's seven law enforcement agencies: the Customs Agency Service, the U. S. Coast Guard's Intelligence Division, the U. S. Secret Service, the Bureau of Narcotics, and the Internal Revenue Service's Intelligence, Alcohol and Tobacco Tax, and Inspection Divisions.

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"Treasury Agent" is available at 30 cents a copy from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C., 20402.

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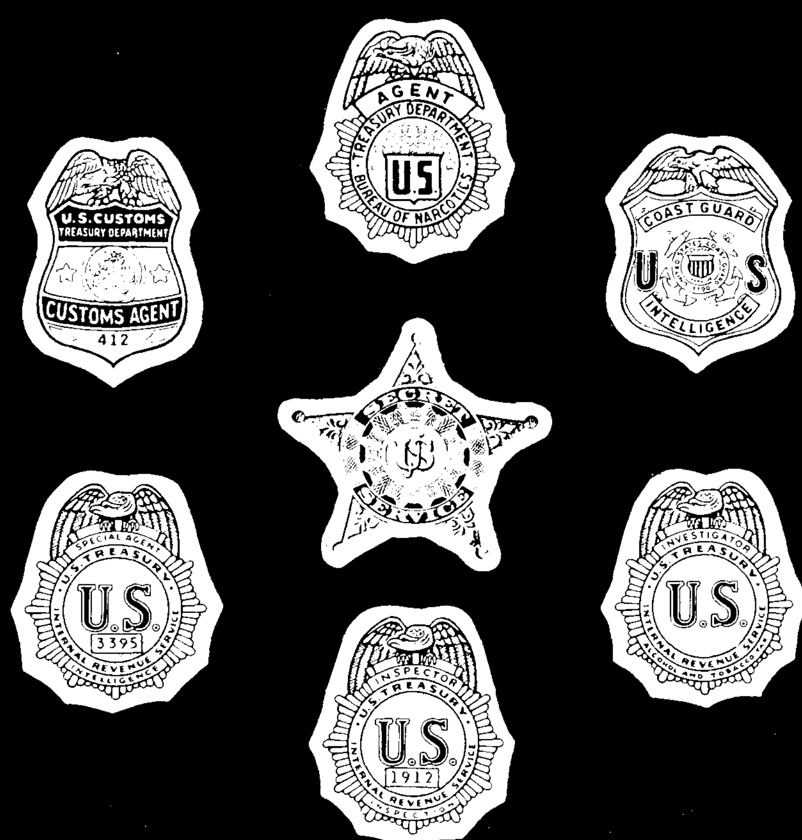
TREASURY AGENT



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

BETA - 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 sa 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 subje 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 interes 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 suc bills, whether on original issue or on subsequent purchase, and the amount actual 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.

BETA - MODIFIED

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 April 30, 1964 (17), (91 (18) days remaining until maturity date on October 29, 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 July 30, 1964 (22), in cash or other immediately available funds or in a like face amount of Treasury bills maturing July 30, 1964 (23). Cash

~~Exhibit 2-A~~

~~BETA -- MODIFIED~~

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE, July 22, 1964

~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~ (1)

TREASURY'S WEEKLY BILL OFFERING

The Treasury Department, by this public notice, invites tenders for two seri of Treasury bills to the aggregate amount of $ 2,100,000,000 (X2X), or thereabouts, fo cash and in exchange for Treasury bills maturing July 30, 1964 (X3X), in the amou of $ 2,001,550,000 (X4X), as follows:

91 (X5X) -day bills (to maturity date) to be issued July 30, 1964 (X6X), in the amount of $ 1,200,000,000 (X7X), or thereabouts, representing an additional amount of bills dated April 30, 1964 (X8X), and to mature October 29, 1964 (X9X), originally issued in the amount of $ 900,482,000/ (X10X), the additional and original bills to be freely interchangeable.

(an additional $100,000,000 will be auctior July 24 and will be outstanding July

182 (X11X) -day bills, for $ 900,000,000 (X12X), or thereabouts, to be dated July 30, 1964 (X13X), and to mature January 28, 1965 (X14X).

The bills of both series will be issued on a discount basis under competitiv 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 Daylight Saving ~~Standard~~ time, Monday, July 27, 1964 (X15X). Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 22, 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 July 30, 1964, in the amount of $2,001,550,000, as follows:

91-day bills (to maturity date) to be issued July 30, 1964, in the amount of $1,200,000,000, or thereabouts, representing an additional amount of bills dated April 30, 1964, and to mature October 29, 1964, originally issued in the amount of $900,482,000 (an additional $100,000,000 will be auctioned July 24 and will be outstanding July 29), the additional and original bills to be freely interchangeable.

182-day bills, for $ 900,000,000, or thereabouts, to be dated July 30, 1964, and to mature January 28, 1965.

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 Daylight Saving time, Monday, July 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 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-1291

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 April 30,1964, (91-days remaining until maturity date on October 29, 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 July 30, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing July 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.

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 Release for July 22 (Date to be coordinated with IMF Action and Release)

TREASURY ANNOUNCES RENEWAL OF STAND-BY ARRANGEMENT
WITH INTERNATIONAL MONETARY FUND

Secretary of the Treasury Douglas Dillon announced today that the United States has renewed its stand-by arrangement with the International Monetary Fund to run for another year. The stand-by will again be in an amount of $500 million.

One-half of the $500 million available under last year's stand-by arrangement was drawn by the United States in two amounts of $125 million each in February and May of this year. The new stand-by restores ~~an~~ amount ~~of $500 million~~ for further drawings.

It is expected that the proceeds of U. S. drawings will be used principally for the same purposes as the drawings under the previous stand-by. These drawings enable other members to continue in effect to use their holdings of dollars to make repayments to the IMF. The new stand-by arrangement is expected to be sufficient to cover presently foreseeable needs over the coming year.

(Previous releases and background are attached)

Attachments:

Treasury announcement of original stand by - July 17, 1963
Excerpt from IMF Release of July 18, 1963
Treasury announcement of First Drawing - February 13, 1964
Treasury announcement of Second Drawing - May 28, 1964

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 23, 1964

FOR IMMEDIATE RELEASE

TREASURY ANNOUNCES RENEWAL OF STAND-BY ARRANGEMENT WITH INTERNATIONAL MONETARY FUND

Secretary of the Treasury Douglas Dillon announced today that the United States has renewed its stand-by arrangement with the International Monetary Fund to run for another year. The stand-by will again be in an amount of $500 million.

One-half of the $500 million available under last year's stand-by arrangement was drawn by the United States in two amounts of $125 million each in February and May of this year. The new stand-by restores the amount available for further drawings to $500 million.

It is expected that the proceeds of U. S. drawings will be used principally for the same purposes as the drawings under the previous stand-by. These drawings enable other members to continue in effect to use their holdings of dollars to make repayments to the IMF. The new stand-by arrangement is expected to be sufficient to cover presently foreseeable needs over the coming year.

(Previous releases and background are attached)

Attachments:

- Treasury announcement of Second Drawing - May 28, 1964
- Treasury announcement of First Drawing - February 13, 1964
- Excerpt from IMF Release of July 18, 1963
- Treasury announcement of original stand-by - July 17, 1963

D-1292

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TREASURY DEPARTMENT

WASHINGTON, D.C.

May 28, 1964

FOR RELEASE: A.M. NEWSPAPERS
FRIDAY, MAY 29, 1964

TREASURY ANNOUNCES SECOND U. S. DRAWING FROM THE INTERNATIONAL MONETARY FUND

Secretary of the Treasury Douglas Dillon announced today a second drawing of foreign currencies equivalent to $125 million by the U. S. from the International Monetary Fund. This drawing, like the first drawing on February 13, 1964, is being made under the standby arrangement for $500 million which was announced July 18, 1963. After this drawing, $250 million will still remain available under the one year standby arrangement.

The U. S. drawing is being made in Deutschemarks and French francs in amounts equivalent to $70 million and $55 million, respectively. The drawing will replenish currencies previously used out of Treasury stocks to facilitate repayments by members to the Fund and will cover contemplated requirements for this purpose over the next few months. By this drawing the U. S. obtains currencies from the Fund which it can sell for dollars to other members for their use in making repayments to the Fund. Other members can therefore continue, in effect, to use their dollar holdings to settle their obligations to the Fund.

(Previous releases and background are attached)

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D-1238

TREASURY DEPARTMENT

WASHINGTON, D.C.

February 13, 1964

FOR RELEASE: A.M. NEWSPAPERS
FRIDAY, FEBRUARY 14,1964

TREASURY ANNOUNCES FIRST U. S. DRAWING FROM IMF

Secretary of the Treasury Douglas Dillon announced today that the United States has made its first drawing of foreign currencies from the International Monetary Fund. The drawing is being made under the standby agreement for $500 million which was announced by President Kennedy in his Balance of Payments Message last July 18. The value of the currencies drawn is equivalent to $125 million.

The Secretary said that the drawing was designed to meet a special situation in the Fund's operations anticipated last July, and is intended to facilitate repayments by other nations to the Fund. The Secretary explained that foreign countries over the past several years have been repaying more dollars to the International Monetary Fund than the Fund has been paying out in new drawings. As a result, the Fund's holdings of dollars now equal the amount which the United States has paid into the Fund in dollars as part of its quota. At this point, the Fund under its rules can no longer accept dollars in repayment. Repayment must instead be either in gold or in other convertible currencies of which the Fund holds less than the normal quota. The United States will draw such currencies from the Fund and sell them for dollars to other members for their use in making repayments to the Fund. In this way, other members will be able to continue, in effect, to use their dollar holdings to settle their obligations to the Fund.

The United States drawing will be made primarily in Deutschemarks and French francs -- in equal amounts. A small portion, equivalent to $5.5 million, will, however, be in Italian lire to replace lire sold from existing Treasury stocks in January to enable Fund members to make several small repayments to the Fund in lire at that time. The present drawing does not relate to any single repayment by another country but is designed to cover a number of transactions which are expected to take place in the coming weeks.

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D-1132

EXCERPT FROM INTERNATIONAL MONETARY FUND,
PRESS RELEASE, WASHINGTON, D.C., JULY 18, 1963

"The International Monetary Fund has entered into a stand-by arrangement that authorizes the United States to draw the currencies of other members of the Fund up to an amount equal to $500 million during the next 12 months. The quota of the United States in the Fund is $4,125 million, of which $1,031 million has been paid in gold. The amount of the stand-by arrangement represents a little less than half the amount the United States could draw on a virtually automatic basis under Fund practice.

"The United States has not previously made use of the Fund's resources. Drawings of U. S. dollars from the Fund by other members have amounted to approximately $4.2 billion since the Fund's operations began in 1947. In recent years, Fund policy has encouraged drawings in non-dollar currencies and repayments to the Fund in U. S. dollars. This policy has provided assistance in financing the U. S. balance of payments deficit. As a result of repayments, the Fund's dollar holdings are now almost at the subscription level, which is 75 per cent of quota or about $3 billion, and the Articles of Agreement prevent repayment to the Fund with U. S. dollars beyond that level. In these circumstances the stand-by arrangement, which is available for general balance of payments needs, is intended to facilitate repayments by other members. This would be accomplished through U. S. drawings of other convertible currencies, which would be sold to Fund members for dollars and used by them to make repayments to the Fund."

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TREASURY DEPARTMENT

WASHINGTON, D.C.

Background

July 17, 1963

U.S. Stand-by Arrangement with the International Monetary Fund

The United States has just obtained agreement of the International Monetary Fund (IMF) to a stand-by arrangement in the amount of $500 million for a period of one year, beginning July 22, 1963. Since the amount requested is well within the U.S gold tranche (of $1,031.25 million) at the IMF, the proposed arrangement does not raise any problems in relation to IMF policies on drawings.

The principal use of the stand-by arrangement foreseen by the United States is for operations to facilitate solution of a technical problem jointly faced by the Fund, many of its members with drawings outstanding, and the United States. This is the problem of repurchases at the Fund by countries which hold their official foreign exchange balances largely or exclusively in U.S. dollars.

The Articles of Agreement of the Fund prevent the Fund from accepting holdings of any currency above 75 per cent of that country's quota except through the initiative of that country to make a drawing of other currencies. From the time the IMF first began operations until quite recently, the U.S. dollar holdings of the Fund were well below 75 per cent of the U.S. quota, because most drawings (as well as repurchases) at the Fund were in U.S. dollars and cumulative repurchases did not reach the level of cumulative drawings. In the past four years, the previous situation for Fund holdings of U.S. dollars has been substantially changed, especially since the IMF drawing of the equivalent of $1.5 billion by the United Kingdom in August-September 1961. First, the volume of repurchases at the Fund, while never reaching the cumulative amount of drawings, has been much higher since 1958 than at any time before; a relatively large proportion of these higher repurchases has continued to be made with U.S. dollars. Second, with the achievement of convertibility by the main European currencies, a significant portion of new drawings from the Fund have utilized these currencies. As a result, the Fund's holdings of U.S. dollars have been fairly close to 75 per cent of the U.S. quota since July 1962 and since the end of April 1963 those holdings have been practically at 75 per cent.

For countries holding official reserves in U.S. dollars, this situation presents a difficulty when they wish to make repurchases at the Fund. The Fund's ability to accept U.S. dollars in repurchase is practically nil owing to the 75 per cent of quota constraint. Countries wishing to repay the Fund can offer other convertible currencies or gold to discharge their repurchase obligations. It is very doubtful that a net transfer of gold to the Fund is desirable at present from the viewpoint of the international payments mechanism as a whole. Also, in order to offer other convertible currencies in repurchase, the countries concerned often need to undertake administrative arrangements that are unusual and unfamiliar to them, and such currencies must usually be purchased (against dollars) at prices above par.

(OVER)

Under the stand-by arrangement, the United States will be able to make available to countries wishing to make repurchases from the Fund, using dollars, a simple and effective facility for obtaining other convertible currencies which the Fund can accept in repurchase. In outline, the mechanism will be as follows:

1. Upon learning that a given Fund member wishes to make a repurchase, would otherwise use U.S. dollars for the purpose, and would like to avail itself of this facility, the Fund staff will contact the U.S. authorities.

2. For value on the date of the repurchase transaction, the U.S. will draw other convertible currencies (pursuant to appropriate consultations through the Fund) equivalent to the value of the repurchase.

3. The U.S. will sell for U.S. dollars, the currencies drawn from the Fund to the repurchasing member, which will execute the repurchase by transferring them to the Fund and taking back the appropriate amount of its own currency. The sale of other convertible currencies by the U.S. to the repurchasing member is envisaged as being at par.

4. The net result of the transaction will be that the Fund's holdings of the other convertible currencies drawn by the U.S. will be the same as before, since they will leave the Fund and immediately be returned by the repurchasing member. The Fund's holdings of the repurchasing member's currency will be reduced and those holdings of U.S. dollars will be increased by the amount of the transaction.

The stand-by amount of $500 million is calculated to be sufficient to cover presently foreseeable repurchases, using U.S. dollars as the starting point, over the coming year. At the same time, the mechanism described above is to be only a facility to be available to interested Fund members at their option. Countries will, of course, continue to have the option, if they choose, to purchase gold from the United States for making repurchases from the Fund or for any other monetary purpose. Countries will also continue to have the option of obtaining other convertible currencies for making repurchases from the Fund by purchasing those currencies in the market against dollars or through arrangements with the central banks concerned, with or without the assistance of the Federal Reserve Bank of New York.

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 interes 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 in- come 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 eithe 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.

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 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 August 4, 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

~~Exhibit A~~

~~ALPHA SPECIAL~~

One-year Bills

(Notwithstanding the fact that these bills will run for 361 days, the discount rate will be computed on a bank discount basis of 360 days, as is currently the practice on all issues of Treasury bills.)

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE, July 23, 1964
~~Thursday, July 23, 1964~~

The Treasury Department, by this public notice, invites tenders for $1,000,000, or thereabouts, of 361 -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 August 4, 1964, and will mature July 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 Daylight Saving time, Thursday, July 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

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 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 361-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 August 4, 1964, and will mature July 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 Daylight Saving time, Thursday, July 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. (Notwithstanding the fact that these bills will run for 361 days, the discount rate will be computed on a bank discount basis of 360 days, as is currently the practice on all issues of Treasury bills.) It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

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 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 August 4, 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 considired 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

July 24, 1964

REPORT OF SUBSCRIPTIONS FOR CURRENT ADVANCE REFUNDING

The Treasury Department announced today the results of the current advance refunding offer of:

4% Treasury Bonds of 1969 (Oct.) (reopened issue),
4-1/8% Treasury Bonds of 1973, and
4-1/4% Treasury Bonds of 1987-92 (reopened 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,
3-7/8% Treasury Notes of Series C-1965, due May 15, 1965,
3-5/8% Treasury Notes of Series B-1966, due February 15, 1966,
3-3/4% Treasury Bonds of 1966, due May 15, 1966,
4% Treasury Notes of Series A-1966, due August 15, 1966, and
3-5/8% Treasury Notes of Series B-1967, due February 15, 1967.

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

FEDERAL RESERVE DISTRICT	4% BONDS OF 1969	4-1/8% BONDS OF 1973	4-1/4% BONDS OF 1987-92	Total
Boston	$ 112,556,500	$ 246,340,500	$ 57,279,000	$ 416,176,000
New York	1,718,785,500	2,090,186,000	869,444,000	4,678,415,500
Philadelphia	86,280,500	153,946,000	2,772,000	242,998,500
Cleveland	268,792,000	140,263,500	17,607,000	426,662,500
Richmond	93,793,500	44,999,000	1,944,000	140,736,500
Atlanta	138,028,000	63,188,500	19,711,000	220,927,500
Chicago	634,852,000	622,146,000	75,939,000	1,332,937,000
St. Louis	168,372,500	89,053,500	6,937,500	264,363,500
Minneapolis	90,692,000	110,738,000	6,684,000	208,114,000
Kansas City	159,586,000	118,789,000	2,049,000	280,424,000
Dallas	121,181,500	114,626,500	3,706,000	239,514,000
San Francisco	125,875,000	546,778,500	128,985,000	801,638,500
Treasury	8,558,000	16,962,500	1,355,000	26,875,500
Totals	$3,727,353,000	$4,358,017,500	$1,194,412,500	$9,279,783,000

Following is a table showing an analysis of subscriptions by investor classes.

D-1294

(OVER)

SUMMARY OF AMOUNT AND NUMBER OF SUBSCRIPTIONS RECEIVED
IN JULY 1964 ADVANCE REFUNDING
(Dollar Amounts in Millions)

	4% Bonds of 1969		4-1/8% Bonds of 1973		4-1/4% Bonds of 1987-92		TOTAL	
	Amount	No. Sub.	Amount	No. Sub.	Amount	No. Sub.	Amount	No. Sub.
Individuals 1/	$ 131	7,880	$ 160	10,864	$ 20	1,091	$ 311	19,835
Commercial Banks (Own account)	2,392	8,207	2,583	4,926	525	231	5,500	13,364
All others 2/	1,204	3,084	1,611	4,094	627	668	3,442	7,846
Totals	$3,727	19,171	$4,354	19,884	$1,172	1,990	$9,253	41,045
Government Accounts	-		4		22		26	
Grand Totals	$3,727		$4,358		$1,194		$9,279	

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.

FOR RELEASE A. M. NEWSPAPERS,
Saturday, July 25, 1964.

July 24, 1964

RESULTS OF OFFERING OF $1 BILLION STRIP OF TREASURY BILLS

The Treasury Department announced last evening that tenders for additional amounts of ten series of Treasury bills to an aggregate amount of $1,000,000,000, or thereabouts, to be issued July 29, 1964, which were offered on July 20, were opened at the Federal Reserve Banks on July 24. The amount of accepted tenders will be equally divided among the ten regular weekly issues of outstanding Treasury bills maturing October 15, 1964, to December 17, 1964, inclusive. The details of the offering are as follows:

Total applied for - $2,147,300,000
Total accepted - 1,000,830,000 (includes $4,000,000 entered on a noncompetitive basis and accepted in full at the average price shown below)

RANGE OF ACCEPTED COMPETITIVE BIDS:	Price	Approximate equivalent annual rate of discount based on 109.6 days (average number of days to maturity)
High	98.941	3.478%
Low	98.929	3.518%
Average	98.933	3.505% 1/

55% of the amount bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted
Boston	$ 20,000,000	$ 15,000,000
New York	1,819,850,000	870,350,000
Philadelphia	10,800,000	5,800,000
Cleveland	15,100,000	5,100,000
Richmond	130,000	130,000
Atlanta	400,000	200,000
Chicago	137,120,000	67,620,000
St. Louis	3,750,000	1,750,000
Minneapolis	2,770,000	550,000
Kansas City	1,770,000	1,770,000
Dallas	10,610,000	6,160,000
San Francisco	125,000,000	26,400,000
TOTALS	$2,147,300,000	$1,000,830,000

1/ On a coupon issue of the same length as the average for the bills and for the same amount invested, the return on these bills would provide a yield of 3.59%. 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.

C-1299

TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR RELEASE A. M. NEWSPAPERS,
Saturday, July 25, 1964.

July 24, 1964

RESULTS OF OFFERING OF $1 BILLION STRIP OF TREASURY BILLS

The Treasury Department announced last evening that tenders for additional amounts of ten series of Treasury bills to an aggregate amount of $1,000,000,000, or thereabouts, to be issued July 29, 1964, which were offered on July 20, were opened at the Federal Reserve Banks on July 24. The amount of accepted tenders will be equally divided among the ten regular weekly issues of outstanding Treasury bills maturing October 15, 1964, to December 17, 1964, inclusive. The details of the offering are as follows:

Total applied for - $2,147,300,000
Total accepted - 1,000,830,000 (includes $4,000,000 entered on a noncompetitive basis and accepted in full at the average price shown below)

RANGE OF ACCEPTED COMPETITIVE BIDS:	Price	Approximate equivalent annual rate of discount based on 109.6 days (average number of days to maturity)
High	98.941	3.478%
Low	98.929	3.518%
Average	98.933	3.505% 1/

55% of the amount bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted
Boston	$ 20,000,000	$ 15,000,000
New York	1,819,850,000	870,350,000
Philadelphia	10,800,000	5,800,000
Cleveland	15,100,000	5,100,000
Richmond	130,000	130,000
Atlanta	400,000	200,000
Chicago	137,120,000	67,620,000
St. Louis	3,750,000	1,750,000
Minneapolis	2,770,000	550,000
Kansas City	1,770,000	1,770,000
Dallas	10,610,000	6,160,000
San Francisco	125,000,000	26,400,000
TOTALS	$2,147,300,000	$1,000,830,000

1/ On a coupon issue of the same length as the average for the bills and for the same amount invested, the return on these bills would provide a yield of 3.59%. 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-1295

FOR RELEASE A. M. NEWSPAPERS,
Tuesday, July 28, 1964.

July 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 April 30, 1964, and the other series to be dated July 30, 1964, which were offered on July 22, were opened at the Federal Reserve Banks on July 27. Tenders were invited for $1,200,000,000, or thereabouts, of 91-day bills and for $900,000,000, 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 October 29, 1964		:	182-day Treasury bills maturing January 28, 1965	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.124	3.465%	:	98.188	3.584%
Low	99.119	3.485%	:	98.182	3.596%
Average	99.122	3.473% 1/	:	98.184	3.592% 1/

38 percent of the amount of 91-day bills bid for at the low price was accepted
17 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	$ 34,249,000	$ 13,849,000	:	$ 3,246,000	$ 1,246,000
New York	1,672,564,000	881,264,000	:	1,461,460,000	740,700,000
Philadelphia	36,101,000	16,051,000	:	8,299,000	2,099,000
Cleveland	19,147,000	19,147,000	:	81,804,000	42,687,000
Richmond	9,175,000	9,175,000	:	2,643,000	2,643,000
Atlanta	26,331,000	21,711,000	:	9,589,000	5,639,000
Chicago	185,4[illegible],000	118,150,000	:	102,376,000	37,366,000
St. Louis	27,[illegible]4,000	22,710,000	:	18,065,000	5,484,000
Minneapolis	2[illegible],[illegible],000	13,15[illegible],000	:	5,364,000	3,281,000
Kansas City	29,627,000	27,507,000	:	17,256,000	16,156,000
Dallas	15,[illegible]43,000	9,923,000	:	9,314,000	4,276,000
San Francisco	121,919,000	47,739,000	:	169,611,000	40,186,000
TOTALS	$2,[illegible]3,39[illegible],000	$1,200,306,000 a/	:	$1,889,027,000	$901,763,000 b/

a/ Includes $213,3[illegible],000 noncompetitive tenders accepted at the average price of 99.122
b/ Includes $57,315,000 noncompetitive tenders accepted at the average price of 98.184
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.55%, for the 91-day bills, and 3.71%, 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 semi-annual compounding if more than one coupon period is involved.

D-1296

TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR RELEASE A. M. NEWSPAPERS,
Tuesday, July 28, 1964.

July 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 April 30, 1964, and the other series to be dated July 30, 1964, which were offered on July 22, were opened at the Federal Reserve Banks on July 27. Tenders were invited for $1,200,000,000, or thereabouts, of 91-day bills and for $900,000,000, 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 October 29, 1964		:	182-day Treasury bills maturing January 28, 1965	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.124	3.465%	:	98.188	3.584%
Low	99.119	3.485%	:	98.182	3.596%
Average	99.122	3.475% 1/	:	98.184	3.591% 1/

38 percent of the amount of 91-day bills bid for at the low price was accepted
17 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	$ 34,249,000	$ 13,849,000	:	$ 3,246,000	$ 1,246,000
New York	1,672,564,000	881,264,000	:	1,461,460,000	740,700,000
Philadelphia	36,101,000	16,051,000	:	8,299,000	2,099,000
Cleveland	19,147,000	19,147,000	:	81,804,000	42,687,000
Richmond	9,175,000	9,175,000	:	2,643,000	2,643,000
Atlanta	26,331,000	21,711,000	:	9,589,000	5,639,000
Chicago	185,400,000	118,160,000	:	102,376,000	37,366,000
St. Louis	29,654,000	22,710,000	:	18,065,000	5,484,000
Minneapolis	20,680,000	13,150,000	:	5,364,000	3,281,000
Kansas City	29,627,000	27,507,000	:	17,256,000	16,156,000
Dallas	18,543,000	9,923,000	:	9,314,000	4,276,000
San Francisco	121,919,000	47,739,000	:	169,611,000	40,186,000
TOTALS	$2,203,390,000	$1,200,386,000 a/		$1,889,027,000	$901,763,000 b/

a/ Includes $213,354,000 noncompetitive tenders accepted at the average price of 99.122
b/ Includes $57,315,000 noncompetitive tenders accepted at the average price of 98.184
1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.55%, for the 91-day bills, and 3.71%, 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 semi-annual compounding if more than one coupon period is involved.

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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.

DDTA - MODIFIED

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 May 7, 1964 (17), (91 (18) days remaining until maturity date on November 5, 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 August 6, 1964 (22), in cash or other immediately available funds or in a like face amount of Treasury bills maturing August 6, 1964 (23). Cash

Exhibit 2-A

BETA - MODIFIED

TREASURY DEPARTMENT
Washington

FOR IMMEDIATE RELEASE, July 29, 1964

~~XXXXXXXXXXXXXXX (1) XXXXXXXXXXXXXXXXXXX~~

TREASURY'S WEEKLY BILL OFFERING

The Treasury Department, by this public notice, invites tenders for two serie of Treasury bills to the aggregate amount of $ 2,100,000,000 (2), or thereabouts, for cash and in exchange for Treasury bills maturing August 6, 1964 (3), in the amoun of $ 2,100,702,000 (4), as follows:

91 (5) -day bills (to maturity date) to be issued August 6, 1964 (6), in the amount of $ 1,200,000,000 (7), or thereabouts, representing an additional amount of bills dated May 7, 1964 (8), and to mature November 5, 1964 (9), originally issued in the amount of $ 900,393,000/ (10), the additional and original bills to be freely interchangeable. (an additional $100,086,000 will be issued July 29, 1964)

182 (11) -day bills, for $ 900,000,000 (12), or thereabouts, to be dated August 6, 1964 (13), and to mature February 4, 1965 (14).

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of $1,000, $5,000, $10,000, $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~~ Daylight Saving time, Monday, August 3, 1964 (15). Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of $1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 29, 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 August 6, 1964, in the amount of $2,100,702,000, as follows:

91-day bills (to maturity date) to be issued August 6, 1964, in amount of $1,200,000,000, or thereabouts, representing an additional amount of bills dated May 7, 1964, and to mature November 5, 1964, originally issued in the amount of $900,393,000 (an additional $100,086,000 will be issued July 29, 1964), the additional and origina bills to be freely interchangeable.

182-day bills, for $900,000,000, or thereabouts, to be dated August 6, 1964, and to mature February 4, 1965.

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 Daylight Saving time, Monday, August 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 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.

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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. [illegible] these reservations, noncompetitive tenders for [illegible] the additional bills [illegible] May 7, 1964 [illegible] remaining until maturity d[illegible] November 5, [illegible] competitive tenders for $10[illegible] or less for the [illegible]-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 August 6, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing August 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.

July 29, 1964

FOR IMMEDIATE RELEASE

TREASURY DECISION ON COLD-ROLLED STEEL SHEETS
UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that cold-rolled steel sheets, oiled or unoiled, in various sizes and thicknesses, from England, manufactured by John Summers & Sons Ltd., Shotton, Chester, England, are 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.

Appraising officers are being instructed to proceed with the appraisement of the above described merchandise from England without regard to any question of dumping.

The dollar value of imports of the involved merchandise received from September 1963 to February 1964 was approximately $847,000.

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 29, 1964

FOR IMMEDIATE RELEASE

TREASURY DECISION ON COLD-ROLLED STEEL SHEETS
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TREASURY DEPARTMENT

WASHINGTON, D.C.

FOR IMMEDIATE RELEASE

July 29, 1964

TREASURY ANNOUNCES AUGUST REFUNDING TERMS
AND PLANS FOR MARCH TAX BILL OFFERING

The Treasury will borrow $4 billion, or thereabouts, through the issuance of 18-month 3-7/8% Treasury notes, at par, dated August 15, 1964, for the purpose of paying off in cash $4.1 billion of the following Treasury securities maturing August 15, 1964:

$1,198 million of 5% notes of Series B-1964, dated October 15, 1959; and
$2,910 million of 3-3/4% Treasury Notes of Series E-1964, dated August 1, 1961.

The Treasury also announced that it plans to offer $1 to $1-1/2 billion March tax bills later in August.

The new 18-month 3-7/8% notes being offered now will be dated August 15, 1964, and will mature February 15, 1966. Interest will be payable semiannually on February 15 and August 15, 1965, and on February 15, 1966. The notes will be made available in registered as well as bearer form. Payment and delivery date for the notes will be August 17.

Subscriptions will be received subject to allotment. 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. Payment may be made in cash, or in 5% Treasury Notes of Series B-1964 or 3-3/4% Treasury Notes of Series E-1964, which will be accepted at par, in payment or exchange, in whole or in part, for the Treasury Notes subscribed for, to the extent such subscriptions are allotted by the Treasury.

The subscription books will be open only on Monday, August 3.

Any subscriptions with the required deposits addressed to a Federal Reserve Bank or Branch, or to the Treasurer of the United States, and placed in the mail before midnight, August 3, 1964, will be considered timely.

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

Subscriptions from commercial banks, for their own account, will be restricted in each case to an amount not exceeding 50 percent of the combined capital (not including capital notes or debentures), surplus and undivided profits of the subscribing bank.

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

D-1298

Subscriptions from all others must be accompanied by payment of 2% (in cash, or Treasury Notes of Series B-1964 or Series E-1964, maturing August 15, 1964, at par) of the amount of notes applied for not subject to withdrawal until after allotment.

The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of 3-7/8% notes applied for, and to make different percentage allotments to various classes of subscribers; and any action he may take in these respects shall be final. Subject to these reservations, and the submission of a written certification by the subscriber that the amount of the subscription does not exceed the amount of the two eligible securities owned or contracted for purchase for value, at 4 p.m., Eastern Daylight Saving time, July 29, 1964, all subscriptions from States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, Government Investment Accounts, and the Federal Reserve Banks, will be allotted in full; Provided, however, when any such subscriber elects to enter any subscription which does not carry the certification as to ownership of the maturing securities, any and all subscriptions received from the subscriber will be allotted on the basis of the allotment to be publicly announced. The basis of the allotment of all other subscriptions will be publicly announced, and allotment notices will be sent out promptly upon allotment.

All subscribers are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any of the 3-7/8% notes until after midnight August 3, 1964.

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

DRAFT PRESS RELEASE

Treasury Reschedules Brazilian Obligations

Secretary of the Treasury Douglas Dillon and the Ambassador of Brazil, Juracy Magalhaes, today signed an amendment to the Exchange Agreement of May 1961 between the Treasury, the Government of Brazil, and the Banco do Brasil

The amendment signed today provides for a postponement of $25.3 million in principal repayments due to the Treasury, under the terms of the Agreement, in the remainder of 1964. Repayment will be effected by Brazil in monthly installments, beginning in January 1965 and with full repayment completed in December 1966.

The rescheduling of Brazil's obligations to the Treasury supplements the multilateral rescheduling and refinancing of certain debt obligations agreed between Brazil and nine "Hague Club" countries, including the United States, as announced in Paris on July 1.

TREASURY DEPARTMENT

WASHINGTON, D.C.

July 30, 1964

FOR IMMEDIATE RELEASE

TREASURY RESCHEDULES BRAZILIAN OBLIGATIONS

Secretary of the Treasury Douglas Dillon and the Ambassador of Brazil, Juracy Magalhaes, today signed an amendment to the Exchange Agreement of May 1961 between the Treasury, the Government of Brazil, and the Banco do Brasil.

The amendment signed today provides for a postponement of $25.3 million in principal repayments due to the Treasury, under the terms of the Agreement, in the remainder of 1964. Repayment will be effected by Brazil in monthly installments, beginning in January 1965 and with full repayment completed in December 1966.

The rescheduling of Brazil's obligations to the Treasury supplements the multilateral rescheduling and refinancing of certain debt obligations agreed between Brazil and nine "Hague Club" countries, including the United States, as announced in Paris on July 1.

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D-1299

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FOR RELEASE A. M. NEWSPAPERS,
Friday, July 31, 1964.

July 30, 1964

RESULTS OF TREASURY'S ONE-YEAR BILL OFFERING

The Treasury Department announced last evening that the tenders for $1,000,000,00 or thereabouts, of 361-day Treasury bills to be dated August 4, 1964, and to mature July 31, 1965, which were offered on July 23, were opened at the Federal Reserve Banks on July 30.

The details of this issue are as follows:

Total applied for - $2,079,802,000
Total accepted - 1,000,212,000 (includes $20,937,000 entered on a noncompetitive basis and accepted in full at the average price shown below)

Range of accepted competitive bids:

High	- 96.362	Equivalent rate of discount approx.	3.628% per annum
Low	- 96.339	" " " " "	3.651% " "
Average	- 96.346	" " " " "	3.644% " "

(37% of the amount bid for at the low price was accepted)

Federal Reserve District	Total Applied For	Total Accepted
Boston	$ 21,844,000	3,844,000
New York	1,687,798,000	769,348,000
Philadelphia	22,487,000	12,487,000
Cleveland	14,854,000	11,854,000
Richmond	9,245,000	9,245,000
Atlanta	9,760,000	5,760,000
Chicago	178,533,000	102,273,000
St. Louis	6,415,000	3,315,000
Minneapolis	7,845,000	6,215,000
Kansas City	8,053,000	8,053,000
Dallas	15,925,000	6,925,000
San Francisco	97,043,000	60,893,000
TOTAL	$2,079,802,000	$1,000,212,000

1/ On a coupon issue of the same length and for the same amount invested, the return o these bills would provide a yield of 3.80%. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payab at maturity rather than the amount invested and their length in actual number of da related to a 360-day year. In contrast, yields on certificates, notes, and bonds a 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 RELEASE A. M. NEWSPAPERS,
Friday, July 31, 1964.

July 30, 1964

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The details of this issue are as follows:

Total applied for - $2,079,802,000
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Range of accepted competitive bids:

High	- 96.362	Equivalent rate of discount approx. 3.628% per annum	
Low	- 96.339	" " " " " 3.651% " "	
Average	- 96.346	" " " " " 3.644% " "	1/

(37% of the amount bid for at the low price was accepted)

Federal Reserve District	Total Applied For	Total Accepted
Boston	$ 21,844,000	$ 3,844,000
New York	1,687,798,000	769,348,000
Philadelphia	22,487,000	12,487,000
Cleveland	14,854,000	11,854,000
Richmond	9,245,000	9,245,000
Atlanta	9,760,000	5,760,000
Chicago	178,533,000	102,273,000
St. Louis	6,415,000	3,315,000
Minneapolis	7,845,000	6,215,000
Kansas City	8,053,000	8,053,000
Dallas	15,925,000	6,925,000
San Francisco	97,043,000	60,893,000
TOTAL	$2,079,802,000	$1,000,212,000

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 3.80%. 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-1300

United States Savings Bonds Issued and Redeemed Through July 1964
(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	$ 4,991	$ 12	.24
Series F & G-1941 - 1952	29,521	29,399	122	.41
UNMATURED				
Series E: 3/				
1941	1,837	1,562	275	14.97
1942	8,111	6,926	1,185	14.61
1943	13,056	11,174	1,882	14.41
1944	15,215	12,855	2,360	15.51
1945	11,915	9,847	2,069	17.36
1946	5,358	4,215	1,144	21.35
1947	5,053	3,798	1,256	24.86
1948	5,209	3,811	1,398	26.84
1949	5,127	3,667	1,461	28.50
1950	4,473	3,122	1,352	30.23
1951	3,874	2,695	1,179	30.43
1952	4,054	2,770	1,284	31.67
1953	4,615	3,009	1,606	34.80
1954	4,698	2,874	1,825	38.85
1955	4,841	2,880	1,961	40.51
1956	4,645	2,775	1,870	40.26
1957	4,365	2,538	1,827	41.86
1958	4,224	2,310	1,913	45.29
1959	3,951	2,112	1,838	46.52
1960	3,933	1,969	1,964	49.94
1961	3,946	1,782	2,164	54.84
1962	3,796	1,582	2,214	58.32
1963	4,206	1,330	2,876	68.38
1964	1,627	207	1,419	87.22
Unclassified	497	545	-48	- -
Total Series E	132,626	92,355	40,274	30.37
Series H (1952 - Jan. 1957) 3/	3,670	1,526	2,145	58.45
H (Feb. 1957 - 1964)	6,266	839	5,427	86.61
Total Series H	9,936	2,365	7,572	76.21
Total Series E and H	142,562	94,720	47,846	33.56
Series J and K (1952 - 1957)	3,716	2,188	4/ 1,528	41.12
All Series: Total matured	34,524	34,390	134	.39
All Series: Total unmatured	146,278	96,908	49,374	33.75
All Series: Grand Total	180,802	131,298	49,508	27.38

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

United States Savings Bonds Issued and Redeemed Through July 1964
(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
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BUREAU OF THE PUBLIC DEBT