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TREASURY DEPARTMENT

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TREASURY DEPARTMENT

United States Savings Bonds Issued and Redeemed Through November 1964  
(Dollar amounts in millions - rounded and will not necessarily add to totals)

	Amount Issued <sup>1/</sup>	Amount Redeemed <sup>1/</sup>	Amount Outstanding <sup>2/</sup>	% Outstanding of Amt. Issued
<b>MATURED</b>				
Series A-1935 - D-1941 .....	5,003	4,992	11	.22
Series F & G-1941 - 1952 .....	29,521	29,415	106	.36
<b>UNMATURED</b>				
<b>Series E: <sup>3/</sup></b>				
1941 .....	1,839	1,570	269	14.63
1942 .....	8,124	6,961	1,163	14.32
1943 .....	13,081	11,232	1,849	14.14
1944 .....	15,235	12,940	2,295	15.06
1945 .....	11,938	9,901	2,037	17.06
1946 .....	5,371	4,245	1,126	20.96
1947 .....	5,066	3,830	1,236	24.40
1948 .....	5,224	3,847	1,377	26.36
1949 .....	5,143	3,704	1,439	27.98
1950 .....	4,488	3,158	1,330	29.63
1951 .....	3,887	2,728	1,159	29.82
1952 .....	4,069	2,809	1,260	30.97
1953 .....	4,635	3,063	1,571	33.89
1954 .....	4,712	2,955	1,757	37.29
1955 .....	4,888	2,925	1,963	40.16
1956 .....	4,669	2,813	1,855	39.73
1957 .....	4,388	2,577	1,811	41.27
1958 .....	4,246	2,355	1,892	44.56
1959 .....	3,973	2,155	1,818	45.76
1960 .....	3,958	2,022	1,936	48.91
1961 .....	3,972	1,844	2,128	53.58
1962 .....	3,822	1,661	2,162	56.57
1963 .....	4,234	1,504	2,730	64.48
1964 .....	3,076	625	2,451	79.68
Unclassified .....	359	332	27	7.52
<b>Total Series E .....</b>	<b>134,396</b>	<b>93,756</b>	<b>40,640</b>	<b>30.24</b>
<b>Series H (1952 - Jan. 1957) <sup>3/</sup> ..</b>				
H (Feb. 1957 - 1964) .....	3,670	1,601	2,069	56.38
	6,458	914	5,545	85.86
<b>Total Series H .....</b>	<b>10,128</b>	<b>2,515</b>	<b>7,614</b>	<b>75.18</b>
<b>Total Series E and H .....</b>	<b>144,524</b>	<b>96,271</b>	<b>48,254</b>	<b>33.39</b>
<b>Series J and K (1952 - 1957) ....</b>	<b>3,720</b>	<b>2,282</b>	<b>4/1,438</b>	<b>38.66</b>
<b>All Series</b>				
Total matured .....	34,524	34,407	117	.34
Total unmatured .....	148,244	98,553	49,692	33.52
Grand Total .....	182,768	132,960	49,809	27.25

<sup>1/</sup> Includes accrued discount.

<sup>2/</sup> Current redemption value.

<sup>3/</sup> At option of owner bonds may be held and will earn interest for additional periods after original maturity dates.

<sup>4/</sup> Includes matured bonds which have not been presented for redemption.

BUREAU OF THE PUBLIC DEBT

United States Savings Bonds Issued and Redeemed Through November 1964  
(Dollar amounts in millions - rounded and will not necessarily add to totals)

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<b>Total Series H .....</b>	<b>10,128</b>	<b>2,515</b>	<b>7,614</b>	<b>75.18</b>
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<b>All Series</b> <span style="display: inline-block; vertical-align: middle; border-left: 1px solid black; padding-left: 5px;"> <b>Total</b> matured .....</span>	<b>34,524</b>	<b>34,407</b>	<b>117</b>	<b>.34</b>
<span style="display: inline-block; vertical-align: middle; border-left: 1px solid black; padding-left: 5px;"> <b>Total</b> unmatured .....</span>	<b>148,244</b>	<b>98,553</b>	<b>49,692</b>	<b>33.52</b>
<span style="display: inline-block; vertical-align: middle; border-left: 1px solid black; padding-left: 5px;"> <b>Grand</b> Total .....</span>	<b>182,768</b>	<b>132,960</b>	<b>49,809</b>	<b>27.25</b>

<sup>1/</sup> Includes accrued discount.

<sup>2/</sup> Current redemption value.

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<sup>4/</sup> Includes matured bonds which have not been presented for redemption.

BUREAU OF THE PUBLIC DEBT

United States Savings Bonds Issues and Redeemed Through December, 1964  
(Dollar amounts in millions - rounded and will not necessarily add to totals) 2

	Amount Issued 1/	Amount Redeemed 1/	Amount Outstanding 2/	% Outstanding of Amt. Issued
<b>MATURED</b>				
Series A-1935 - D-1941.....	5,003	4,992	11	.22
Series F & G-1941 - 1952.....	29,521	29,418	102	.35
Series J and K - 1952.....	400	355	45	11.25
<b>UNMATURED</b>				
Series E: 3/				
1941.....	1,841	1,572	270	14.67
1942.....	8,128	6,968	1,161	14.28
1943.....	13,085	11,243	1,842	14.08
1944.....	15,249	12,956	2,293	15.04
1945.....	11,949	9,912	2,037	17.05
1946.....	5,375	4,250	1,125	20.93
1947.....	5,070	3,836	1,235	24.36
1948.....	5,229	3,853	1,375	26.30
1949.....	5,148	3,711	1,437	27.91
1950.....	4,492	3,165	1,328	29.56
1951.....	3,891	2,734	1,157	29.74
1952.....	4,071	2,816	1,255	30.83
1953.....	4,639	3,073	1,566	33.76
1954.....	4,717	2,970	1,747	37.04
1955.....	4,896	2,934	1,962	40.07
1956.....	4,675	2,820	1,855	39.68
1957.....	4,395	2,584	1,810	41.18
1958.....	4,253	2,363	1,890	44.44
1959.....	3,980	2,163	1,817	45.65
1960.....	3,964	2,031	1,933	48.76
1961.....	3,979	1,855	2,124	53.38
1962.....	3,830	1,674	2,156	56.29
1963.....	4,241	1,530	2,710	63.90
1964.....	3,395	726	2,669	78.62
Unclassified.....	380	393	-14	- -
Total Series E.....	134,870	94,131	40,739	30.21
Series H (1952 - Jan. 1957) 3/...	3,670	1,619	2,051	55.89
H (Feb. 1957 - 1964).....	6,505	930	5,576	85.72
Total Series H.....	10,175	2,549	7,627	74.96
Total Series E and H.....	145,045	96,680	48,366	33.35
Series J and K (1953 - 1957).....	3,322	1,953	1,368	41.18
All Series { Total matured.....	34,924	34,765	158	.45
{ Total unmatured.....	148,367	98,633	49,734	33.52
{ Grand Total.....	183,291	133,398	49,892	27.22

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.

United States Savings Bonds Issues and Redeemed Through December, 1964  
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Total Series H.....	10,175	2,549	7,627	74.96
Total Series E and H.....	145,045	96,680	48,366	33.35
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1/ Includes accrued discount.

2/ Current redemption value.

3/ At option of owner bonds may be held and will earn interest for additional periods after original maturity dates.

BUREAU OF THE PUBLIC DEBT

FOR RELEASE A.M. NEWSPAPERS,  
Tuesday, December 1, 1964.

November 30, 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 September 3, 1964, and the other series to be dated December 3, 1964, which were offered on November 25, were opened at the Federal Reserve Banks on November 30. Tenders were invited for \$1,200,000,000, or thereabouts, of 91-day bills and for \$1,000,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing March 4, 1965		182-day Treasury bills maturing June 3, 1965	
	Price	Approx. Equiv. Annual Rate	Price	Approx. Equiv. Annual Rate
High	99.030 a/	3.837%	97.973 b/	4.009%
Low	99.016	3.893%	97.957	4.011%
Average	99.022	3.868% 1/	97.962	4.030% 1/

a/ Excepting 2 tenders totaling \$2,200,000; b/ Excepting 1 tender of \$1,000,000  
 93 percent of the amount of 91-day bills bid for at the low price was accepted  
 69 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	\$ 22,547,000	\$ 12,547,000	\$ 15,416,000	\$ 7,416,000
New York	1,548,981,000	814,781,000	1,443,718,000	770,113,000
Philadelphia	29,661,000	14,661,000	10,482,000	5,482,000
Cleveland	27,409,000	27,409,000	32,658,000	27,658,000
Richmond	16,455,000	16,455,000	14,957,000	12,457,000
Atlanta	30,088,000	28,088,000	11,598,000	7,598,000
Chicago	194,818,000	141,818,000	193,812,000	77,502,000
St. Louis	32,486,000	27,416,000	12,232,000	10,732,000
Minneapolis	18,888,000	17,888,000	7,147,000	6,492,000
Kansas City	26,045,000	26,045,000	8,760,000	8,510,000
Dallas	27,962,000	20,892,000	9,271,000	4,921,000
San Francisco	67,009,000	52,009,000	75,244,000	61,144,000
TOTALS	\$2,042,349,000	\$1,200,009,000 c/	\$1,835,295,000	\$1,000,025,000

c/ Includes \$237,347,000 noncompetitive tenders accepted at the average price of 99.022  
 d/ Includes \$67,390,000 noncompetitive tenders accepted at the average price of 97.962  
 1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.96%, for the 91-day bills, and 4.17%, 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



FOR RELEASE A.M. NEWSPAPERS,  
Wednesday, December 1, 1964.

WASHINGTON, D.C.

November 30, 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 September 3, 1964, and the other series to be dated December 3, 1964, which were offered on November 30, were opened at the Federal Reserve Banks on November 30. Tenders were invited for \$1,200,000,000, or thereabouts, of 91-day bills and for \$1,000,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing March 4, 1965		:	182-day Treasury bills maturing June 3, 1965	
	Price	Approx. Equiv. Annual Rate		Price	Approx. Equiv. Annual Rate
High	99.030 <u>a/</u>	3.837%	:	97.973 <u>b/</u>	4.009%
Low	99.016	3.893%	:	97.957	4.041%
Average	99.022	3.868% <u>1/</u>	:	97.962	4.030% <u>1/</u>

a/ Excepting 2 tenders totaling \$2,200,000; b/ Excepting 1 tender of \$1,000,000  
93 percent of the amount of 91-day bills bid for at the low price was accepted  
69 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	\$ 22,547,000	\$ 12,547,000	:	\$ 15,416,000	\$ 7,416,000
New York	1,548,981,000	814,781,000	:	1,443,718,000	770,113,000
Philadelphia	29,661,000	14,661,000	:	10,482,000	5,482,000
Cleveland	27,409,000	27,409,000	:	32,658,000	27,658,000
Richmond	16,455,000	16,455,000	:	14,957,000	12,457,000
Atlanta	30,088,000	28,088,000	:	11,598,000	7,598,000
Chicago	194,818,000	141,818,000	:	193,812,000	77,502,000
St. Louis	32,486,000	27,416,000	:	12,232,000	10,732,000
Minneapolis	18,888,000	17,888,000	:	7,147,000	6,492,000
Kansas City	26,045,000	26,045,000	:	8,760,000	8,510,000
Dallas	27,962,000	20,892,000	:	9,271,000	4,921,000
San Francisco	67,009,000	52,009,000	:	75,244,000	61,144,000
TOTALS	\$2,042,349,000	\$1,200,009,000 <u>c/</u>	:	\$1,835,295,000	\$1,000,025,000 <u>d/</u>

c/ Includes \$237,347,000 noncompetitive tenders accepted at the average price of 99.022

d/ Includes \$67,390,000 noncompetitive tenders accepted at the average price of 97.962

1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.96%, for the 91-day bills, and 4.17%, 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.

UNITED STATES NET MONETARY GOLD TRANSACTIONS WITH  
FOREIGN COUNTRIES AND INTERNATIONAL INSTITUTIONS

January 1, 1964 - September 30, 1964

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

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

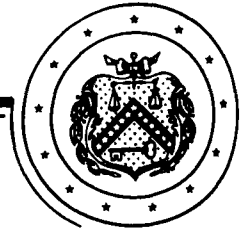
	First Quarter 1964	Second Quarter 1964	Third Quarter 1964
Austria	-32.1	-23.2	--
Brazil	-1.0	+28.1	-1.1
Chile	--	--	-1.0
Colombia	--	--	+10.0
Dominican Republic	--	-2.5	-.1
Egypt	-.7	-8.4	-.8
Finland	-5.0	--	--
France	-101.3	-101.3	-101.3
Germany	-200.0	--	-25.0
Israel	-2.0	--	--
Italy	+200.0	--	--
Philippines	+9.9	-.1	-.1
Salvador	-2.2	--	--
Spain	--	-2.0	--
Surinam	+2.5	--	--
Switzerland	--	-30.0	--
Syria	-2.7	-.1	-.1
Tunisia	--	-.5	--
Turkey	-1.2	+15.0	--
United Kingdom	+109.3	+220.9	+162.5
Yugoslavia	-.6	-.7	-.6
All other	-.4	-.2	-1.3
Total	-27.5	+95.0	+41.0

Figures may not add to totals because of rounding.



# TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 2, 1964

FOR IMMEDIATE RELEASE

## UNITED STATES FOREIGN GOLD TRANSACTIONS FOR THIRD QUARTER OF 1964

U.S. net monetary gold transactions during the third quarter of 1964 resulted in a net purchase of \$41.0 million. In the first quarter of the year, there was a net sale of gold of \$27.5 million, and in the second quarter, a net purchase of \$95.0 million.

These transactions brought to \$108.5 million the net purchase of monetary gold in the first nine months of this year.

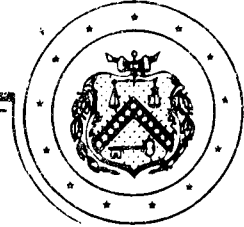
The Treasury's quarterly report, made public today, summarizes monetary gold transactions with foreign governments, central banks and international institutions for the first three quarters of Calendar Year 1964.

D-1424

(OVER)

# TREASURY DEPARTMENT

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D-1424

(OVER)

UNITED STATES NET MONETARY GOLD TRANSACTIONS WITH  
FOREIGN COUNTRIES AND INTERNATIONAL INSTITUTIONS

January 1, 1964 - September 30, 1964

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

	First Quarter 1964	Second Quarter 1964	Third Quarter 1964
Negative figures represent net sales by the United States; positive figures, net purchases			
Austria	-32.1	-23.2	--
Brazil	-1.0	+28.1	-1.1
Chile	--	--	-1.0
Colombia	--	--	+10.0
Dominican Republic	--	-2.5	-.1
Egypt	-.7	-8.4	-.8
Finland	-5.0	--	--
France	-101.3	-101.3	-101.3
Germany	-200.0	--	-25.0
Israel	-2.0	--	--
Italy	+200.0	--	--
Philippines	+9.9	-.1	-.1
Salvador	-2.2	--	--
Spain	--	-2.0	--
Surinam	+2.5	--	--
Switzerland	--	-30.0	--
Syria	-2.7	-.1	-.1
Tunisia	--	-.5	--
Turkey	-1.2	+15.0	--
United Kingdom	+109.3	+220.9	+162.5
Yugoslavia	-.6	-.7	-.6
All other	-.4	-.2	-1.3
Total	-27.5	+95.0	+41.0

Figures may not add to totals because of rounding.

~~TAX EXEMPTION~~

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.

REPLACES 10/10/64 EDITION

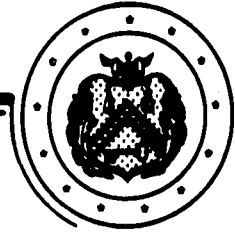
decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

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~~<sup>200,000</sup> or less for the additional bills dated September 10, 1964, (91 days remaining until maturity date on March 11, 1965) and noncompetitive tenders for \$ ~~100,000~~<sup>100,000</sup> or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Banks on December 10, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing December 10, 1964. Cash



# TREASURY DEPARTMENT



WASHINGTON, D.C.

December 2, 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 \$2,300,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing December 10, 1964, in the amount of \$2,302,387,000, as follows:

91-day bills (to maturity date) to be issued December 10, 1964, in the amount of \$1,300,000,000, or thereabouts, representing an additional amount of bills dated September 10, 1964, and to mature March 11, 1965, originally issued in the amount of \$900,822,000, the additional and original bills to be freely interchangeable.

182-day bills, for \$1,000,000,000, or thereabouts, to be dated December 10, 1964, and to mature June 10, 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 Standard time, Monday, December 7, 1964. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

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

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for \$200,000 or less for the additional bills dated September 10, 1964 (91 days remaining until maturity date on March 11, 1965) and noncompetitive tenders for \$100,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Banks on December 10, 1964 in cash or other immediately available funds or in a like face amount of Treasury bills maturing December 10, 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.



The Secretary told Dr. Engstrom: "You and the other members of this important committee have made 1964 another very successful year for Savings Bonds. I am sure that, under your leadership, 1965 will be equally outstanding."

Dr. Engstrom had been a member of the Committee for 1964, serving as Chairman for the Electronics Industry. He had also served as Regional Vice-Chairman, Mid-Atlantic area, Electronics Industry drive, during the 1963 campaign, when Mr. Geneen was Chairman for both Electronics and for the full industrial committee.

Dr. Engstrom was elected RCA President on December 1, 1961, after six years as Senior Executive Vice-President. He is the sixth man to hold the Presidency since RCA was organized in 1919. Dr. Engstrom is also a member of the Board of Directors of RCA and of its subsidiaries, the National Broadcasting Company, Inc., and RCA Communications, Inc.

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 7, 1964

FOR RELEASE A.M. NEWSPAPERS  
MONDAY, DECEMBER 7, 1964

DR. ENGSTROM OF RCA NAMED BY SECRETARY DILLON  
AS 1965 CHAIRMAN FOR PAYROLL SAVINGS CAMPAIGN

Dr. Elmer W. Engstrom, President, Radio Corp. of America, was named over the weekend as Chairman of the U. S. Industrial Payroll Savings Committee for 1965 by Treasury Secretary Douglas Dillon.

The committee was organized by Secretary Dillon in late 1962 to stimulate industrial employee thrift through purchases of U. S. Savings Bonds under the Payroll Savings Plan.

Members of the committee for the new campaign year are outstanding industrial leaders from 27 key market areas who will head up Payroll Savings programs in their respective metropolitan communities.

Frank R. Milliken, President, Kennecott Copper Corp., immediate past Chairman, and Harold S. Geneen, President, International Telephone and Telegraph Corp., Chairman of the 1963 committee, will remain active as members-at-large.

In announcing Dr. Engstrom's appointment, Secretary Dillon said, "There are few more direct ways by which the chairman and members of this committee can help to bolster the nation's financial position than by encouraging the ownership of Savings Bonds by industrial employees, employees both of their own and other companies.

"For millions of Americans, the Payroll Savings Plan is a convenient method for investing in bonds on the installment plan. For many of our citizens, it is the difference between systematic saving or none at all."

(OVER)

# TREASURY DEPARTMENT

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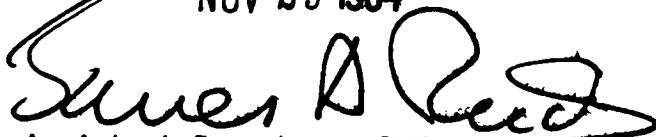
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below fair value is made, will not be regarded as affecting purchase price or exporter's sales price. (Secs. 201, 202, 203, 204, 208, 407, 42 Stat. 11, as amended, 12, 13, 14, 18, sec. 486, 46 Stat. 725, as amended; 19 U.S.C. 160, 161, 162, 163, 167, 173, 1486.)



LESTER D. JOHNSON  
Acting Commissioner of Customs

Approved: NOV 25 1964



Assistant Secretary of the Treasury

Section 14.9 is amended as follows:

Paragraph (a) is amended to read:

(a) Upon receipt of advice from the Commissioner of Customs pursuant to section 14.6(e), if the Commissioner's "Withholding of Appraisement Notice" shall specify that the proper basis of comparison for fair value purposes is exporter's sales price or if that notice does not specify the appropriate basis of comparison for fair value purposes, each appraiser shall withhold appraisement as to such merchandise entered, or withdrawn from warehouse, for consumption, on any date after the 120th day before the question of dumping was raised by or presented to the Secretary of the Treasury or his delegate. If the Commissioner's "Withholding of Appraisement Notice," including any supplementary notice, shall specify that the proper basis of comparison for fair value purposes is purchase price, the appraiser shall withhold appraisement as to such merchandise entered, or withdrawn from warehouse, for consumption, after the date of publication of the "Withholding of Appraisement Notice." Each appraiser shall notify the collector and importer immediately of each lot of merchandise with respect to which appraisement is so withheld. Upon advice of a finding made in accordance with section 14.8(b), the appraiser shall give immediate notice thereof to the collector and the importer when any shipment subject thereto is imported after the date of the finding and information is not on hand for completion of appraisement of such shipment. Customs Form 6459 shall be used to notify the collector and importer whenever appraisement is withheld under this paragraph.

Paragraph (f) is amended to read:

(f) In calculating purchase price or exporter's sales price, as the case may be, there shall be deducted the amount of any special dumping duties which are, or will be, paid by the manufacturer, producer, seller, or exporter, or which are, or will be, refunded to the importer by the manufacturer, producer, seller, or exporter, either directly or indirectly, but a warranty of nonapplicability of dumping duties granted to an importer with respect to merchandise which is (1) purchased, or agreed to be purchased, before publication of a "Withholding of Appraisement Notice" with respect to such merchandise and (2) exported before a determination of sales

being, or is likely to be, sold in the United States or elsewhere at less than its fair value. As soon as possible the Secretary will publish in the Federal Register a "Notice of Tentative Determination," which will include a statement of the reasons on which the tentative determination is based. Interested persons will be given an opportunity to make such written submissions as they desire, within a period which will be specified in the notice, with respect to the contemplated action. Appropriate consideration will be given to any new or additional information or argument submitted. If any person believes that any information obtained by the Bureau of Customs in the course of an antidumping proceeding is inaccurate or that for any other reason the tentative determination is in error, he may request in writing that the Secretary of the Treasury afford him an opportunity to present his views in this regard. Upon receipt of such a request the Secretary will notify the person who supplied any information, the accuracy of which is questioned and such other person or persons, if any, as he in his discretion may deem to be appropriate. If the Secretary is satisfied that the circumstances so warrant, an opportunity will be afforded by the Secretary or his delegate for all such persons to appear, through their counsel or in person, accompanied by counsel if they so desire, to make known their respective points of view and to supply such further information or argument as may be of assistance in leading to a conclusion as to the accuracy of the information in question. The Secretary or his delegate may at any time, upon appropriate notice, invite any such person or persons as he in his discretion may deem to be appropriate to supply him orally with information or argument. As soon as possible thereafter, the Secretary will make a final determination, except that the Secretary may defer making an affirmative determination of sales below fair value during the pendency of any other antidumping proceeding which relates to the same class or kind of merchandise imported from another foreign country. The Secretary will defer making an affirmative determination only if he is satisfied that deferral is appropriate under all of the circumstances. Circumstances which the Secretary will take into consideration will include the dates on which information relating to the various antidumping proceedings came to his attention, the volume of sales involved in each proceeding, elements of hardship, if any, and probable extent of delay which deferral would entail. No determination that sales are not below fair value will be deferred because of this provision. Whenever the Secretary makes a determination of sales at less than fair value he will so advise the United States Tariff Commission.

(Secs. 201, 407, 42 Stat. 11, as amended, 18; 19 U.S.C. 160, 173.)

applicable, unless the 5 percent discount can be justified by cost savings. Cost savings can also be used to justify a quantity discount where there were no sales in the home market in quantities sufficient to warrant the granting of the 5 percent discount, and no offers because there is no potential market for such quantities.

In determining whether a discount has been given, the presence or absence of a published price list reflecting such a discount is not controlling. In certain lines of trade, price lists are not commonly published and in others although commonly published they are not commonly adhered to.

The following example also relates to quantity allowances.

Example 5. A foreign producer has the following record of sales at or about the date of sale or exportation to the United States:

<u>Price per lb. for Sales in Units of 100 lbs. and 1,000 lbs.</u>	<u>Sales for Consumption in Country of Exportation</u>	<u>Sales to the United States</u>
\$.85 ( 100 lbs.)	200,000 lbs.	-0-
\$.80 (1,000 lbs.)	20,000 lbs.	100,000 lbs.

Although the lower price in the home market appears to obtain for quantities the same as those sold for exportation to the United States at the same price, the quantity sold for home consumption at the lower price is less than 20 percent of the quantity sold in the home market. Accordingly, the price for exportation to the United States is not justified, unless cost savings can be shown to justify the lower price. If 44,000 pounds had been sold in the home market at the \$.80 price, the lower price would have been justified for comparison with the price for exportation to the United States.

Section 14.8(a) is amended to read:

(a) Upon receipt from the Commissioner of Customs of the information referred to in section 14.6(d), the Secretary of the Treasury will proceed as promptly as possible to determine tentatively whether or not the merchandise in question is in fact



(4) Offering price. In the determination of fair value, offers will be considered in the absence of sales, but an offer made in circumstances in which acceptance is not reasonably to be expected will not be deemed to be an offer.

A new subparagraph (9) is added reading as follows:

(9) Revision of prices or other changed circumstances. Whenever the Secretary of the Treasury is satisfied that promptly after the commencement of an antidumping investigation either (i) price revisions have been made which eliminate the likelihood of sales below fair value and that there is no likelihood of resumption of the prices which prevailed before such revision, or (ii) sales to the United States of the merchandise have terminated and will not be resumed; or whenever the Secretary concludes that there are other changed circumstances on the basis of which it may no longer be appropriate to continue an antidumping investigation, the Secretary shall publish a notice to this effect in the Federal Register. The notice shall state the facts relied on by the Secretary in publishing the notice and that those facts are considered to be evidence that there are not and are not likely to be sales below fair value. The notice shall also state that unless persuasive evidence or argument to the contrary is presented within 30 days the Secretary will determine that there are not and are not likely to be sales below fair value. (Sec. 407, 42 Stat. 18; 19 U.S.C. 173.)

Part 14 is amended further by amending examples 4 and 5 under

"Examples for Purposes of Illustration" in footnote 15 to read:

Example 4. A foreign producer makes all of his sales, other than those to the United States, for consumption in the country of exportation. The majority of the merchandise thus sold by him is sold in 50-ton lots at list prices, net. However, a discount of 5 percent is granted on sales of more than 500 tons and is freely available to those who purchase in the ordinary course of trade. During the six months preceding the date when the question of dumping was raised, the producer made sales of more than 500 tons each with respect to 15 percent of such or similar merchandise which he sold in the home market. Sales for exportation to the United States are at list prices less 5 percent and have been in quantities of over 500 tons. The 5 percent will not be allowed as a quantity discount because less than 20 percent of such or similar merchandise was sold in the home market in quantities to which such discount was

Subparagraph (1) is amended to read:

(1) Quantities. In comparing the purchase price or exporter's sales price, as the case may be, with such applicable criteria as sales or offers, on which a determination of fair value is to be based, reasonable allowances will be made for differences in quantities if it is established to the satisfaction of the Secretary that the amount of any price differential is wholly or partly due to such differences. In determining the question of allowances for differences in quantity, consideration will be given, among other things, to the practice of the industry in the country of exportation with respect to affording in the home market (or third country markets, where sales to third countries are the basis for comparison) discounts for quantity sales which are freely available to those who purchase in the ordinary course of trade. Allowances for price discounts based on sales in large quantities ordinarily will not be made unless (i) the exporter during the six months prior to the date when the question of dumping was raised or presented had been granting quantity discounts of at least the same magnitude with respect to 20 percent or more of such or similar merchandise which he sold in the home market (or in third country markets when sales to third countries are the basis for comparison) and that such discounts had been freely available to all purchasers, or (ii) the exporter can demonstrate that the discounts are warranted on the basis of savings specifically attributable to the quantities involved.

Subparagraph (3) is amended to read:

(3) Similar merchandise. In comparing the purchase price or exporter's sales price, as the case may be, with the selling price in the home market, or for exportation to countries other than the United States, in the case of similar merchandise described in subdivisions (C), (D), (E), or (F) of section 212(3), Antidumping Act, 1921, as amended (19 U.S.C. 170a(3)), due allowance shall be made for differences in the merchandise. In this regard the Secretary will be guided primarily by the effect of such differences upon the market value of the merchandise but, when appropriate, he may also consider differences in cost of manufacture if it is established to his satisfaction that the amount of any price differential is wholly or partly due to such differences.

Subparagraph (4) is amended to read:

(c) Standards for determining whether information will be regarded as confidential. (1) Information will ordinarily be considered to be confidential only if its disclosure would be of significant competitive advantage to a competitor or would have a significantly adverse effect upon a person supplying the information or upon a person from whom he acquired the information. Further, if disclosure of information in specific terms or with identifying details would be inappropriate under this standard, the information will ordinarily be considered appropriate for disclosure in generalized, summary or approximated form, without identifying details, unless the Commissioner of Customs or the Secretary of the Treasury or the delegate of either determines that even in such generalized, summary or approximated form, such disclosure would still be of significant competitive advantage to a competitor or would still have a significantly adverse effect upon a person supplying the information or upon a person from whom he acquired the information. As indicated in (b), however, the decision that information is not entitled to protection from disclosure in its original or in another form will not lead to its disclosure unless the person supplying it consents to such disclosure.

(2) Information will ordinarily be regarded as appropriate for disclosure if it

(i) relates to price information;

(ii) relates to claimed freely available price allowances for quantity purchases; or

(iii) relates to claimed differences in circumstances of sale.

(3) Information will ordinarily be regarded as confidential if its disclosure would

(i) disclose business or trade secrets;

(ii) disclose production costs;

(iii) disclose distribution costs, except to the extent that such costs are accepted as justifying allowances for quantity or differences in circumstances of sale;

(iv) disclose the names of particular customers or the price or prices at which particular sales were made.

(Sec. 407, 42 Stat. 18; 19 U.S.C. 173.)

Section 14.7(b) is amended as follows:

Part 14 is amended further by adding a new section designated

14.6a reading as follows:

14.6a Disclosure of information in antidumping proceedings.--

(a) Information generally available. In general, all information, but not necessarily all documents, obtained by the Treasury Department, including the Bureau of Customs, in connection with any antidumping proceeding will be available for inspection or copying by any interested person, such as the producer of the merchandise, any importer, exporter, or domestic producer of merchandise similar to that which is the subject of the proceeding. With respect to documents prepared by an officer or employee of the United States, factual material, as distinguished from recommendations and evaluations, contained in any such document will be made available by summary or otherwise on the same basis as information contained in other documents. Attention is directed to section 24.12 relating to fees charged for providing copies of documents.

(b) Requests for confidential treatment of information. Any person who submits information in connection with an antidumping proceeding may request that such information, or any specified part thereof, be held confidential. Information covered by such a request shall be set forth on separate pages from other information; and all such pages shall be clearly marked "Confidential Treatment Requested." The Commissioner of Customs or the Secretary of the Treasury or the delegate of either will determine, pursuant to paragraph (c) of this section, whether such information, or any part thereof, shall be treated as confidential. If it is so determined, the information covered by the determination will not be made available for inspection or copying by any person other than an officer or employee of the United States Government or a person who has been specifically authorized to receive it by the person requesting confidential treatment. If it is determined that information submitted with such a request, or any part thereof, should not be treated as confidential, or that summarized or approximated presentations thereof should be made available for disclosure, the person who has requested confidential treatment thereof shall be promptly so advised and, unless he thereafter agrees that the information, or any specified part or summary or approximated presentations thereof, may be disclosed to all interested parties, the information will not be made available for disclosure, but to the extent that it is self-serving it will be disregarded for the purpose of the determination as to sales below fair value and no reliance shall be placed thereon in this connection.

presented the question of dumping, his name shall be included in the notice unless a determination under section 14.6a of these regulations requires that his name not be disclosed.

(ii) The Commissioner shall thereupon proceed promptly to decide whether or not reasonable grounds exist to believe or suspect that the merchandise is being, or likely to be, sold at less than its foreign market value (or, in the absence of such value, than its constructed value). To assist him in making this decision the Commissioner, in his discretion, may conduct a brief preliminary investigation into such matters, in addition to the invoice or other papers or information presented to him, as he may deem necessary.

Paragraph (e) is amended to read:

(e) If the Commissioner determines pursuant to paragraph (d)(1)(ii) of this section, or in the course of an investigation under paragraph (d)(3)(i) of this section, that there are reasonable grounds to believe or suspect that any merchandise is being, or is likely to be, sold at less than its foreign market value (or, in the absence of such value, than its constructed value) under the Antidumping Act, he shall publish notice of that fact in the Federal Register, furnishing an adequate description of the merchandise, the name of each country of exportation, and the date of the receipt of the information in proper form, and shall advise all appraisers of his action. This notice may be referred to as the "Withholding of Appraisal Notice." If the belief or suspicion relates only to certain shippers or producers, the notice shall specify that this is the case and that the investigation is limited to the transactions of such shippers or producers. The notice shall also specify whether the appropriate basis of comparison for fair value purposes is purchase price or exporter's sales price if sufficient information is available to so state; otherwise a supplementary notice will be published in the Federal Register as soon as possible which will specify which of such prices is the appropriate basis of comparison for fair value purposes. Upon receipt of such advice, the appraisers shall proceed to withhold appraisal in accordance with the pertinent provisions of section 14.9. (Secs. 201, 407, 42 Stat. 11, as amended, 18; 19 U.S.C. 160, 173.)

Part 14 is amended by deleting present footnote 14; by redesignating present footnote 14a as footnote 14.

amended, including information as to any differences between the foreign market value or constructed value and the purchase price or exporter's sales price which may be accounted for by any difference in taxes, discounts, incidental costs such as those for packing or freight, or other items.

(3) Such information as is reasonably available to the person furnishing the information as to the total value and volume of domestic production of the merchandise in question.

(4) Such suggestions as the person furnishing the information may have as to specific avenues of investigation to be pursued or questions to be asked in seeking pertinent information.

Paragraph (c) is amended to read:

(c) If any information filed pursuant to paragraph (b) does not conform with the requirements of that paragraph, the Commissioner shall return the communication to the person who submitted it with detailed written advice as to the respects in which it does not conform.

Paragraph (d)(1) is amended to read:

(d)(1) Upon receipt pursuant to paragraph (a) or (b) of this section of information in proper form, (i) the Commissioner shall conduct a summary investigation. If he determines that the information is patently in error or that the merchandise is not being and is not likely to be imported in more than insignificant quantities he shall so advise the person who submitted the information and the case shall be closed. Otherwise, the Commissioner shall publish a notice in the Federal Register that information in proper form has been received pursuant to paragraph (a) or (b) of this section. This notice, which may be referred to as the "Antidumping Proceeding Notice," will specify whether the information relates to all shipments of the merchandise in question from an exporting country, or only to shipments by certain persons or firms; in the latter case, only the names of such persons and firms will be specified. The notice shall also specify the date on which information in proper form was received and that date shall be the date on which the question of dumping was raised or presented for purposes of sections 201(b) and 202(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(b) and 161(a)). The notice shall also contain a summary of the information received. If a person outside the Customs Service raised or

Due consideration now having been given to all comments, views, and other data received, the amendments as set forth below are hereby adopted. The amendments shall become effective, but not retroactively, 30 days after the date of their publication in the Federal Register. However, section 14.6a and the amendments to sections 14.7(b)(1), 14.7(b)(3), and 14.9(a) shall not be effective with respect to anti-dumping proceedings in connection with which the question of dumping was raised or presented for the purposes of sections 201(b) and 202(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(b) and 161(a)), before the 30th day following the date of publication of the amendments in the Federal Register.

Section 14.6 is amended as follows:

Paragraph (b) is amended to read:

(b) Any person outside the Customs Service who has information that merchandise is being, or is likely to be, imported into the United States under such circumstances as to bring it within the purview of the Antidumping Act, 1921, as amended,<sup>14</sup> may communicate such information in writing to the Commissioner of Customs. Every such communication shall contain or be accompanied by the following:

(1) A detailed description or sample of the merchandise; the name of the country from which it is being, or is likely to be, imported; the name of the exporter or exporters and producer or producers, if known; and the ports or probable ports of importation into the United States. If no sample is furnished, the Bureau of Customs may call upon the person who furnished the information to furnish samples of the imported and competitive domestic articles, or either.

(2) Such detailed data as are reasonably available with respect to values and prices indicating that such merchandise is being, or is likely to be, sold in the United States at less than its fair value, within the meaning of the Antidumping Act, 1921, as

(T. D. )

Procedures under the Antidumping Act, 1921, as amended --  
Customs Regulations amended

Sections 14.6, 14.7, 14.8, and 14.9 relating to procedures under the  
Antidumping Act, amended; new section 14.6a relating to disclosure  
of information in antidumping proceedings, added

TREASURY DEPARTMENT,  
OFFICE OF THE COMMISSIONER OF CUSTOMS  
Washington, D. C.

To Collectors of Customs and Others Concerned:

TITLE 19--CUSTOMS DUTIES

CHAPTER I--BUREAU OF CUSTOMS

PART 14--APPRAISEMENT

A notice was published in the Federal Register on December 24,  
1963 (28 F.R. 14245), stating that the Treasury Department was review-  
ing its regulations (19 CFR 14.6-14.13) under the Antidumping Act of  
1921, as amended (19 U.S.C. 160-173). All interested parties were  
afforded an opportunity to be heard on January 23, 1964, with regard  
to the regulations.

After consideration of all written submissions received and  
oral arguments made at the hearing, a notice of proposed rulemaking  
setting forth certain proposed amendments relating to procedures  
under the Antidumping Act was published in the Federal Register on  
April 23, 1964 (29 F.R. 5474), pursuant to section 4 of the Adminis-  
trative Procedure Act (5 U.S.C. 1003) and comments were invited to  
be submitted.



freely available to those who purchase in the ordinary course of trade. During the six months preceding the date when the question of dumping was raised, the producer made sales of more than 500 tons each with respect to 15 percent of such or similar merchandise which he sold in the home market. Sales for exportation to the United States are at list prices less 5 percent and have been in quantities of over 500 tons. The 5 percent will not be allowed as a quantity discount because less than 20 percent of such or similar merchandise was sold in the home market in quantities to which such discount was applicable, unless the 5 percent discount can be justified by cost savings. Cost savings can also be used to justify a quantity discount where there were no sales in the home market in quantities sufficient to warrant the granting of the 5 percent discount, and no offers because there is no potential market for such quantities.

In determining whether a discount has been given the presence or absence of a published price list reflecting such a discount is not controlling. In certain lines of trade price lists are not commonly published and in others although commonly published they are not commonly adhered to.

The following example also relates to quantity allowances.

Example 5

A foreign producer has the following record of sales at or about the date of sale or exportation to the United States.

<u>Price per lb. for Sales in Units of 100 lbs. and 1,000 lbs.</u>	<u>Sales for Consumption in Country of Exportation</u>	<u>Sales to the United States</u>
\$.85 ( 100 lbs.)	200,000 lbs.	-0-
\$.80 (1,000 lbs.)	20,000 lbs.	100,000 lbs.

Although the lower price in the home market appears to obtain for quantities the same as those sold for exportation to the United States at the same price, the quantity sold for home consumption at the lower price is less than 20 percent of the quantity sold in the home market. Accordingly, the price for exportation to the United States is not justified, unless cost savings can be shown to justify the lower price. If 44,000 pounds had been sold in the home market at the \$.80 price, the lower price would have been justified for comparison with the price for exportation to the United States.

(17) The proposed effective date provisions are substantially unchanged except for a thirty-day delay provision to allow the public to become acquainted with them. As proposed, they had read as follows:

"It is contemplated that if the proposed amendments are adopted they will become effective, but not retroactively, on the date of their adoption. Section 14.6a and the amendments of sections 14.7(b)(1), 14.7(b)(3), and 14.9(a) will not be effective with respect to antidumping proceedings in connection with which the question of dumping was raised or presented for the purposes of section 201(b) and 202(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(b) and 161(a)) before the date of the adoption of the amendments."

As issued, the effective date provisions read as follows:

"The amendments shall become effective, but not retroactively, 30 days after the date of their publication in the Federal Register. However, section 14.6a and the amendments to sections 14.7(b)(1), 14.7(b)(3), and 14.9(a) shall not be effective with respect to antidumping proceedings in connection with which the question of dumping was raised or presented for the purposes of sections 201(b) and 202(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(b) and 161(a)), before the 30th day following the date of publication of the amendments in the Federal Register."

(18) Examples 4 and 5, set forth in footnote 15 appended to section 14.7(a) are being revised to reflect changes brought about by the new amendments. No change in the Examples was stated as being contemplated in the Federal Register Notice of April 23 because it was deemed unnecessary to give notice in this regard. The Examples do not themselves constitute changes in the Regulations. They merely illustrate certain effects of the Regulations, and require change as the Regulations change. Examples 4 and 5, as they will be revised, will read as follows:

Example 4

A foreign producer makes all of his sales, other than those to the United States, for consumption in the country of exportation. The majority of the merchandise thus sold by him is sold in 50-ton lots at list prices, net. However, a discount of 5 percent is granted on sales of more than 500 tons, and is

the proper basis of comparison for fair value purposes is exporter's sales price or if that notice does not specify the appropriate basis of comparison for fair value purposes, each appraiser shall withhold appraisement as to such merchandise entered, or withdrawn from warehouse, for consumption, on any date after the 120th day before the question of dumping was raised by or presented to the Secretary of the Treasury or his delegate. If the Commissioner's "Withholding of Appraisement Notice," including any supplementary notice, shall specify that the proper basis of comparison for fair value purposes is purchase price, the appraiser shall withhold appraisement as to such merchandise entered or withdrawn from warehouse for consumption after the date of publication of the "Withholding of Appraisement Notice." Each appraiser shall notify the collector and importer immediately of each lot of merchandise with respect to which appraisement is so withheld. Upon advice of a finding made in accordance with section 14.8(b), the appraiser shall give immediate notice thereof to the collector and the importer when any shipment subject thereto is imported after the date of the finding and information is not on hand for completion of appraisement of such shipment. Customs Form 6459 shall be used to notify the collector and importer whenever appraisement is withheld under this paragraph.

(16) The proposed amendment of section 14.9(f) is being adopted with changes, as follows:

Section 14.9(f) In calculating purchase price or exporter's sales price, as the case may be, there shall be deducted the amount of any special dumping duties which are, or will be, paid by the manufacturer, producer, seller, or exporter, or which are, or will be, refunded to the importer by the manufacturer, producer, seller, or exporter, either directly or indirectly, but a warranty of nonapplicability of dumping duties granted to an importer with respect to merchandise which is (1) purchased, or agreed to be purchased, before publication of a "Withholding of Appraisement Notice" with respect to such merchandise and (2) exported before a determination of sales below fair value is made will not be regarded as affecting purchase price or exporter's sales price.

Secretary of the Treasury afford him an opportunity to present his views in this regard. Upon receipt of such a request the Secretary will notify the person who supplied ~~the~~ any information, the accuracy of which is questioned and such other person or persons, if any, as he in his discretion may deem to be appropriate. If the Secretary is satisfied that the circumstances so warrant an opportunity will be afforded by the Secretary or his delegate for ~~both~~ all such persons to appear, through their counsel or in person, accompanied by counsel if they so desire, to make known their respective points of view and to supply such further information or argument as may be of assistance in leading to a conclusion as to the accuracy of the information in question. The Secretary or his delegate may at any time, upon appropriate notice, ~~request that information or argument be supplied orally to him by any such person or persons as he in his discretion may deem to be appropriate~~ invite any such person or persons as he in his discretion may deem to be appropriate to supply him orally with information or argument. As soon as possible thereafter, the Secretary will make a final determination. ~~---If the determination is affirmative, the Secretary will advise the United States Tariff Commission accordingly.~~ , except that the Secretary may defer making an affirmative determination of sales below fair value during the pendency of any other antidumping proceeding which relates to the same class or kind of merchandise imported from another foreign country. The Secretary will defer making an affirmative determination only if he is satisfied that deferral is appropriate under all of the circumstances. Circumstances which the Secretary will take into consideration will include the dates on which information relating to the various antidumping proceedings came to his attention, the volume of sales involved in each proceeding, elements of hardship, if any, and probable extent of delay which deferral would entail. No determination that sales are not below fair value will be deferred because of this provision. Whenever the Secretary makes a determination of sales at less than fair value he will so advise the United States Tariff Commission.

(15) The proposed amendment of section 14.9(a) is being adopted without change, as follows:

Section 14.9 Action by the appraiser.

(a) Upon receipt of advice from the Commissioner of Customs pursuant to section 14.6(e), if the Commissioner's "Withholding of Appraisal Notice" shall specify that

~~(ii) - Other changed circumstances.~~ Whenever a person who has filed information pursuant to section 14.6(b), prior to the determination referred to in section 14.8(a), advises the Secretary of the Treasury that he no longer believes it is appropriate to determine that there are, or that there are likely to be, sales below fair value with respect to the merchandise to which his information related, the Secretary may publish a notice of this fact in the Federal Register together with an invitation to all interested parties to express their views thereon. If within 30 days after the publication of such notice comments shall be received indicating that any segment of an industry interested in the antidumping proceeding believes that it is desirable that the determination provided for in section 14.8(a) be made, the Commissioner of Customs and the Secretary of the Treasury shall proceed in accordance with the provisions of that section. Otherwise the antidumping proceeding may be closed with a determination that this action has been taken pursuant to the procedures herein described.

(14) The proposed amendment of section 14.8(a) is being adopted with changes, as follows:

(a) Upon receipt from the Commissioner of Customs of the information referred to in section 14.6(d), the Secretary of the Treasury will proceed as promptly as possible to determine tentatively whether or not the merchandise in question is in fact being, or is likely to be, sold in the United States or elsewhere at less than its fair value. As soon as possible the Secretary will publish in the Federal Register a Notice of the tentative determination, which may be referred to as "Notice of Tentative Determination," will be published in the Federal Register which will include a statement of the reasons on which the tentative determination is based. Interested persons will be given an opportunity to make such written submissions as they desire, within a period which will be specified in the notice, with respect to the contemplated action. Appropriate consideration will be given to any ~~such~~ new or additional information or argument submitted. If any person believes that any information obtained by the Bureau of Customs in the course of an antidumping proceeding is inaccurate or that for any other reason the tentative determination is in error, he may request in writing that the

(12) The proposed amendment of section 14.7(b)(4) is being adopted without change, as follows:

Section 14.7(b)(4) Offering price. In the determination of fair value, offers will be considered in the absence of sales but an offer made in circumstances in which acceptance is not reasonably to be expected will not be deemed to be an offer.

(13) The proposed new paragraph (9) of section 14.7(b) is being adopted with changes, as follows:

Section 14.7(b)(9) Likelihood-of-sales-at-less-than-fair-value.  
Revision of prices or other changed circumstances.

~~(i) -- Revision of prices.~~ Whenever the Secretary of the Treasury is satisfied that ~~an exporter,~~ promptly after ~~learning the commencement of an antidumping investigation with respect to his shipments, has revised his prices so as to eliminate the likelihood of his sales in the United States being at prices below his comparable sales in the home market (or in third country markets, when sales to third countries are the basis for comparison) or has, without intention to resume them, terminated his sales to the United States,~~ either (1) price revisions have been made which eliminate the likelihood of sales below fair value and that there is no likelihood of resumption of the prices which prevailed before such revisions, or (2) sales to the United States of the merchandise have terminated and will not be resumed; or whenever the Secretary concludes that there are other changed circumstances on the basis of which it may no longer be appropriate to continue an antidumping investigation, the Secretary shall publish a notice to this effect in the Federal Register. ~~The notice shall also state that the exporter's action is considered to be evidence that he is not selling and is not likely to sell below fair value and that the Secretary will so determine unless evidence or argument to the contrary is presented within thirty days.~~ The notice shall state the facts relied on by the Secretary in publishing the notice and that those facts are considered to be evidence that there are not and are not likely to be sales below fair value. The notice shall also state that unless persuasive evidence or argument to the contrary is presented within 30 days the Secretary will determine that there are not and are not likely to be sales below fair value.

(10) The proposed amendment of section 14.7(b)(1) is being adopted with a change as follows:

Section 14.7(b)(1) Quantities.--In comparing the purchase price or exporter's sales price, as the case may be, with such applicable criteria as sales or offers, on which a determination of fair value is to be based, reasonable allowances will be made for differences in quantities if it is established to the satisfaction of the Secretary that the amount of any price differential is wholly or partly due to such differences. In determining the question of allowances for differences in quantity, consideration will be given, among other things, to the practice of the industry in the country of exportation with respect to affording in the home market (or third country markets, where sales to third countries are the basis for comparison) discounts for quantity sales which are freely available to those who purchase in the ordinary course of trade. Allowances for price discounts based on sales in large quantities ordinarily will not be made unless (i) the exporter during the year six months prior to the date when the question of dumping was raised or presented had been granting quantity discounts of at least the same magnitude with respect to 20 percent or more of such or similar merchandise which he sold in the home market (or in third country markets when sales to third countries are the basis for comparison) and that such discounts had been freely available to all purchasers, or (ii) the exporter can demonstrate that the discounts are warranted on the basis of savings specifically attributable to the quantities involved.

(11) The proposed amendment of section 14.7(b)(3) is being adopted without change, as follows:

(3) Similar merchandise.--In comparing the purchase price or exporter's sales price, as the case may be, with the selling price in the home market, or for exportation to countries other than the United States, in the case of similar merchandise described in subdivisions (C), (D), (E), or (F) of section 212(3), Antidumping Act, 1921, as amended (19 U.S.C. 170a(3)), due allowance shall be made for differences in the merchandise. In this regard the Secretary will be guided primarily by the effect of such differences upon the market value of the merchandise but, when appropriate, he may also consider differences in cost of manufacture if it is established to his satisfaction that the amount of any price differential is wholly or partly due to such differences.

in such generalized, summary or approximated form, such disclosure would still be of significant competitive advantage to a competitor or would still have a significantly adverse effect upon a person supplying the information or upon a person from whom he acquired the information. As indicated in (b), however, the decision that information is not entitled to protection from disclosure in its original or in another form will not lead to its disclosure unless the person supplying it consents to such disclosure.

(2) Information will ordinarily be regarded as appropriate for disclosure if it

- (i) relates to price information;
- (ii) relates to claimed freely available price allowances for quantity purchases; or
- (iii) relates to claimed differences in circumstances of sale.

(3) Information will ordinarily be regarded as confidential if its disclosure would

- (i) disclose business or trade secrets;
- (ii) disclose production costs;
- (iii) disclose distribution costs, except to the extent that such costs are relied-on-to-justify accepted as justifying allowances for quantity or differences of circumstances of sale;
- (iv) disclose the names of particular customers or the price or prices at which particular sales were made; .
- ~~(v) -- disclose information which would be of significant competitive advantage to a competitor; or~~
- ~~(vi) -- affect in a significantly adverse way any person who supplied information, including any informer, or any person from whom the supplier of the information acquired it.~~



shall be treated as confidential. If it is so determined, the information covered by the determination will not be made available for inspection or copying by any person ~~not~~ other than an officer or employee of the United States Government ~~either than~~ or a person who has been specifically authorized to receive it by the person requesting confidential treatment. If it is determined that information submitted with such a request, or any part thereof, should not be treated as confidential, or that summarized or approximated presentations thereof should be made available for disclosure, the person who has requested confidential treatment thereof shall be promptly so advised and, unless he thereafter agrees that the information, or any specified part or summary or approximated presentations thereof, may be disclosed to all interested parties, the information will not be made available for disclosure, but to the extent that it is self-serving it will be disregarded for the purpose of the determination as to sales below fair value ~~antidumping-proceeding~~, and no reliance shall be placed thereon in this connection ~~with-the-proceeding~~.

(c) Standards for determining whether information will be regarded as confidential. (1) Information will ordinarily be considered to be confidential only if its disclosure would have a significantly adverse effect upon a person supplying the information or upon a person from whom he acquired the information. -- Further, if disclosure of information in specific terms or with identifying details would have a significantly adverse effect upon the person supplying the information or upon any person from whom he acquired the information, the information will ordinarily be considered appropriate for disclosure in generalized, summary or approximated form, without identifying details, if it is determined that this course can be followed without its having the significantly adverse effect which direct disclosure of the information would entail. be of significant competitive advantage to a competitor or would have a significantly adverse effect upon a person supplying the information or upon a person from whom he acquired the information. Further, if disclosure of information in specific terms or with identifying details would be inappropriate under this standard, the information will ordinarily be considered appropriate for disclosure in generalized, summary or approximated form, without identifying details, unless the Commissioner of Customs or the Secretary of the Treasury or the delegate of either determines that even

for fair value purposes is purchase price or exporter's sales price if sufficient information is available to so state; otherwise a supplementary notice will be published in the Federal Register as soon as possible which will specify which of such prices is the appropriate basis of comparison for fair value purposes. Upon receipt of such advice, the appraisers shall proceed to withhold appraisal in accordance with the pertinent provisions of section 14.9.

(8) As proposed, footnote "14a" in paragraph 14.6(b) is being redesignated "footnote 14." The former footnote 14 in paragraph 14.6(a) is being eliminated.

(9) The proposed new section 14.6a is being adopted with changes, as follows:

Section 14.6a Disclosure of information in antidumping proceedings.

(a) Information generally available. In general, all information, but not necessarily all documents, obtained by the Treasury Department, including the Bureau of Customs, in connection with any antidumping proceeding will be available for inspection or copying by any interested person, ~~including~~ such as the producer of the merchandise, any importer, exporter or domestic producer of merchandise similar to that which is the subject of the proceeding. With respect to documents prepared by an officer or employee of the United States factual material, as distinguished from recommendations and evaluations, contained in any such document will be made available by summary or otherwise on the same basis as information contained in other documents. Attention is directed to section 24.12 relating to fees charged for providing copies of documents.

(b) Requests for confidential treatment of information. Any person who submits information in connection with an antidumping proceeding may request that such information, or any specified part thereof, be held confidential. Information covered by such a request shall be set forth on separate pages from other information; and all such pages shall be clearly marked "Confidential Treatment Requested." The Commissioner of Customs or the Secretary of the Treasury or the delegate of either will determine, pursuant to paragraph (c) of this section, whether such information, or any part thereof,

such persons and firms will be specified. The notice shall also specify the date on which information in proper form was received and that date shall be the date on which the question of dumping was raised or presented for purposes of sections 201(b) and 202(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(b) and 161(a)) and that date shall be included in the notice. The notice shall also contain a summary of the information received. If a person outside the Customs Service raised or presented the question of dumping, his name shall be included in the notice unless a determination under section 14.6a of these regulations requires that his name not be disclosed.

(ii) the Commissioner shall thereupon proceed promptly to decide whether or not reasonable grounds exist to believe or suspect that the merchandise is being, or is likely to be, sold at less than its foreign market value (or, in the absence of such value, than its constructed value). To assist him in making such decision the Commissioner, in his discretion, may conduct a brief preliminary investigation into such matters, in addition to the invoice or other papers or information presented to him, as he may deem necessary.

(7) The proposed amendment of paragraph 14.6(e) is being adopted with changes, as follows:

(e) If the Commissioner determines pursuant to paragraph (d)(1)(ii) of this section, or in the course of an investigation under paragraph (d)(3)(i) of this section, that there are reasonable grounds to believe or suspect that any merchandise is being, or is likely to be, sold at less than its foreign market value (or, in the absence of such value, than its constructed value) under the Antidumping Act, he shall publish notice of that fact in the Federal Register, furnishing an adequate description of the merchandise, the name of each country of exportation, and the date of the receipt of the information in proper form, and shall advise all appraisers of his action. This notice may be referred to as the "Withholding of Appraisal Notice." If the belief or suspicion relates only to certain shippers or producers, the notice shall ~~also include the names of such shippers~~ specify that this is the case and that the investigation is limited to the transactions of such shippers or producers. The notice shall also specify whether the appropriate basis of comparison

sales price which may be accounted for by any difference in taxes, discounts, incidental costs such as those for packing or freight, or other items.

(4) The proposed new subparagraph 4 of section 14.6(b) is being adopted without change, as follows:

(4) Such suggestions as the person furnishing the information may have as to specific avenues of investigation to be pursued or questions to be asked in seeking pertinent information.

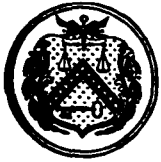
(5) The proposed amendment of paragraph 14.6(c) is being adopted without change, as follows:

(c) If any information filed pursuant to paragraph (b) does not conform with the requirements of that paragraph, the Commissioner shall return the communication to the person who submitted it with detailed written advice as to the respects in which it does not conform.

(6) The proposed amendment of paragraph 14.6(d)(1) is being adopted with changes, as follows:

(d)(1) Upon receipt pursuant to paragraph (a) or (b) ~~or (e)~~ of this section of information in proper form:

~~(i) the Commissioner shall publish notice of that fact in the Federal Register, which notice may be referred to as the "Antidumping Proceeding Notice." The date of such receipt~~ (i) the Commissioner shall conduct a summary investigation. If he determines that the information is patently in error or that the merchandise is not being and is not likely to be imported in more than insignificant quantities he shall so advise the person who submitted the information and the case shall be closed. Otherwise, the Commissioner shall publish a notice in the Federal Register that information in proper form has been received pursuant to paragraph (a) or (b) of this section. This notice, which may be referred to as the "Antidumping Proceeding Notice," will specify whether the information relates to all shipments of the merchandise in question from an exporting country, or only to shipments by certain persons or firms; in the latter case, only the names of



TREASURY DEPARTMENT  
WASHINGTON

November 30, 1964

Amendments of the Antidumping Regulations  
**Comparative print**  
showing changes between the  
amendments adopted and those  
published as proposals in the  
Federal Register of April 1964

(Material deleted from April proposals  
is indicated by canceling lines; material  
added is indicated by underlining.)

(1) The proposed amendment of the first sentence of paragraph 14.6(b) is being adopted without change, as follows:

(b) Any person outside the Customs Service who has information that merchandise is being, or is likely to be, imported into the United States under such circumstances as to bring it within the purview of the Antidumping Act, 1921, as amended,<sup>14</sup> may communicate such information in writing to the Commissioner of Customs. \* \* \*

(2) The proposed amendment of paragraph 14.6(b)(1) is being adopted with a change, as follows:

(1) A detailed description or sample of the merchandise; the name of the country from which it is being, or is likely to be, imported; the name of the exporter or exporters and producer or producers, if known; and the ports or probable ports of importation into the United States. If no sample is furnished, the Bureau of Customs may call upon the person who furnished the information to furnish samples of the imported and competitive domestic articles, or either.

(3) The proposed amendment of paragraph 14.6(b)(2) is being adopted with a change, as follows:

(2) Such detailed data as are reasonably available with respect to values and prices indicating that such merchandise is being, or is likely to be, sold in the United States at less than its fair value, within the meaning of the Antidumping Act, 1921, as amended, including information as to any differences between the foreign market value or constructed value and the purchase price or exporter's

The amendment as originally proposed has been further amended so as to make it clear that cases will be closed out only when it is demonstrated to the Secretary's satisfaction that this action is appropriate. The Secretary, in reaching his determination, will consider such matters as the degree of assurance which he has that the objectionable practices have been terminated, whether the case involves deliberate sporadic dumping, or other unusual circumstances which would make it inappropriate to close the case, and whether any objections to closing it are groundless or frivolous.

#### Offers of Sales

An amendment adopted in the form in which it was proposed last April specifically authorizes the Treasury to disregard offers of sales whenever it is clear from the circumstances that acceptance of the offer could not reasonably be expected. For example, an offer of sale of heavy winter overcoats for local consumption by a manufacturer in a tropical country would not be regarded as an offer to which any weight should be given.

#### Adjustment for Differences in Cost of Production

One of the amendments establishes a realistic standard for determining what weight should be placed on differences in cost of production in making determinations of the value of merchandise when the merchandise being compared is not identical. This amendment, which is unchanged from the form in which it was proposed last April, provides, in general, that differences in cost of production will be taken into account only to the extent that they affect the market value of the merchandise concerned.

#### Effective Date

The amendments will be published within a few days in the Federal Register and will go into effect 30 days after their publication. No amendment will be given retroactive effect and the provisions relating to confidentiality of information, quantity discounts and similar merchandise will not apply to then pending cases.

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Attached hereto is a comparative print showing the amendments in the form in which they are being issued and indicating the extent to which the proposed amendments published in the Federal Register on April 23, 1964, have been changed.

Attachment

there shall be publication of an antidumping proceeding notice only after a summary investigation has determined that the complaint is not patently without foundation. Further, the new amendment provides that both antidumping proceeding notices and withholding orders will be directed only at the foreign firms whose shipments are actually involved. Of course, if in any case all of the exporters from and producers in a particular country were believed to be dumping, the antidumping proceeding notice and withholding order would be directed to all shipments from that country.

#### Retroactivity

The amended regulations will eliminate retroactive application of dumping duties by eliminating withholding of appraisement of goods imported before the date of a withholding order in all cases except those in which the importer is defined as having a relationship with the exporter under section 207 of the Antidumping Act. (The class of cases in which retroactivity would still obtain are those where, for example, the exporter and importer are principal and agent or where there is mutuality of ownership or control between exporter and importer.) This amendment has been adopted in the same form in which it was proposed last April.

#### Reimbursement of Dumping Duties by Exporter

Under the amended regulations it has been made feasible for an exporter to warrant freedom from dumping duties with respect to merchandise purchased prior to an order withholding appraisement and to compensate the importer for a breach of this warranty. Unlike the proposals announced in April, however, the amendment now being issued restricts such warranties to shipments of merchandise made before a finding that sales have been made below fair value.

#### Termination of Proceedings

The new regulations contain a provision which will allow the termination of antidumping proceedings in some, but not all, instances in which it is clear that prices have been revised to eliminate any dumping margin, that sales to the United States have been terminated, or that the complaining person has concluded that no further purpose would be served by the continuation of the antidumping proceedings.

Under this amendment, safeguards will be provided by requiring publication of a Federal Register notice of the impending action with an opportunity to interested parties to present their views. It is believed that this procedure will allow some cases to be terminated quickly.

### Confrontation and Argument

The new amendments provide that the Treasury, at the request of any interested person, will be prepared to hear the arguments of either side in the presence of the other. As pointed out last April, the Treasury has rejected as impractical and undesirable the suggestion of some members of the public that antidumping procedures be determined on the basis of public hearings of a quasi-judicial type. Further consideration of this matter has strengthened the Treasury's view that public hearings of this type would not be suitable in antidumping proceedings and would impose a costly and unjustified burden upon exportations to the United States.

Members of the public, in commenting upon the provisions for confrontation, pointed out that this amendment as originally proposed appeared to be limited to situations in which the accuracy of information was in dispute. They pointed out that there should be an opportunity to argue with regard to other matters as well, e.g., questions of law. The merit of this position has been recognized in the amendment which now also makes it clear that there can be more than two interested parties present at a confrontation.

An important change in this amendment is that it now specifically provides that the Treasury Department may delay sending cases to the Tariff Commission in order that the Treasury aspect of related cases may be consolidated. The April notice did not deal with this matter but the Treasury believes that this provision is nonetheless appropriate. It reflects an administrative practice which has been followed by the Department and does not establish any change of actual practice.

### Quantity Discounts

The amendments have established a clear standard for determining when and how allowances should be made with respect to sales in different quantities. They specify that an allowance will ordinarily be made for a quantity discount only if it is actually enjoyed with respect to 20 percent of the merchandise sold in the home market or in third country markets where applicable or, in the alternative, unless it is cost-justified. The amendment will provide that ordinarily a six months' history of quantity discounts will be deemed to be a satisfactory basis for a quantity allowance. The April proposals had required a year's history in this respect.

### Complaints

The provisions announced last April of the proposed regulations with respect to the filing of complaints have been adopted substantially as they were proposed. They have been changed, however, to provide that



the purpose of which is to increase efficiency and fairness but leave unchanged the balance as between domestic producers on the one hand and exporters on the other.

The following comments relate to a number of the more important matters dealt with by the amended regulations:

#### Making Information Available

The present amendment departs from the heretofore prevailing rule that virtually all information in an antidumping proceeding shall be treated as confidential. Under the new regulations, all information entered in connection with an antidumping proceeding will be made available for inspection or copying by any interested person except that the Treasury, on the request of the person who submitted the information, may conclude on the basis of standards set forth in the regulations that the information shall be treated as confidential. In any case in which information is submitted with the request that it be treated as confidential and the Treasury Department denies the request, the person submitting the information will have his choice of having the information disregarded or of acquiescing in its being treated as non-confidential. Provision is also made for deletion of identifying details the inclusion of which would be harmful to the person submitting the information. The amendment also provides that certain information may be disclosed by the Treasury in generalized or summarized fashion rather than in detail when this course is deemed appropriate in the interests of maximum disclosure coupled with protection of confidentiality. The standards which will guide the Treasury in determining which classes of information should or should not be regarded as confidential are spelled out in considerable detail in new section 14.6a(c).

It is believed that the net effect of this proposal will be to open up a large body of information to interested persons without detriment to the persons who supply information. The amendment which has been adopted is essentially the same as that proposed last April but its drafting has been improved. One drafting change is designed to make it entirely clear to foreign producers that under no circumstances will information which was submitted as confidential be disclosed without the consent of the person who supplied it, regardless of whether the Treasury believes that the claim to confidential treatment is justified. This had been intended by the language originally proposed but some comments indicated that additional assurance was necessary. The amendment also makes it clear that whenever the Treasury rejects a claim that information is entitled to confidential treatment, the information will not be given weight as supporting the submitter's position until the submitter agrees to an appropriate disclosure of the information.



TREASURY DEPARTMENT  
WASHINGTON

December 4, 1964

AMENDMENTS TO THE ANTIDUMPING REGULATIONS

BACKGROUND MEMORANDUM

On April 23, 1964, the Treasury Department published in the Federal Register proposed amendments to the antidumping regulations and invited comment of the public thereon. A background memorandum issued at the time made the following observations:

"The changes in the antidumping regulations which are presently proposed are based in large part on the comments received both orally and in writing in connection with the hearing which was held on January 23, 1964. In addition, the proposed amendments reflect the views of the experts brought in by the Treasury Department as consultants with regard to this matter. Finally, they are based in part on suggestions emanating from within the Department.

"To some extent, the interests of those concerned with domestic production and those concerned with imports are necessarily inconsistent, and it is impossible to satisfy one without dissatisfying the other. Analysis of the basic problems, however, has disclosed a surprisingly large area in which there is room for improvement which it is believed would be welcomed by domestic producers, importers and exporters alike.

"This is the area to which the major part of the proposed revisions is directed. Their adoption would, it is believed, contribute significantly to sound administration of Treasury's antidumping procedures. The proposed amendments are not designed to make the administration of the Antidumping Act either more or less restrictive."

As a result of the notice of April 23, the Treasury Department received approximately sixty statements of views from domestic producers, importers, exporters, foreign governments and various associations either directly or through their legal counsel. Many of these contained lengthy, carefully thought-out, helpful comments. To the extent that the Treasury has believed that these comments exposed deficiencies in the proposed amendments or suggested improvements, they have been used as the basis for further changes. It should be noted, however, that the comments and views received have not resulted in radical changes in the regulations which were proposed in April. The changes to which they have led will improve the amendments and not affect their character as a set of rules

number of statements were received from domestic producers, importers, exporters, foreign governments and various associations. The new amendments emerged from this study and broad range of comments.

The amendments will be published shortly in the Federal Register and will go into effect 30 days after their publication. No amendment will be given retroactive effect and the provisions relating to confidentiality of information, <sup>and</sup> quantity discounts [and similar merchandise] will not apply to pending cases.

A comparison print is available from the Treasury upon request for those persons interested in the differences between the amendments proposed earlier and those now being adopted.

2. Establish standards for determining when differences in sales volumes abroad and in the United States provide a basis for making quantity allowances in price comparisons.

3. Eliminate, in large part, the retroactive application of dumping duties. At present, such duties can be imposed on goods imported as far back as four months prior to the receipt of a complaint.

4. Allow foreign exporters to reimburse to United States importers dumping duties charged on certain shipments made to the United States.

The changes came after a thorough study by the Treasury, with the assistance of academic consultants. Amendments were proposed earlier this year after discussion of the subject at a well-attended public hearing. Following this, a large

material submitted by the parties, and the parties in a dumping dispute have argued their positions to the Treasury privately and separately.

Henceforth, evidence submitted in confidence to help the Treasury reach a judgment will be accepted and treated as confidential only if the Treasury is itself satisfied that the nature of the material requires confidential treatment. However, even though the Treasury may not agree that the material warrants confidential treatment, the Treasury will not disclose it if the person submitting it refuses to authorize disclosure -- but <sup>in these circumstances</sup> the information will not be given weight in support of the submitter's position.

In addition, the new regulations will:

1. Allow interested persons to argue their cases before the Treasury in each other's presence, rather than separately.

December 4, 1964 49

FOR RELEASE 11:00 AM EST  
FRIDAY, DECEMBER 4, 1964

TREASURY ANNOUNCES CHANGES IN  
ANTI~~D~~UMPING REGULATIONS

The United States moved today to improve its procedures for determining whether certain foreign merchandise or commodities are being sold in the United States at prices lower than those charged in the exporters' home market.

The Treasury Department, under the Antidumping Act, must decide in specific cases whether such practices are taking place. Affirmative decisions are passed to the U. S. Tariff Commission, which must then determine that the particular American industries affected have been injured before invoking additional customs duties which are provided under the law.

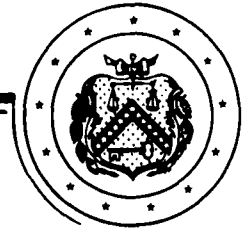
In reaching its decisions as to whether the sales of imported merchandise come within the legal definition of "dumping", the Treasury has been willing to accept as "confidential" any

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# TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 4, 1964

FOR RELEASE 11:00 A.M., EST  
FRIDAY, DECEMBER 4, 1964

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In reaching its decisions as to whether the sales of imported merchandise come within the legal definition of "dumping", the Treasury has been willing to accept as "confidential" any material submitted by the parties, and the parties in a dumping dispute have argued their positions to the Treasury privately and separately.

Henceforth, evidence submitted in confidence to help the Treasury reach a judgment will be accepted and treated as confidential only if the Treasury is itself satisfied that the nature of the material requires confidential treatment. However, even though the Treasury may not agree that the material warrants confidential treatment, the Treasury will not disclose it if the person submitting it refuses to authorize disclosure -- but, in these circumstances, the information will not be given weight in support of the submitter's position.

In addition, the new regulations will:

1. Allow interested persons to argue their cases before the Treasury in each other's presence, rather than separately.
2. Establish standards for determining when differences in sales volumes abroad and in the United States provide a basis for making quantity allowances in price comparisons.

3. Eliminate, in large part, the retroactive application of dumping duties. At present, such duties can be imposed on goods imported as far back as four months prior to the receipt of a complaint.
4. Allow foreign exporters to reimburse to United States importers dumping duties charged on certain shipments made to the United States.

The changes came after a thorough study by the Treasury, with the assistance of academic consultants. Amendments were proposed earlier this year after discussion of the subject at a well-attended public hearing. Following this, a large number of statements were received from domestic producers, importers, exporters, foreign governments and various associations. The new amendments emerged from this study and broad range of comments.

The amendments will be published shortly in the Federal Register and will go into effect 30 days after their publication. No amendment will be given retroactive effect and the provisions relating to confidentiality of information, and quantity discounts will not apply to pending cases.

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# TREASURY DEPARTMENT

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WASHINGTON

December 4, 1964

## AMENDMENTS TO THE ANTIDUMPING REGULATIONS

### BACKGROUND MEMORANDUM

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"To some extent, the interests of those concerned with domestic production and those concerned with imports are necessarily inconsistent, and it is impossible to satisfy one without dissatisfying the other. Analysis of the basic problems, however, has disclosed a surprisingly large area in which there is room for improvement which it is believed would be welcomed by domestic producers, importers and exporters alike.

"This is the area to which the major part of the proposed revisions is directed. Their adoption would, it is believed, contribute significantly to sound administration of Treasury's antidumping procedures. The proposed amendments are not designed to make the administration of the Antidumping Act either more or less restrictive."

As a result of the notice of April 23, the Treasury Department received approximately sixty statements of views from domestic producers, importers, exporters, foreign governments and various associations either directly or through their legal counsel. Many of these contained lengthy, carefully thought-out, helpful comments. To the extent that the Treasury has believed that these comments exposed deficiencies in the proposed amendments or suggested improvements, they have been used as the basis for further changes. It should be noted, however, that the comments and views received have not resulted in radical changes in the regulations which were proposed in April. The changes to which they have led will improve the amendments and not affect their character as a set of rules

the purpose of which is to increase efficiency and fairness but leave unchanged the balance as between domestic producers on the one hand and exporters on the other.

The following comments relate to a number of the more important matters dealt with by the amended regulations:

Making Information Available

The present amendment departs from the heretofore prevailing rule that virtually all information in an antidumping proceeding shall be treated as confidential. Under the new regulations, all information entered in connection with an antidumping proceeding will be made available for inspection or copying by any interested person except that the Treasury, on the request of the person who submitted the information, may conclude on the basis of standards set forth in the regulations that the information shall be treated as confidential. In any case in which information is submitted with the request that it be treated as confidential and the Treasury Department denies the request, the person submitting the information will have his choice of having the information disregarded or of acquiescing in its being treated as non-confidential. Provision is also made for deletion of identifying details the inclusion of which would be harmful to the person submitting the information. The amendment also provides that certain information may be disclosed by the Treasury in generalized or summarized fashion rather than in detail when this course is deemed appropriate in the interests of maximum disclosure coupled with protection of confidentiality. The standards which will guide the Treasury in determining which classes of information should or should not be regarded as confidential are spelled out in considerable detail in new section 14.6a(c).

It is believed that the net effect of this proposal will be to open up a large body of information to interested persons without detriment to the persons who supply information. The amendment which has been adopted is essentially the same as that proposed last April but its drafting has been improved. One drafting change is designed to make it entirely clear to foreign producers that under no circumstances will information which was submitted as confidential be disclosed without the consent of the person who supplied it, regardless of whether the Treasury believes that the claim to confidential treatment is justified. This had been intended by the language originally proposed but some comments indicated that additional assurance was necessary. The amendment also makes it clear that whenever the Treasury rejects a claim that information is entitled to confidential treatment, the information will not be given weight as supporting the submitter's position until the submitter agrees to an appropriate disclosure of the information.

### Confrontation and Argument

The new amendments provide that the Treasury, at the request of any interested person, will be prepared to hear the arguments of either side in the presence of the other. As pointed out last April, the Treasury has rejected as impractical and undesirable the suggestion of some members of the public that antidumping procedures be determined on the basis of public hearings of a quasi-judicial type. Further consideration of this matter has strengthened the Treasury's view that public hearings of this type would not be suitable in antidumping proceedings and would impose a costly and unjustified burden upon exportations to the United States.

Members of the public, in commenting upon the provisions for confrontation, pointed out that this amendment as originally proposed appeared to be limited to situations in which the accuracy of information was in dispute. They pointed out that there should be an opportunity to argue with regard to other matters as well, e.g., questions of law. The merit of this position has been recognized in the amendment which now also makes it clear that there can be more than two interested parties present at a confrontation.

An important change in this amendment is that it now specifically provides that the Treasury Department may delay sending cases to the Tariff Commission in order that the Treasury aspect of related cases may be consolidated. The April notice did not deal with this matter but the Treasury believes that this provision is nonetheless appropriate. It reflects an administrative practice which has been followed by the Department and does not establish any change of actual practice.

### Quantity Discounts

The amendments have established a clear standard for determining when and how allowances should be made with respect to sales in different quantities. They specify that an allowance will ordinarily be made for a quantity discount only if it is actually enjoyed with respect to 20 percent of the merchandise sold in the home market or in third country markets where applicable or, in the alternative, unless it is cost-justified. The amendment will provide that ordinarily a six months' history of quantity discounts will be deemed to be a satisfactory basis for a quantity allowance. The April proposals had required a year's history in this respect.

### Complaints

The provisions announced last April of the proposed regulations with respect to the filing of complaints have been adopted substantially as they were proposed. They have been changed, however, to provide that

there shall be publication of an antidumping proceeding notice only after a summary investigation has determined that the complaint is not patently without foundation. Further, the new amendment provides that both antidumping proceeding notices and withholding orders will be directed only at the foreign firms whose shipments are actually involved. Of course, if in any case all of the exporters from and producers in a particular country were believed to be dumping, the antidumping proceeding notice and withholding order would be directed to all shipments from that country.

#### Retroactivity

The amended regulations will eliminate retroactive application of dumping duties by eliminating withholding of appraisement of goods imported before the date of a withholding order in all cases except those in which the importer is defined as having a relationship with the exporter under section 207 of the Antidumping Act. (The class of cases in which retroactivity would still obtain are those where, for example, the exporter and importer are principal and agent or where there is mutuality of ownership or control between exporter and importer.) This amendment has been adopted in the same form in which it was proposed last April.

#### Reimbursement of Dumping Duties by Exporter

Under the amended regulations it has been made feasible for an exporter to warrant freedom from dumping duties with respect to merchandise purchased prior to an order withholding appraisement and to compensate the importer for a breach of this warranty. Unlike the proposals announced in April, however, the amendment now being issued restricts such warranties to shipments of merchandise made before a finding that sales have been made below fair value.

#### Termination of Proceedings

The new regulations contain a provision which will allow the termination of antidumping proceedings in some, but not all, instances in which it is clear that prices have been revised to eliminate any dumping margin, that sales to the United States have been terminated, or that the complaining person has concluded that no further purpose would be served by the continuation of the antidumping proceedings.

Under this amendment, safeguards will be provided by requiring publication of a Federal Register notice of the impending action with an opportunity to interested parties to present their views. It is believed that this procedure will allow some cases to be terminated quickly.

The amendment as originally proposed has been further amended so as to make it clear that cases will be closed out only when it is demonstrated to the Secretary's satisfaction that this action is appropriate. The Secretary, in reaching his determination, will consider such matters as the degree of assurance which he has that the objectionable practices have been terminated, whether the case involves deliberate sporadic dumping, or other unusual circumstances which would make it inappropriate to close the case, and whether any objections to closing it are groundless or frivolous.

#### Offers of Sales

An amendment adopted in the form in which it was proposed last April specifically authorizes the Treasury to disregard offers of sales whenever it is clear from the circumstances that acceptance of the offer could not reasonably be expected. For example, an offer of sale of heavy winter overcoats for local consumption by a manufacturer in a tropical country would not be regarded as an offer to which any weight should be given.

#### Adjustment for Differences in Cost of Production

One of the amendments establishes a realistic standard for determining what weight should be placed on differences in cost of production in making determinations of the value of merchandise when the merchandise being compared is not identical. This amendment, which is unchanged from the form in which it was proposed last April, provides, in general, that differences in cost of production will be taken into account only to the extent that they affect the market value of the merchandise concerned.

#### Effective Date

The amendments will be published within a few days in the Federal Register and will go into effect 30 days after their publication. No amendment will be given retroactive effect and the provisions relating to confidentiality of information, quantity discounts and similar merchandise will not apply to then pending cases.

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Attached hereto is a comparative print showing the amendments in the form in which they are being issued and indicating the extent to which the proposed amendments published in the Federal Register on April 23, 1964, have been changed.

Attachment



# TREASURY DEPARTMENT

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WASHINGTON

## AMENDMENTS OF THE ANTIDUMPING REGULATIONS

December 4, 1964

COMPARATIVE PRINT SHOWING  
CHANGES BETWEEN THE AMEND-  
MENTS ADOPTED AND THOSE  
PUBLISHED AS PROPOSALS IN  
THE FEDERAL REGISTER OF  
APRIL 23, 1964

(Material deleted from April proposals  
is indicated by canceling lines; material  
added is indicated by underlining.)

(1) The proposed amendment of the first sentence of paragraph 14.6(b) is being adopted without change, as follows:

(b) Any person outside the Customs Service who has information that merchandise is being, or is likely to be, imported into the United States under such circumstances as to bring it within the purview of the Antidumping Act, 1921, as amended,<sup>14</sup> may communicate such information in writing to the Commissioner of Customs. \* \* \*

(2) The proposed amendment of paragraph 14.6(b)(1) is being adopted with a change, as follows:

(1) A detailed description or sample of the merchandise; the name of the country from which it is being, or is likely to be, imported; the name of the exporter or exporters and producer or producers, if known; and the ports or probable ports of importation into the United States. If no sample is furnished, the Bureau of Customs may call upon the person who furnished the information to furnish samples of the imported and competitive domestic articles, or either.

(3) The proposed amendment of paragraph 14.6(b)(2) is being adopted with a change, as follows:

(2) Such detailed data as are reasonably available with respect to values and prices indicating that such merchandise is being, or is likely to be, sold in the United States at less than its fair value, within the meaning of the Antidumping Act, 1921, as amended, including information as to any differences between the foreign market value or constructed value and the purchase price or exporter's

sales price which may be accounted for by any difference in taxes, discounts, incidental costs such as those for packing or freight, or other items.

(4) The proposed new subparagraph 4 of section 14.6(b) is being adopted without change, as follows:

(4) Such suggestions as the person furnishing the information may have as to specific avenues of investigation to be pursued or questions to be asked in seeking pertinent information.

(5) The proposed amendment of paragraph 14.6(c) is being adopted without change, as follows:

(c) If any information filed pursuant to paragraph (b) does not conform with the requirements of that paragraph, the Commissioner shall return the communication to the person who submitted it with detailed written advice as to the respects in which it does not conform.

(6) The proposed amendment of paragraph 14.6(d)(1) is being adopted with changes, as follows:

(d)(1) Upon receipt pursuant to paragraph (a) or (b) ~~, or (e)~~ of this section of information in proper form:

~~(i) the Commissioner shall publish notice of that fact in the Federal Register, which notice may be referred to as the "Antidumping Proceeding Notice." The date of such receipt~~ the Commissioner shall conduct a summary investigation. If he determines that the information is patently in error or that the merchandise is not being and is not likely to be imported in more than insignificant quantities he shall so advise the person who submitted the information and the case shall be closed. Otherwise, the Commissioner shall publish a notice in the Federal Register that information in proper form has been received pursuant to paragraph (a) or (b) of this section. This notice, which may be referred to as the "Antidumping Proceeding Notice," will specify whether the information relates to all shipments of the merchandise in question from an exporting country, or only to shipments by certain persons or firms; in the latter case, only the names of

such persons and firms will be specified. The notice shall also specify the date on which information in proper form was received and that date shall be the date on which the question of dumping was raised or presented for purposes of sections 201(b) and 202(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(b) and 161(a)) and that date shall be included in the notice. The notice shall also contain a summary of the information received. If a person outside the Customs Service raised or presented the question of dumping, his name shall be included in the notice unless a determination under section 14.6a of these regulations requires that his name not be disclosed.

(ii) the Commissioner shall thereupon proceed promptly to decide whether or not reasonable grounds exist to believe or suspect that the merchandise is being, or is likely to be, sold at less than its foreign market value (or, in the absence of such value, than its constructed value). To assist him in making such decision the Commissioner, in his discretion, may conduct a brief preliminary investigation into such matters, in addition to the invoice or other papers or information presented to him, as he may deem necessary.

(7) The proposed amendment of paragraph 14.6(e) is being adopted with changes, as follows:

(e) If the Commissioner determines pursuant to paragraph (d)(1)(ii) of this section, or in the course of an investigation under paragraph (d)(3)(i) of this section, that there are reasonable grounds to believe or suspect that any merchandise is being, or is likely to be, sold at less than its foreign market value (or, in the absence of such value, than its constructed value) under the Antidumping Act, he shall publish notice of that fact in the Federal Register, furnishing an adequate description of the merchandise, the name of each country of exportation, and the date of the receipt of the information in proper form, and shall advise all appraisers of his action. This notice may be referred to as the "Withholding of Appraisal Notice." If the belief or suspicion relates only to certain shippers or producers, the notice shall also include the names of such shippers specify that this is the case and that the investigation is limited to the transactions of such shippers or producers. The notice shall also specify whether the appropriate basis of comparison



for fair value purposes is purchase price or exporter's sales price if sufficient information is available to so state; otherwise a supplementary notice will be published in the Federal Register as soon as possible which will specify which of such prices is the appropriate basis of comparison for fair value purposes. Upon receipt of such advice, the appraisers shall proceed to withhold appraisement in accordance with the pertinent provisions of section 14.9.

(8) As proposed, footnote "14a" in paragraph 14.6(b) is being redesignated "footnote 14." The former footnote 14 in paragraph 14.6(a) is being eliminated.

(9) The proposed new section 14.6a is being adopted with changes, as follows:

Section 14.6a Disclosure of information in antidumping proceedings.

(a) Information generally available. In general, all information, but not necessarily all documents, obtained by the Treasury Department, including the Bureau of Customs, in connection with any antidumping proceeding will be available for inspection or copying by any interested person, including such as the producer of the merchandise, any importer, exporter or domestic producer of merchandise similar to that which is the subject of the proceeding. With respect to documents prepared by an officer or employee of the United States factual material, as distinguished from recommendations and evaluations, contained in any such document will be made available by summary or otherwise on the same basis as information contained in other documents. Attention is directed to section 24.12 relating to fees charged for providing copies of documents.

(b) Requests for confidential treatment of information. Any person who submits information in connection with an antidumping proceeding may request that such information, or any specified part thereof, be held confidential. Information covered by such a request shall be set forth on separate pages from other information; and all such pages shall be clearly marked "Confidential Treatment Requested." The Commissioner of Customs or the Secretary of the Treasury or the delegate of either will determine, pursuant to paragraph (c) of this section, whether such information, or any part thereof,

shall be treated as confidential. If it is so determined, the information covered by the determination will not be made available for inspection or copying by any person ~~not other~~ than an officer or employee of the United States Government ~~other-than~~ or a person who has been specifically authorized to receive it by the person requesting confidential treatment. If it is determined that information submitted with such a request, or any part thereof, should not be treated as confidential, or that summarized or approximated presentations thereof should be made available for disclosure, the person who has requested confidential treatment thereof shall be promptly so advised and, unless he thereafter agrees that the information, or any specified part or summary or approximated presentations thereof, may be disclosed to all interested parties, the information will not be made available for disclosure, but to the extent that it is self-serving it will be disregarded for the purpose of the determination as to sales below fair value antidumping-proceeding, and no reliance shall be placed thereon in this connection with-the-proceeding.

(c) Standards for determining whether information will be regarded as confidential. (1) Information will ordinarily be considered to be confidential only if its disclosure would ~~have-a-significantly-adverse-effect-upon-a-person-supplying the-information-or-upon-a-person-from-whom-he-acquired-the information.--Further,-if-disclosure-of-information-in-specific terms-or-with-identifying-details-would-have-a-significantly~~ adverse effect upon the person supplying the information or upon any person from whom he acquired the information, the information will ordinarily be considered appropriate for disclosure in generalized, summary or approximated form, without identifying details, if it is determined that this course can be followed without its having the significantly adverse effect which direct disclosure of the information would entail. be of significant competitive advantage to a competitor or would have a significantly adverse effect upon a person supplying the information or upon a person from whom he acquired the information. Further, if disclosure of information in specific terms or with identifying details would be inappropriate under this standard, the information will ordinarily be considered appropriate for disclosure in generalized, summary or approximated form, without identifying details, unless the Commissioner of Customs or the Secretary of the Treasury or the delegate of either determines that even

in such generalized, summary or approximated form, such disclosure would still be of significant competitive advantage to a competitor or would still have a significantly adverse effect upon a person supplying the information or upon a person from whom he acquired the information. As indicated in (b), however, the decision that information is not entitled to protection from disclosure in its original or in another form will not lead to its disclosure unless the person supplying it consents to such disclosure.

(2) Information will ordinarily be regarded as appropriate for disclosure if it

- (i) relates to price information;
- (ii) relates to claimed freely available price allowances for quantity purchases; or
- (iii) relates to claimed differences in circumstances of sale.

(3) Information will ordinarily be regarded as confidential if its disclosure would

- (i) disclose business or trade secrets;
- (ii) disclose production costs;
- (iii) disclose distribution costs, except to the extent that such costs are relied-on-to-justify accepted as justifying allowances for quantity or differences of circumstances of sale;
- (iv) disclose the names of particular customers or the price or prices at which particular sales were made; .
- ~~(v) -- disclose information which would be of significant competitive advantage to a competitor; or~~
- ~~(vi) -- affect in a significantly adverse way any person who supplied information, including any informer, or any person from whom the supplier of the information acquired it.~~

(10) The proposed amendment of section 14.7(b)(1) is being adopted with a change as follows:

Section 14.7(b)(1) Quantities.--In comparing the purchase price or exporter's sales price, as the case may be, with such applicable criteria as sales or offers, on which a determination of fair value is to be based, reasonable allowances will be made for differences in quantities if it is established to the satisfaction of the Secretary that the amount of any price differential is wholly or partly due to such differences. In determining the question of allowances for differences in quantity, consideration will be given, among other things, to the practice of the industry in the country of exportation with respect to affording in the home market (or third country markets, where sales to third countries are the basis for comparison) discounts for quantity sales which are freely available to those who purchase in the ordinary course of trade. Allowances for price discounts based on sales in large quantities ordinarily will not be made unless (i) the exporter during the year six months prior to the date when the question of dumping was raised or presented had been granting quantity discounts of at least the same magnitude with respect to 20 percent or more of such or similar merchandise which he sold in the home market (or in third country markets when sales to third countries are the basis for comparison) and that such discounts had been freely available to all purchasers, or (ii) the exporter can demonstrate that the discounts are warranted on the basis of savings specifically attributable to the quantities involved.

(11) The proposed amendment of section 14.7(b)(3) is being adopted without change, as follows:

(3) Similar merchandise.--In comparing the purchase price or exporter's sales price, as the case may be, with the selling price in the home market, or for exportation to countries other than the United States, in the case of similar merchandise described in subdivisions (C), (D), (E), or (F) of section 212(3), Antidumping Act, 1921, as amended (19 U.S.C. 170a(3)), due allowance shall be made for differences in the merchandise. In this regard the Secretary will be guided primarily by the effect of such differences upon the market value of the merchandise but, when appropriate, he may also consider differences in cost of manufacture if it is established to his satisfaction that the amount of any price differential is wholly or partly due to such differences.

(12) The proposed amendment of section 14.7(b)(4) is being adopted without change, as follows:

Section 14.7(b)(4) Offering price. In the determination of fair value, offers will be considered in the absence of sales but an offer made in circumstances in which acceptance is not reasonably to be expected will not be deemed to be an offer.

(13) The proposed new paragraph (9) of section 14.7(b) is being adopted with changes, as follows:

Section 14.7(b)(9) Likelihood-of-sales-at-less-than-fair-value.  
Revision of prices or other changed circumstances.

~~(i)--Revision-of-prices.~~ Whenever the Secretary of the Treasury is satisfied that ~~an-exporter,~~ promptly after ~~learning the commencement of an antidumping investigation with respect to his shipments, has revised his prices so as to eliminate the likelihood of his sales in the United States being at prices below his comparable sales in the home market (or in third country markets, when sales to third countries are the basis for comparison) or has, without intention to resume them, terminated his sales to the United States,~~ either (1) price revisions have been made which eliminate the likelihood of sales below fair value and that there is no likelihood of resumption of the prices which prevailed before such revisions, or (2) sales to the United States of the merchandise have terminated and will not be resumed; or whenever the Secretary concludes that there are other changed circumstances on the basis of which it may no longer be appropriate to continue an antidumping investigation, the Secretary shall publish a notice to this effect in the Federal Register. ~~The notice shall also state that the exporter's action is considered to be evidence that he is not selling and is not likely to sell below fair value and that the Secretary will so determine unless evidence or argument to the contrary is presented within thirty days.~~ The notice shall state the facts relied on by the Secretary in publishing the notice and that those facts are considered to be evidence that there are not and are not likely to be sales below fair value. The notice shall also state that unless persuasive evidence or argument to the contrary is presented within 30 days the Secretary will determine that there are not and are not likely to be sales below fair value.

~~(11) - Other changed circumstances: Whenever a person who has filed information pursuant to section 14.6(b), prior to the determination referred to in section 14.8(a), advises the Secretary of the Treasury that he no longer believes it is appropriate to determine that there are, or that there are likely to be, sales below fair value with respect to the merchandise to which his information related, the Secretary may publish a notice of this fact in the Federal Register together with an invitation to all interested parties to express their views thereon. -- If within 30 days after the publication of such notice comments shall be received indicating that any segment of an industry interested in the antidumping proceeding believes that it is desirable that the determination provided for in section 14.8(a) be made, the Commissioner of Customs and the Secretary of the Treasury shall proceed in accordance with the provisions of that section. --- Otherwise the antidumping proceeding may be closed with a determination that this action has been taken pursuant to the procedures herein described.~~

(14) The proposed amendment of section 14.8(a) is being adopted with changes, as follows:

(a) Upon receipt from the Commissioner of Customs of the information referred to in section 14.6(d), the Secretary of the Treasury will proceed as promptly as possible to determine tentatively whether or not the merchandise in question is in fact being, or is likely to be, sold in the United States or elsewhere at less than its fair value. As soon as possible the Secretary will publish in the Federal Register a Notice of the tentative determination, which may be referred to as "Notice of Tentative Determination," will be published in the Federal Register which will include a statement of the reasons on which the tentative determination is based. Interested persons will be given an opportunity to make such written submissions as they desire, within a period which will be specified in the notice, with respect to the contemplated action. Appropriate consideration will be given to any such new or additional information or argument submitted. If any person believes that any information obtained by the Bureau of Customs in the course of an antidumping proceeding is inaccurate or that for any other reason the tentative determination is in error, he may request in writing that the

Secretary of the Treasury afford him an opportunity to present his views in this regard. Upon receipt of such a request the Secretary will notify the person who supplied the any information, the accuracy of which is questioned and such other person or persons, if any, as he in his discretion may deem to be appropriate. If the Secretary is satisfied that the circumstances so warrant an opportunity will be afforded by the Secretary or his delegate for both all such persons to appear, through their counsel or in person, accompanied by counsel if they so desire, to make known their respective points of view and to supply such further information or argument as may be of assistance in leading to a conclusion as to the accuracy of the information in question. The Secretary or his delegate may at any time, upon appropriate notice, ~~request that information or argument be supplied orally to him by any such person or persons as he in his discretion may deem to be appropriate~~ invite any such person or persons as he in his discretion may deem to be appropriate to supply him orally with information or argument. As soon as possible thereafter, the Secretary will make a final determination. ~~If the determination is affirmative, the Secretary will advise the United States Tariff Commission accordingly.~~ , except that the Secretary may defer making an affirmative determination of sales below fair value during the pendency of any other antidumping proceeding which relates to the same class or kind of merchandise imported from another foreign country. The Secretary will defer making an affirmative determination only if he is satisfied that deferral is appropriate under all of the circumstances. Circumstances which the Secretary will take into consideration will include the dates on which information relating to the various antidumping proceedings came to his attention, the volume of sales involved in each proceeding, elements of hardship, if any, and probable extent of delay which deferral would entail. No determination that sales are not below fair value will be deferred because of this provision. Whenever the Secretary makes a determination of sales at less than fair value he will so advise the United States Tariff Commission.

(15) The proposed amendment of section 14.9(a) is being adopted without change, as follows:

Section 14.9 Action by the appraiser.

(a) Upon receipt of advice from the Commissioner of Customs pursuant to section 14.6(e), if the Commissioner's "Withholding of Appraisal Notice" shall specify that

the proper basis of comparison for fair value purposes is exporter's sales price or if that notice does not specify the appropriate basis of comparison for fair value purposes, each appraiser shall withhold appraisement as to such merchandise entered, or withdrawn from warehouse, for consumption, on any date after the 120th day before the question of dumping was raised by or presented to the Secretary of the Treasury or his delegate. If the Commissioner's "Withholding of Appraisement Notice," including any supplementary notice, shall specify that the proper basis of comparison for fair value purposes is purchase price, the appraiser shall withhold appraisement as to such merchandise entered or withdrawn from warehouse for consumption after the date of publication of the "Withholding of Appraisement Notice." Each appraiser shall notify the collector and importer immediately of each lot of merchandise with respect to which appraisement is so withheld. Upon advice of a finding made in accordance with section 14.8(b), the appraiser shall give immediate notice thereof to the collector and the importer when any shipment subject thereto is imported after the date of the finding and information is not on hand for completion of appraisement of such shipment. Customs Form 6459 shall be used to notify the collector and importer whenever appraisement is withheld under this paragraph.

(16) The proposed amendment of section 14.9(f) is being adopted with changes, as follows:

Section 14.9(f) In calculating purchase price or exporter's sales price, as the case may be, there shall be deducted the amount of any special dumping duties which are, or will be, paid by the manufacturer, producer, seller, or exporter, or which are, or will be, refunded to the importer by the manufacturer, producer, seller, or exporter, either directly or indirectly, but a warranty of nonapplicability of dumping duties granted to an importer with respect to merchandise which is (1) purchased, or agreed to be purchased, before publication of a "Withholding of Appraisement Notice" with respect to such merchandise and (2) exported before a determination of sales below fair value is made will not be regarded as affecting purchase price or exporter's sales price.



(17) The proposed effective date provisions are substantially unchanged except for a thirty-day delay provision to allow the public to become acquainted with them. As proposed, they had read as follows:

"It is contemplated that if the proposed amendments are adopted they will become effective, but not retroactively, on the date of their adoption. Section 14.6a and the amendments of sections 14.7(b)(1), 14.7(b)(3), and 14.9(a) will not be effective with respect to antidumping proceedings in connection with which the question of dumping was raised or presented for the purposes of section 201(b) and 202(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(b) and 161(a)) before the date of the adoption of the amendments."

As issued, the effective date provisions read as follows:

"The amendments shall become effective, but not retroactively, 30 days after the date of their publication in the Federal Register. However, section 14.6a and the amendments to sections 14.7(b)(1), 14.7(b)(3), and 14.9(a) shall not be effective with respect to antidumping proceedings in connection with which the question of dumping was raised or presented for the purposes of sections 201(b) and 202(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(b) and 161(a)), before the 30th day following the date of publication of the amendments in the Federal Register."

(18) Examples 4 and 5, set forth in footnote 15 appended to section 14.7(a) are being revised to reflect changes brought about by the new amendments. No change in the Examples was stated as being contemplated in the Federal Register Notice of April 23 because it was deemed unnecessary to give notice in this regard. The Examples do not themselves constitute changes in the Regulations. They merely illustrate certain effects of the Regulations, and require change as the Regulations change. Examples 4 and 5, as they will be revised, will read as follows:

Example 4

A foreign producer makes all of his sales, other than those to the United States, for consumption in the country of exportation. The majority of the merchandise thus sold by him is sold in 50-ton lots at list prices, net. However, a discount of 5 percent is granted on sales of more than 500 tons, and is

freely available to those who purchase in the ordinary course of trade. During the six months preceding the date when the question of dumping was raised, the producer made sales of more than 500 tons each with respect to 15 percent of such or similar merchandise which he sold in the home market. Sales for exportation to the United States are at list prices less 5 percent and have been in quantities of over 500 tons. The 5 percent will not be allowed as a quantity discount because less than 20 percent of such or similar merchandise was sold in the home market in quantities to which such discount was applicable, unless the 5 percent discount can be justified by cost savings. Cost savings can also be used to justify a quantity discount where there were no sales in the home market in quantities sufficient to warrant the granting of the 5 percent discount, and no offers because there is no potential market for such quantities.

In determining whether a discount has been given the presence or absence of a published price list reflecting such a discount is not controlling. In certain lines of trade price lists are not commonly published and in others although commonly published they are not commonly adhered to.

The following example also relates to quantity allowances.

Example 5

A foreign producer has the following record of sales at or about the date of sale or exportation to the United States.

<u>Price per lb. for Sales in Units of 100 lbs. and 1,000 lbs.</u>	<u>Sales for Consumption in Country of Exportation</u>	<u>Sales to the United States</u>
\$.85 ( 100 lbs.)	200,000 lbs.	-0-
\$.80 (1,000 lbs.)	20,000 lbs.	100,000 lbs.

Although the lower price in the home market appears to obtain for quantities the same as those sold for exportation to the United States at the same price, the quantity sold for home consumption at the lower price is less than 20 percent of the quantity sold in the home market. Accordingly, the price for exportation to the United States is not justified, unless cost savings can be shown to justify the lower price. If 44,000 pounds had been sold in the home market at the \$.80 price, the lower price would have been justified for comparison with the price for exportation to the United States.

(T. D. )

Procedures under the Antidumping Act, 1921, as amended --  
Customs Regulations amended

Sections 14.6, 14.7, 14.8, and 14.9 relating to procedures under the  
Antidumping Act, amended; new section 14.6a relating to disclosure  
of information in antidumping proceedings, added

TREASURY DEPARTMENT,  
OFFICE OF THE COMMISSIONER OF CUSTOMS  
Washington, D. C.

To Collectors of Customs and Others Concerned:

TITLE 19--CUSTOMS DUTIES

CHAPTER I--BUREAU OF CUSTOMS

PART 14--APPRAISEMENT

A notice was published in the Federal Register on December 24, 1963 (28 F.R. 14245), stating that the Treasury Department was reviewing its regulations (19 CFR 14.6-14.13) under the Antidumping Act of 1921, as amended (19 U.S.C. 160-173). All interested parties were afforded an opportunity to be heard on January 23, 1964, with regard to the regulations.

After consideration of all written submissions received and oral arguments made at the hearing, a notice of proposed rulemaking setting forth certain proposed amendments relating to procedures under the Antidumping Act was published in the Federal Register on April 23, 1964 (29 F.R. 5474), pursuant to section 4 of the Administrative Procedure Act (5 U.S.C. 1003) and comments were invited to be submitted.

Due consideration now having been given to all comments, views, and other data received, the amendments as set forth below are hereby adopted. The amendments shall become effective, but not retroactively, 30 days after the date of their publication in the Federal Register. However, section 14.6a and the amendments to sections 14.7(b)(1), 14.7(b)(3), and 14.9(a) shall not be effective with respect to anti-dumping proceedings in connection with which the question of dumping was raised or presented for the purposes of sections 201(b) and 202(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(b) and 161(a)), before the 30th day following the date of publication of the amendments in the Federal Register.

Section 14.6 is amended as follows:

Paragraph (b) is amended to read:

(b) Any person outside the Customs Service who has information that merchandise is being, or is likely to be, imported into the United States under such circumstances as to bring it within the purview of the Antidumping Act, 1921, as amended,<sup>14</sup> may communicate such information in writing to the Commissioner of Customs. Every such communication shall contain or be accompanied by the following:

(1) A detailed description or sample of the merchandise; the name of the country from which it is being, or is likely to be, imported; the name of the exporter or exporters and producer or producers, if known; and the ports or probable ports of importation into the United States. If no sample is furnished, the Bureau of Customs may call upon the person who furnished the information to furnish samples of the imported and competitive domestic articles, or either.

(2) Such detailed data as are reasonably available with respect to values and prices indicating that such merchandise is being, or is likely to be, sold in the United States at less than its fair value, within the meaning of the Antidumping Act, 1921, as

amended, including information as to any differences between the foreign market value or constructed value and the purchase price or exporter's sales price which may be accounted for by any difference in taxes, discounts, incidental costs such as those for packing or freight, or other items.

(3) Such information as is reasonably available to the person furnishing the information as to the total value and volume of domestic production of the merchandise in question.

(4) Such suggestions as the person furnishing the information may have as to specific avenues of investigation to be pursued or questions to be asked in seeking pertinent information.

Paragraph (c) is amended to read:

(c) If any information filed pursuant to paragraph (b) does not conform with the requirements of that paragraph, the Commissioner shall return the communication to the person who submitted it with detailed written advice as to the respects in which it does not conform.

Paragraph (d)(1) is amended to read:

(d)(1) Upon receipt pursuant to paragraph (a) or (b) of this section of information in proper form, (i) the Commissioner shall conduct a summary investigation. If he determines that the information is patently in error or that the merchandise is not being and is not likely to be imported in more than insignificant quantities he shall so advise the person who submitted the information and the case shall be closed. Otherwise, the Commissioner shall publish a notice in the Federal Register that information in proper form has been received pursuant to paragraph (a) or (b) of this section. This notice, which may be referred to as the "Antidumping Proceeding Notice," will specify whether the information relates to all shipments of the merchandise in question from an exporting country, or only to shipments by certain persons or firms; in the latter case, only the names of such persons and firms will be specified. The notice shall also specify the date on which information in proper form was received and that date shall be the date on which the question of dumping was raised or presented for purposes of sections 201(b) and 202(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(b) and 161(a)). The notice shall also contain a summary of the information received. If a person outside the Customs Service raised or

presented the question of dumping, his name shall be included in the notice unless a determination under section 14.6a of these regulations requires that his name not be disclosed.

(ii) The Commissioner shall thereupon proceed promptly to decide whether or not reasonable grounds exist to believe or suspect that the merchandise is being, or likely to be, sold at less than its foreign market value (or, in the absence of such value, than its constructed value). To assist him in making this decision the Commissioner, in his discretion, may conduct a brief preliminary investigation into such matters, in addition to the invoice or other papers or information presented to him, as he may deem necessary.

Paragraph (e) is amended to read:

(e) If the Commissioner determines pursuant to paragraph (d)(1)(ii) of this section, or in the course of an investigation under paragraph (d)(3)(i) of this section, that there are reasonable grounds to believe or suspect that any merchandise is being, or is likely to be, sold at less than its foreign market value (or, in the absence of such value, than its constructed value) under the Antidumping Act, he shall publish notice of that fact in the Federal Register, furnishing an adequate description of the merchandise, the name of each country of exportation, and the date of the receipt of the information in proper form, and shall advise all appraisers of his action. This notice may be referred to as the "Withholding of Appraisal Notice." If the belief or suspicion relates only to certain shippers or producers, the notice shall specify that this is the case and that the investigation is limited to the transactions of such shippers or producers. The notice shall also specify whether the appropriate basis of comparison for fair value purposes is purchase price or exporter's sales price if sufficient information is available to so state; otherwise a supplementary notice will be published in the Federal Register as soon as possible which will specify which of such prices is the appropriate basis of comparison for fair value purposes. Upon receipt of such advice, the appraisers shall proceed to withhold appraisal in accordance with the pertinent provisions of section 14.9. (Secs. 201, 407, 42 Stat. 11, as amended, 18; 19 U.S.C. 160, 173.)

Part 14 is amended by deleting present footnote 14; by redesignating present footnote 14a as footnote 14.

Part 14 is amended further by adding a new section designated

14.6a reading as follows:

14.6a Disclosure of information in antidumping proceedings.--

(a) Information generally available. In general, all information, but not necessarily all documents, obtained by the Treasury Department, including the Bureau of Customs, in connection with any antidumping proceeding will be available for inspection or copying by any interested person, such as the producer of the merchandise, any importer, exporter, or domestic producer of merchandise similar to that which is the subject of the proceeding. With respect to documents prepared by an officer or employee of the United States, factual material, as distinguished from recommendations and evaluations, contained in any such document will be made available by summary or otherwise on the same basis as information contained in other documents. Attention is directed to section 24.12 relating to fees charged for providing copies of documents.

(b) Requests for confidential treatment of information. Any person who submits information in connection with an antidumping proceeding may request that such information, or any specified part thereof, be held confidential. Information covered by such a request shall be set forth on separate pages from other information; and all such pages shall be clearly marked "Confidential Treatment Requested." The Commissioner of Customs or the Secretary of the Treasury or the delegate of either will determine, pursuant to paragraph (c) of this section, whether such information, or any part thereof, shall be treated as confidential. If it is so determined, the information covered by the determination will not be made available for inspection or copying by any person other than an officer or employee of the United States Government or a person who has been specifically authorized to receive it by the person requesting confidential treatment. If it is determined that information submitted with such a request, or any part thereof, should not be treated as confidential, or that summarized or approximated presentations thereof should be made available for disclosure, the person who has requested confidential treatment thereof shall be promptly so advised and, unless he thereafter agrees that the information, or any specified part or summary or approximated presentations thereof, may be disclosed to all interested parties, the information will not be made available for disclosure, but to the extent that it is self-serving it will be disregarded for the purpose of the determination as to sales below fair value and no reliance shall be placed thereon in this connection.

(c) Standards for determining whether information will be regarded as confidential. (1) Information will ordinarily be considered to be confidential only if its disclosure would be of significant competitive advantage to a competitor or would have a significantly adverse effect upon a person supplying the information or upon a person from whom he acquired the information. Further, if disclosure of information in specific terms or with identifying details would be inappropriate under this standard, the information will ordinarily be considered appropriate for disclosure in generalized, summary or approximated form, without identifying details, unless the Commissioner of Customs or the Secretary of the Treasury or the delegate of either determines that even in such generalized, summary or approximated form, such disclosure would still be of significant competitive advantage to a competitor or would still have a significantly adverse effect upon a person supplying the information or upon a person from whom he acquired the information. As indicated in (b), however, the decision that information is not entitled to protection from disclosure in its original or in another form will not lead to its disclosure unless the person supplying it consents to such disclosure.

(2) Information will ordinarily be regarded as appropriate for disclosure if it

(i) relates to price information;

(ii) relates to claimed freely available price allowances for quantity purchases; or

(iii) relates to claimed differences in circumstances of sale.

(3) Information will ordinarily be regarded as confidential if its disclosure would

(i) disclose business or trade secrets;

(ii) disclose production costs;

(iii) disclose distribution costs, except to the extent that such costs are accepted as justifying allowances for quantity or differences in circumstances of sale;

(iv) disclose the names of particular customers or the price or prices at which particular sales were made.

(Sec. 407, 42 Stat. 18; 19 U.S.C. 173.)

Section 14.7(b) is amended as follows:



Subparagraph (1) is amended to read:

(1) Quantities. In comparing the purchase price or exporter's sales price, as the case may be, with such applicable criteria as sales or offers, on which a determination of fair value is to be based, reasonable allowances will be made for differences in quantities if it is established to the satisfaction of the Secretary that the amount of any price differential is wholly or partly due to such differences. In determining the question of allowances for differences in quantity, consideration will be given, among other things, to the practice of the industry in the country of exportation with respect to affording in the home market (or third country markets, where sales to third countries are the basis for comparison) discounts for quantity sales which are freely available to those who purchase in the ordinary course of trade. Allowances for price discounts based on sales in large quantities ordinarily will not be made unless (i) the exporter during the six months prior to the date when the question of dumping was raised or presented had been granting quantity discounts of at least the same magnitude with respect to 20 percent or more of such or similar merchandise which he sold in the home market (or in third country markets when sales to third countries are the basis for comparison) and that such discounts had been freely available to all purchasers, or (ii) the exporter can demonstrate that the discounts are warranted on the basis of savings specifically attributable to the quantities involved.

Subparagraph (3) is amended to read:

(3) Similar merchandise. In comparing the purchase price or exporter's sales price, as the case may be, with the selling price in the home market, or for exportation to countries other than the United States, in the case of similar merchandise described in subdivisions (C), (D), (E), or (F) of section 212(3), Antidumping Act, 1921, as amended (19 U.S.C. 170a(3)), due allowance shall be made for differences in the merchandise. In this regard the Secretary will be guided primarily by the effect of such differences upon the market value of the merchandise but, when appropriate, he may also consider differences in cost of manufacture if it is established to his satisfaction that the amount of any price differential is wholly or partly due to such differences.

Subparagraph (4) is amended to read:

(4) Offering price. In the determination of fair value, offers will be considered in the absence of sales, but an offer made in circumstances in which acceptance is not reasonably to be expected will not be deemed to be an offer.

A new subparagraph (9) is added reading as follows:

(9) Revision of prices or other changed circumstances. Whenever the Secretary of the Treasury is satisfied that promptly after the commencement of an antidumping investigation either (i) price revisions have been made which eliminate the likelihood of sales below fair value and that there is no likelihood of resumption of the prices which prevailed before such revision, or (ii) sales to the United States of the merchandise have terminated and will not be resumed; or whenever the Secretary concludes that there are other changed circumstances on the basis of which it may no longer be appropriate to continue an antidumping investigation, the Secretary shall publish a notice to this effect in the Federal Register. The notice shall state the facts relied on by the Secretary in publishing the notice and that those facts are considered to be evidence that there are not and are not likely to be sales below fair value. The notice shall also state that unless persuasive evidence or argument to the contrary is presented within 30 days the Secretary will determine that there are not and are not likely to be sales below fair value. (Sec. 407, 42 Stat. 18; 19 U.S.C. 173.)

Part 14 is amended further by amending examples 4 and 5 under

"Examples for Purposes of Illustration" in footnote 15 to read:

Example 4. A foreign producer makes all of his sales, other than those to the United States, for consumption in the country of exportation. The majority of the merchandise thus sold by him is sold in 50-ton lots at list prices, net. However, a discount of 5 percent is granted on sales of more than 500 tons and is freely available to those who purchase in the ordinary course of trade. During the six months preceding the date when the question of dumping was raised, the producer made sales of more than 500 tons each with respect to 15 percent of such or similar merchandise which he sold in the home market. Sales for exportation to the United States are at list prices less 5 percent and have been in quantities of over 500 tons. The 5 percent will not be allowed as a quantity discount because less than 20 percent of such or similar merchandise was sold in the home market in quantities to which such discount was

applicable, unless the 5 percent discount can be justified by cost savings. Cost savings can also be used to justify a quantity discount where there were no sales in the home market in quantities sufficient to warrant the granting of the 5 percent discount, and no offers because there is no potential market for such quantities.

In determining whether a discount has been given, the presence or absence of a published price list reflecting such a discount is not controlling. In certain lines of trade, price lists are not commonly published and in others although commonly published they are not commonly adhered to.

The following example also relates to quantity allowances.

Example 5. A foreign producer has the following record of sales at or about the date of sale or exportation to the United States:

<u>Price per lb. for Sales in Units of 100 lbs. and 1,000 lbs.</u>	<u>Sales for Consumption in Country of Exportation</u>	<u>Sales to the United States</u>
\$.85 ( 100 lbs.)	200,000 lbs.	-0-
\$.80 (1,000 lbs.)	20,000 lbs.	100,000 lbs.

Although the lower price in the home market appears to obtain for quantities the same as those sold for exportation to the United States at the same price, the quantity sold for home consumption at the lower price is less than 20 percent of the quantity sold in the home market. Accordingly, the price for exportation to the United States is not justified, unless cost savings can be shown to justify the lower price. If 44,000 pounds had been sold in the home market at the \$.80 price, the lower price would have been justified for comparison with the price for exportation to the United States.

Section 14.8(a) is amended to read:

(a) Upon receipt from the Commissioner of Customs of the information referred to in section 14.6(d), the Secretary of the Treasury will proceed as promptly as possible to determine tentatively whether or not the merchandise in question is in fact

being, or is likely to be, sold in the United States or elsewhere at less than its fair value. As soon as possible the Secretary will publish in the Federal Register a "Notice of Tentative Determination," which will include a statement of the reasons on which the tentative determination is based. Interested persons will be given an opportunity to make such written submissions as they desire, within a period which will be specified in the notice, with respect to the contemplated action. Appropriate consideration will be given to any new or additional information or argument submitted. If any person believes that any information obtained by the Bureau of Customs in the course of an antidumping proceeding is inaccurate or that for any other reason the tentative determination is in error, he may request in writing that the Secretary of the Treasury afford him an opportunity to present his views in this regard. Upon receipt of such a request the Secretary will notify the person who supplied any information, the accuracy of which is questioned and such other person or persons, if any, as he in his discretion may deem to be appropriate. If the Secretary is satisfied that the circumstances so warrant, an opportunity will be afforded by the Secretary or his delegate for all such persons to appear, through their counsel or in person, accompanied by counsel if they so desire, to make known their respective points of view and to supply such further information or argument as may be of assistance in leading to a conclusion as to the accuracy of the information in question. The Secretary or his delegate may at any time, upon appropriate notice, invite any such person or persons as he in his discretion may deem to be appropriate to supply him orally with information or argument. As soon as possible thereafter, the Secretary will make a final determination, except that the Secretary may defer making an affirmative determination of sales below fair value during the pendency of any other antidumping proceeding which relates to the same class or kind of merchandise imported from another foreign country. The Secretary will defer making an affirmative determination only if he is satisfied that deferral is appropriate under all of the circumstances. Circumstances which the Secretary will take into consideration will include the dates on which information relating to the various antidumping proceedings came to his attention, the volume of sales involved in each proceeding, elements of hardship, if any, and probable extent of delay which deferral would entail. No determination that sales are not below fair value will be deferred because of this provision. Whenever the Secretary makes a determination of sales at less than fair value he will so advise the United States Tariff Commission.

(Secs. 201, 407, 42 Stat. 11, as amended, 18; 19 U.S.C. 160, 173.)

Section 14.9 is amended as follows:

Paragraph (a) is amended to read:

(a) Upon receipt of advice from the Commissioner of Customs pursuant to section 14.6(e), if the Commissioner's "Withholding of Appraisement Notice" shall specify that the proper basis of comparison for fair value purposes is exporter's sales price or if that notice does not specify the appropriate basis of comparison for fair value purposes, each appraiser shall withhold appraisement as to such merchandise entered, or withdrawn from warehouse, for consumption, on any date after the 120th day before the question of dumping was raised by or presented to the Secretary of the Treasury or his delegate. If the Commissioner's "Withholding of Appraisement Notice," including any supplementary notice, shall specify that the proper basis of comparison for fair value purposes is purchase price, the appraiser shall withhold appraisement as to such merchandise entered, or withdrawn from warehouse, for consumption, after the date of publication of the "Withholding of Appraisement Notice." Each appraiser shall notify the collector and importer immediately of each lot of merchandise with respect to which appraisement is so withheld. Upon advice of a finding made in accordance with section 14.8(b), the appraiser shall give immediate notice thereof to the collector and the importer when any shipment subject thereto is imported after the date of the finding and information is not on hand for completion of appraisement of such shipment. Customs Form 6459 shall be used to notify the collector and importer whenever appraisement is withheld under this paragraph.

Paragraph (f) is amended to read:

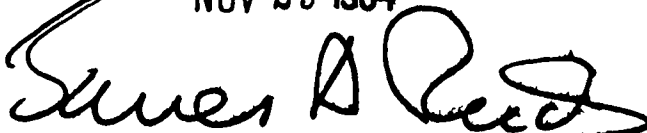
(f) In calculating purchase price or exporter's sales price, as the case may be, there shall be deducted the amount of any special dumping duties which are, or will be, paid by the manufacturer, producer, seller, or exporter, or which are, or will be, refunded to the importer by the manufacturer, producer, seller, or exporter, either directly or indirectly, but a warranty of nonapplicability of dumping duties granted to an importer with respect to merchandise which is (1) purchased, or agreed to be purchased, before publication of a "Withholding of Appraisement Notice" with respect to such merchandise and (2) exported before a determination of sales

below fair value is made, will not be regarded as affecting purchase price or exporter's sales price. (Secs. 201, 202, 203, 204, 208, 407, 42 Stat. 11, as amended, 12, 13, 14, 18, sec. 486, 46 Stat. 725, as amended; 19 U.S.C. 160, 161, 162, 163, 167, 173, 1486.)



LESTER D. JOHNSON  
Acting Commissioner of Customs

Approved: NOV 25 1964



Assistant Secretary of the Treasury

Our tax system can and will make a significant contribution to the Great Society. The goals of that Society depend entirely for their achievement on an expanding and prosperous America, with the fruits of that prosperity spreading to all parts of the land and all our people. For this wise management of the tax system is an indispensable requirement.

These tasks -- and the efforts to seek a concensus on the broad steps -- are a challenge to each of the professions represented here today -- the scholars, the lawyers, and the accountants.

Let us see that we all rightfully earn our place in that Society through the contributions we make in the years ahead.

must approach these innovations with both wisdom and insight to achieve our twofold goals: One goal is a smoothly functioning Internal Revenue Service, benefitting from the techniques of modern management and cost effectiveness analysis which the data now permit, and a second goal is to use these new techniques and data to improve our tax system and to afford a maximum of significant knowledge about our society.

And so, whether we speak of tax legislation or of tax administration, we see both problems and opportunities for progress.

The problems may now seem stubborn and intractable -- and yet there is always the challenging thought that if we only had more knowledge they would yield to solution and progress. For knowledge -- and calm discussion and analysis of the issues -- will make it possible to achieve a consensus as to the changes to be made in the years ahead.

Taxes touch in many ways both sensitive and subtle on our economy and our society. For that reason the important forward steps must rest on a broad consensus.



day-to-day relationships with the taxpaying public. But I firmly believe that today we stand on the threshold of very significant changes in tax administration, the full outline of which we cannot yet perceive. But it is clear that the new tools being developed in the Internal Revenue Service will require new techniques and create new problems. At the same time, they offer really substantial opportunities in the form of improved tax administration and potential accurate information about the tax system -- and indeed about our economy and our Society.

I refer not only to the automatic data processing procedures for the handling of the vast quantities of data and paper that flow into the Service, but also to the automatic legal retrieval machinery of the Chief Counsel's Office of the Service that allows for the comprehensive collection of both precedents and current issues and makes this information available quickly and selectively. These innovations and the staggering amount of statistical data that they afford require broad scope and substantial depth in the field of tax administration in the years ahead. We

the conflicting claims of different groups and classes of taxpayers, with the claims buttressed by differing theories about what and who make the private sector tick.

Painstaking care must be exercised to insure that tax reduction is carefully framed to achieve a better tax structure, and that is one of the challenges involved in Senator Long's proposal.

Finally, any consideration of tax policy should not ignore the vital subject of tax administration. This is an area which requires constant attention and this is particularly true today. The problems of tax policy and tax administration are closely related. Just as the Congress must achieve a fair and balanced allocation of the tax burden, so must tax administration apply its necessarily limited resources to secure a fair and balanced program of enforcement. And sound tax policy requires accurate up-to-date statistical information arranged in a manner which will be most meaningful to those who must interpret it in the search for policy alternatives.

Great progress has been made in the vital task of improving the Internal Revenue Service, especially in its

his proposal involves an increase in the standard deduction limit from \$1,000 to \$2,000 thus permitting a larger group of taxpayers in these brackets to benefit from this simpler approach to tax computation. (3) For taxpayers under \$10,000, the proposal increases the minimum standard deduction from \$300 to \$400, relieving a number of very low-income taxpayers from paying any tax at all.

Essentially, as I perceive it, the rationale of Senator Long's three-fold proposal lies in its assertion that the problems of tax simplification, and indeed of horizontal equity, are different at different levels of the income tax and thus call for different solutions. This flexibility of solution should be an opportunity for those interested in Senator Long's goals to consider closely his proposal and see if that proposal, or modifications of it, offer a path to the improvement of our income tax structure.

This proposal of Senator Long involves a revenue loss of about \$700 million, almost equally divided among the three categories.

The Senator's proposal emphasizes that tax reduction does not involve simple, easy-going plans written on the back of an envelope. The process of tax reduction involves

affecting the legitimate interests of the United States in the collection of the revenues. In addition, the bills provide new and more effective rules for the collection of withholding taxes.

There is one other matter of current importance I would like to mention. Senator Long of Louisiana, at the close of the last session of Congress, introduced a bill embodying a new approach to tax simplification and equity which he desired the tax profession and the Congress to study.

Essentially his proposal divides into three parts:

(1) For taxpayers above \$20,000, it offers a series of effective rates applied to total incomes under which the total tax can never exceed 50 percent of the taxpayer's total income -- indeed the Government's share can only approach but never reach 50 percent. For this purpose income is measured in a simpler and broader fashion without the restrictive effect of the numerous preferential provisions -- such as personal deductions -- that now operate to reduce the tax level for those taxpayers that are advantaged by them. These new rates would be optional, so that no one's tax would be increased, but many, of course, would find their tax decreased. (2) For taxpayers between \$10,000 and \$20,000,

Last September, I outlined before the Tax Executives Institute in Montreal our objectives in the area of international taxes. We will have legislative recommendations in this area in 1965, relating to the tax treatment of non-resident aliens drawing income from United States sources and to ways of fostering increased foreign investment in United States private securities. These recommendations would draw on the report earlier this year of a task force on that subject headed by the then Under Secretary of the Treasury, Henry H. Fowler.

On the matter of revenue collection, legislation was recently introduced which merits careful consideration and action. Chairman Mills of the House Ways and Means Committee and Representative Byrnes -- the ranking Republican on that Committee -- have introduced identical bills concerning the relative priority of Federal tax liens over the interests of other creditors. The bills propose a comprehensive revision of the lien provisions presently in the Internal Revenue Code, in order to take account of the variety of new techniques for financing modern business and to facilitate the use of new security devices without substantially

I regret that I cannot give you the details. The fact is, however, that the President has not yet made a final decision.

I will point out two aspects of our excise tax system. First, whatever may be the merits elsewhere of the ability to trace one's ancestry back to a wartime period, it is certainly no basis for continuing a tax. Second, the bigger the excise tax cut, the fairer our tax system becomes, and more you can eliminate arbitrary discriminations among industries and purchasers, the more nuisance taxes people are relieved of, and the fewer taxes you have interfering in the conduct of private business.

With regard to structural changes in the tax law to be made during 1965, at present recommendations are planned in two areas, foundations and international tax matters.

There will be recommendations concerning abuses under the laws governing tax-exempt private foundations. I won't go into those in any detail, except to say that they will deal with the major abuses and problems that exist in this area.

particularly for future expenditure decisions. I am sure that the President is well aware of all the complexities involved in this proposal, and will take them into account before making any decision.

One further word on the future. The tax reduction involved in the Revenue Act of 1964 <sup>is</sup> ~~was~~ a permanent one. There may be times -- though the past years were not such times -- when the fiscal action may need to be only temporary to curb an incipient recession (or head off an incipient inflationary rise). Here the task of fiscal policy on the tax side is to ensure that Government can act with promptness along a non-controversial path of temporary tax reduction, leaving to a later period, when recession clouds disappear, the decision as to what the longer range strategy requires.

You are all interested, of course, in the tax recommendations which the President will make to the Congress next year.

The principal one is the excise tax cut, which is the next logical step after the comprehensive attention given to the income tax. The objective is to reduce, as much as possible, the clutter and haphazard aspects of these taxes.

help -- to give a fair hearing to those who will be affected by tax changes -- and so do open minds.

A sure source of controversy arises because the tax system -- with its endless possibilities of rewards and penalties -- is always an inviting target for those seeking to achieve a particular welfare, business or other objective. Much of the course of tax debate lies in the consideration of proposals thus seeking to use the tax system to solve difficulties that far more often than not should be solved through other approaches. Federal money can be wasted through unwise tax provisions just as it can be lost through unwise expenditure programs. Frugality is as fully demanded in a tax system as in an expenditure policy.

In that connection, I would point out that the proposal to distribute a portion of Federal tax revenue among the States at some time in the future, without stipulation as to how it should be spent, involves some broad policy considerations. A closer look indicates that this proposal is not really a change in tax policy, but in expenditure policy. As such, it carries serious implications for the future --



\$500 million in revenue-losing reforms -- or a total of \$2.2 billion in changes to improve the fairness of our tax structure.

Furthermore, those calculations do not include either the investment credit or the depreciation reforms -- two substantial tax changes which will spur investment next year by reducing business tax liabilities by an estimated \$3 billion.

But although I believe that significant progress has been made in tax reform, we still have more to do. Perhaps a major characteristic of the American approach to taxation, especially to the income tax, is a desire for fairness at the risk of complexity. The challenge for the future is to increase both equity and simplicity.

It is true that controversy surrounds these problems. But to a considerable degree controversy flourishes because knowledge of the behavior of the economy is elusive. As more knowledge becomes available, it will often point the path to a reasonable solution. I have always believed, and I have found it so in my present post, that open doors also

of energy, dedication, or expertise, can hope to shape major legislation to its own devices. In order to succeed, a legislative program requires a broad base of support, including public support, and often support from public groups or organizations which have little in common with each other. I think this is particularly true in the area of tax reduction, for which there will be greater opportunity in the future.

With the increased opportunity for tax reduction comes also the increased opportunity for structural tax revision. Certainly we have not gone as far as we can in the area of tax reform. Unquestionably, there is much more to be done. As the effect of the 1962 and 1964 Revenue Acts become clearly apparent, we can and should take further major steps toward making our income tax structure simpler and fairer.

I would like to point out in passing, however, that those two tax bills contained more than \$1.7 billion in revenue-raising reforms. That total compares to \$600 million for the entire period 1942 - 1962 and \$200 million for the period 1953 - 1962. We can add to the \$1.7 billion over

relatively high tax rates. Those high rates, however, are not an absolute virtue. They tend to reduce both consumer demand and investment. Essentially, like any tax, they restrain the operation of the private sector. And a private sector operating with vitality and spurring capital formation is also an urgent national need.

These two national needs -- responsible Federal spending and healthy private enterprise -- must both be fostered. There are no fixed rules by which we can decide in advance when one or the other needs attention. The decisions do not involve absolutes but degrees of reliance on one approach or the other, depending on our goals and needs from year to year. Such criteria mean changing patterns of decision from time to time. Finally, the decisions in each area must be balanced not only against each other, but against those of the other area, so it is impossible to simply wrap up expenditure decisions and then let that result dictate policy toward the private sector, or vice versa.

Whichever approach is emphasized, a broad base of support is essential for success -- in either tax reduction or expenditure programs. No single special interest, by dint

is not necessary at this time to maintain price stability.

The choice between expenditure policy and tax reduction is not one of absolutes, but one of degree and timing. Some government programs must increase as the economy expands, other government programs will contract or taper off as needs are met or pressures ease, and some new programs must be started as our country constantly re-examines and redefines its goals and objectives.

Two important factors affect expenditure policy. One is budgetary responsibility -- which demands a frugal, watchful control of the dollars spent. The other is national responsibility -- which demands that our public needs in the years ahead will have been properly perceived and planned for. Federal expenditures, frugally controlled and wisely spent on the things that must be the concern of Government and which Government can best perform, are thus an urgent national need.

But tax reduction, properly timed and properly applied, is also a wise national policy. The obligations of modern societies, especially those with defense burdens, require

expanding economy can be -- and are -- crucial decisions. Care is needed to keep a \$650 billion economy on a stable, upward course. Marginal decisions about the economy can be crucial decisions -- just as they can be in a plane moving at 650 miles an hour.

In any case, we can't stand still. The pressures of our expanding economy demand that we act one more -- so that we can continue to grow and indeed thereby make it necessary to act again.

But fortunately, in an expanding economy, the requirement to act presents a splendid opportunity, for the choices to be made are choices among benefits and not among evils.

Our fiscal policy choices for the utilization of these additional revenues are debt retirement, expenditure policy, and now, as a result of the 1964 breakthrough, tax reduction.

Since we are still above the 4 percent unemployment level and still have unutilized industrial capacity, and are determined to maintain adequate economic growth, the choice of debt retirement would be unwise. Such a choice

means a loss of over \$1 billion in corporate profits, over \$4-1/2 billion in personal incomes and over 450,000 jobs. And these 450,000 jobs are badly needed with a labor force growing as rapidly as ours is today -- by about 5 million since 1959.

Moreover, small movements in our economy have extensive impacts on our public and business attitudes. Surveys have indicated that a loss of a half million jobs can make as many as 20 million people feel that their jobs are threatened.

Also, many business investment plans geared to a 5 percent rate of expansion will become unprofitable if the growing markets for which they are designed do not materialize, so that a cutback of business expansion, with all of its possible snowballing effects, would occur.

Finally, the waste associated with even a small amount of idle resources adds up tremendously over time -- since 1957 we have lost more than \$200 billion through our economy operating at less than its full potential.

Clearly, decisions on what to do about the annual revenue increases of \$5 billion or more a year in an

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This rise in revenue operates to slow the economy, withdrawing funds from the private sector and thus reducing demand and investment. The economy will expand less rapidly, GNP and income will not rise as fast, and revenue will not increase as much. Indeed, if the drag is too heavy the economy can falter and move into recession and revenue will decline.

These annual increases in revenue are significant, but the sheer size of our economy makes it difficult to keep them in perspective. As we have seen, with an economy expanding at a 5 percent rate revenues will grow \$5 billion or more a year. Despite the size of a \$650 billion economy, the handling of these dollars can be vitally important.

For instance, suppose the effect exerted by the removal of \$5 or \$6 billion from the private sector slows down our growth rate by only one percent, from 5 percent to 4 percent. This slowdown would reduce total output by \$6-1/2 billion.

This slowdown in economic growth means more than decreased revenues and an increase in the deficit -- it

higher income and profits -- themselves the result of the tax cut -- you find the net revenue loss for the year is only \$4-1/2 billion compared to what it would have been if there had been no tax cut. (If you assume, as many economists hold, that there would have been a recession without a tax cut, that net revenue loss becomes considerably smaller.)

Actually, in absolute terms, revenue receipts have not shown any decline over the period of the tax cut, but instead have increased.

The 1964 tax cut is thus not the end of the road -- it is the beginning of a new road. It separates the economics of the Fifties from the economics of the Sixties -- by proving that a tax cut can spur economic growth and thus produce new tax revenues.

This rise in revenue, at present economic levels and under present tax rates, is about \$5 billion or more a year.

This rise in revenue must be utilized in some fashion by the Government -- for unless it is wisely utilized, it may not even exist to be used.



These are, of course, the kind of problems we like. They are the kind of problems that arise from an economic growth rate of 5 percent rather than the rate of 2 or 3 percent which characterized the period just before our current expansion.

One of these problems, for instance, is how to keep up the pace. One way, and as we have seen, a most effective way, is to cut taxes again, and that is why the President has indicated he will seek a reduction in excise taxes.

He will seek that reduction in 1965, the very year that the largest income tax cut in our history becomes fully effective for the first time -- a tax cut which will save both individual and corporate taxpayers about \$14 billion at 1965 income levels.

This is what many find hard to understand -- why we need another tax cut already.

The answer becomes apparent if you look at the figures. For instance, during fiscal 1965, which ends next June 30, the income tax cut amounts to \$9 billion. But when you take into account the increases in tax revenue that result from

restrain inflation, but using it -- perhaps for the first time -- as a vital and effective force for economic growth.

Finally and most important, the effect on the economy was substantial. Consumer demand was increased, incentives to invest were raised, and the economy responded as expected. We are now in the forty-sixth month of the longest and strongest economic expansion in our history, and few doubt that the tax cut deserves the credit for the health and vigor of this year's economic progress. Moreover, the investment incentive measures of 1962, planned precisely for this purpose, have helped to keep the expansion strong by their effect on corporate investment.

As a result, the economic decisions which must now be made are not the result of chronic problems nor of the failure of our policies. They are instead the product of our success.

For the sweeping nature of the tax cut, both in size and in the boldness of the concept itself -- cutting taxes with a budget deficit as a means to move closer to our economic potential and a balanced budget -- has in turn swept us up against some new, but not unforeseen, problems.

In addition, during 1962, we were already working on the next step -- the over-all reduction in rates together with the substantial structural changes which made up the Revenue Act of 1964. Our studies indicated that not only were high marginal tax rates limiting the incentives for vital private investment, but that the whole effect of the high wartime tax rates was to act as a brake on economic growth.

This effect of the high tax rates explained, in good part, our experience of the Fifties, in which the tax structure moved too quickly to drain off consumer demand and investment funds, stifling expansion before full employment could be reached.

We reasoned that the best way to move closer to full employment was to lower the tax structure and that is just what was done. That was the Revenue Act of 1964.

The effect on tax rates was substantial -- 20 percent reduction for individuals and, together with the 1962 business tax changes, 20 percent for corporations.

The effect on tax policy was also substantial, making the tax structure not merely a tool to raise revenue and

changes which had their effects diminished or magnified as a result of poor coordination with fiscal policy.

During all this time, the tax system was considered capable of acting as a weapon to mitigate recessions only through the cushioning effect of the so-called automatic, built-in stabilizers. This stabilizing effect resulted from the fact that the income tax draws less and less out of the economy when it turns down and thus cushions the downswing.

This traditional but limited outlook viewed our tax structure as solely a defensive weapon against recessions -- going into effect only after the recessions were under way.

The breakthrough in fiscal policy came in using tax policy as an offensive weapon to keep the economy moving upward and to stop recessions before they started.

The first step along this new road was taken in 1962, with the passage of the Revenue Act of 1962. This Act provided a 7 percent investment credit to spur new investment and accelerate economic growth. During 1963 alone that credit, together with the sweeping liberalization of depreciation carried out by the Treasury in 1962, reduced business tax liabilities by \$2.5 billion.

And chief among these, of course, is the dramatic breakthrough in fiscal policy represented by the tax changes climaxed by the 1964 Revenue Act.

That breakthrough followed a prolonged period in which economic policymakers struggled unsuccessfully with monetary and fiscal tools. Despite repeated tinkering, they never seemed to be able to hit the right policy mix. In less than 8 years, we had three recessions.

In 1954, taxes were reduced sharply, but the main emphasis was on termination of Korean wartime rates as a result of the drop in Federal spending after the Korean War. As a result, we never learned the fiscal lesson we could -- and should -- have learned from the speed with which this tax cut reversed the recession that had resulted from previous spending cuts.

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TREASURY DEPARTMENT  
Washington

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FOR SIMULTANEOUS RELEASE IN BOSTON  
AND WASHINGTON UPON DELIVERY

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BEFORE THE FEDERAL TAX INSTITUTE OF NEW ENGLAND  
BOSTON, MASSACHUSETTS  
SATURDAY, DECEMBER 5, 1964, 12:30 P.M., EST

During the next few weeks the President will begin making final decisions which will start our nation on the journey toward what he has called "The Great Society".

No decisions will be more vital in our progress toward that goal than those in the area of economic policy.

For those decisions will affect the amount of resources which will be available, both to government and to the private sector of the economy, and the availability of those resources will determine the success of the entire enterprise.

The choices he will be making in the coming weeks and months as his programs take shape would be far more limited if it were not for the success of our economic policies of the recent past.

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I think this is particularly true in the area of tax reduction, for which there will be greater opportunity in the future.

With the increased opportunity for tax reduction comes also the increased opportunity for structural tax revision. Certainly we have not gone as far as we can in the area of tax reform. Unquestionably, **there** is much more to be done. As the effect of the 1962 and 1964 Revenue Acts become clearly apparent, we can and should take further major steps toward making our income tax structure simpler and fairer.

I would like to point out in passing, however, that those two tax bills contained more than \$1.7 billion in revenue-raising reforms. That total compares to \$600 million for the entire period 1942 - 1962 and \$200 million for the period 1953 - 1962. We can add to the \$1.7 billion over \$500 million in revenue-losing reforms -- or a total of \$2.2 billion in changes to improve the fairness of our tax structure.

Furthermore, those calculations do not include either the investment credit or the depreciation reforms -- two substantial tax changes which will spur investment next year by reducing business tax liabilities by an estimated \$3 billion.

But although I believe that significant progress has been made in tax reform, we still have more to do. Perhaps a major characteristic of the American approach to taxation, especially to the income tax, is a desire for fairness at the risk of complexity. The challenge for the future is to increase both equity and simplicity.

It is true that controversy surrounds these problems. But to a considerable degree controversy flourishes because knowledge of the behavior of the economy is elusive. As more knowledge becomes available, it will often point the path to a reasonable solution. I have always believed, and I have found it so in my present post, that open doors also help -- to give a fair hearing to those who will be affected by tax changes -- and so do open minds.

A sure source of controversy arises because the tax system -- with its endless possibilities of rewards and penalties -- is always an inviting target for those seeking to achieve a particular welfare, business or other objective. Much of the course of tax debate lies in the consideration of proposals thus seeking to use the tax system to solve difficulties that far more often than not should be solved through other approaches. Federal money can be wasted through unwise tax provisions just as it can be lost through unwise expenditure programs. Frugality is as fully demanded in a tax system as in an expenditure policy.

In that connection, I would point out that the proposal to distribute a portion of Federal tax revenue among the States at some time in the future, without stipulation as to how it should be spent, involves some broad policy considerations. A closer look indicates that this proposal is not really a change in tax policy, but in expenditure policy. As such, it carries serious implications for the future -- particularly for future expenditure decisions. I am sure that the President is well aware of all the complexities involved in this proposal, and will take them into account before making any decision.

One further word on the future. The tax reduction involved in the Revenue Act of 1964 is a permanent one. There may be times -- though the past years were not such times -- when the fiscal action may need to be only temporary to curb an incipient recession (or head off an incipient inflationary rise). Here the task of fiscal policy on the tax side is to ensure that Government can act with promptness along a non-controversial path of temporary tax reduction, leaving to a later period, when recession clouds disappear, the decision as to what the longer range strategy requires.

You are all interested, of course, in the tax recommendations which the President will make to the Congress next year.

The principal one is the excise tax cut, which is the next logical step after the comprehensive attention given to the income tax. The objective is to reduce, as much as possible, the clutter and haphazard aspects of these taxes.

I regret that I cannot give you the details. The fact is, however, that the President has not yet made a final decision.

I will point out two aspects of our excise tax system. First, whatever may be the merits elsewhere of the ability to trace one's ancestry back to a wartime period, it is certainly no basis for continuing a tax. Second, the bigger the excise tax cut, the fairer our tax system becomes, and more you can eliminate arbitrary discriminations among industries and purchasers, the more nuisance taxes people are relieved of, and the fewer taxes you have interfering in the conduct of private business.

With regard to structural changes in the tax law to be made during 1965, at present recommendations are planned in two areas, foundations and international tax matters.

There will be recommendations concerning abuses under the laws governing tax-exempt private foundations. I won't go into those in any detail, except to say that they will deal with the major abuses and problems that exist in this area.

Last **September**, I outlined before the Tax Executives Institute in Montreal our objectives in the area of international taxes. We will have legislative recommendations in this area in 1965, relating to the tax treatment of non-resident aliens drawing income from United States sources and to ways of fostering increased foreign investment in United States private securities. These recommendations would draw on the report earlier this year of a task force on that subject headed by the then Under Secretary of the Treasury, Henry H. Fowler.

On the matter of revenue collection, legislation was recently introduced which merits careful consideration and action. Chairman Mills of the House Ways and Means Committee and Representative Byrnes -- the ranking Republican on that Committee -- have introduced identical bills concerning the relative priority of Federal tax liens over the interests of other creditors. The bills propose a comprehensive revision of the lien provisions presently in the Internal Revenue Code, in order to take account of the variety of new techniques for financing modern business and to facilitate the use of new security devices without substantially affecting the legitimate interests of the United States in the collection of the revenues. In addition, the bills provide new and more effective rules for the collection of withholding taxes.

There is one other matter of current importance I would like to mention. Senator Long of Louisiana, at the close of the last session of Congress, introduced a bill embodying a new approach to tax simplification and equity which he desired the tax profession and the Congress to study.

Essentially his proposal divides into three parts: (1) For taxpayers above \$20,000, it offers a series of effective rates applied to total incomes under which the total tax can never exceed 50 per cent of the taxpayer's total income -- indeed the Government's share can only approach but never reach 50 percent. For this purpose income is measured in a simpler and broader fashion without the restrictive effect of the numerous preferential provisions -- such as personal deductions -- that now operate to reduce the tax level for those taxpayers that are advantaged by them. These new rates would be optional, so that no one's tax would be increased, but many, of course, would find their tax decreased. (2) For taxpayers between \$10,000 and \$20,000, his proposal involves an increase in the standard deduction limit from \$1,000 to \$2,000 thus

permitting a larger group of taxpayers in these brackets to benefit from this simpler approach to tax computation. (3) For taxpayers under \$10,000, the proposal increases the minimum standard deduction from \$300 to \$400, relieving a number of very low-income taxpayers from paying any tax at all.

Essentially, as I perceive it, the rationale of Senator Long's three-fold proposal lies in its assertion that the problems of tax simplification, and indeed of horizontal equity, are different at different levels of the income tax and thus call for different solutions. This flexibility of solution should be an opportunity for those interested in Senator Long's goals to consider closely his proposal and see if that proposal, or modifications of it, offer a path to the improvement of our income tax structure.

This proposal of Senator Long involves a revenue loss of about \$700 million, almost equally divided among the three categories.

The Senator's proposal emphasizes that tax reduction does not involve simple, easy-going plans written on the back of an envelope. The process of tax reduction involves the conflicting claims of different groups and classes of taxpayers, with the claims buttressed by differing theories about what and who make the private sector tick.

Painstaking care must be exercised to insure that tax reduction is carefully framed to achieve a better tax structure, and that is one of the challenges involved in Senator Long's proposal.

Finally, any consideration of tax policy should not ignore the vital subject of tax administration. This is an area which requires constant attention and this is particularly true today. The problems of tax policy and tax administration are closely related. Just as the Congress must achieve a fair and balanced allocation of the tax burden, so must tax administration apply its necessarily limited resources to secure a fair and balanced program of enforcement. And sound tax policy requires accurate up-to-date statistical information arranged in a manner which will be most meaningful to those who must interpret it in the search for policy alternatives.

Great progress has been made in the vital task of improving the Internal Revenue Service, especially in its day-to-day relationships with the taxpaying public. But I firmly believe that today we stand on the threshold of very significant changes in tax administration, the full outline of which we cannot yet perceive. It is clear that the new tools being developed in the Internal Revenue Service will require new techniques and create new problems.



At the same time, they offer really substantial opportunities in the form of improved tax administration and potential accurate information about the tax system -- and indeed about our economy and our Society.

I refer not only to the automatic data processing procedures for the handling of the vast quantities of data and paper that flow into the Service, but also to the automatic legal retrieval machinery of the Chief Counsel's Office of the Service that allows for the comprehensive collection of both precedents and current issues and makes this information available quickly and selectively. These innovations and the staggering amount of statistical data that they afford require broad scope and substantial depth in the field of tax administration in the years ahead. We must approach these innovations with both wisdom and insight to achieve our twofold goals: One goal is a smoothly functioning Internal Revenue Service, benefitting from the techniques of modern management and cost effectiveness analysis which the data now permit, and a second goal is to use these new techniques and data to improve our tax system and to afford a maximum of significant knowledge about our society.

And so, whether we speak of tax legislation or of tax administration, we see both problems and opportunities for progress.

The problems may now seem stubborn and intractable -- and yet there is always the challenging thought that if we only had more knowledge they would yield to solution and progress. For knowledge -- and calm discussion and analysis of the issues -- will make it possible to achieve a concensus as to the changes to be made in the years ahead.

Taxes touch in many ways both sensitive and subtle on our economy and our society. For that reason the important forward steps must rest on a broad concensus.

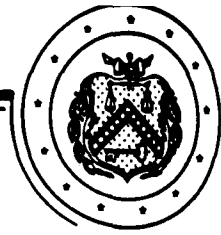
Our tax system can and will make a significant contribution to the Great Society. The goals of that Society depend entirely for their achievement on an expanding and prosperous America, with the fruits of that prosperity spreading to all parts of the land and all our people. For this wise management of the tax system is an indispensable requirement.

These tasks -- and the efforts to seek a concensus on the broad steps -- are a challenge to each of the professions represented here today -- the scholars, the lawyers, and the accountants.

Let us see that we all rightfully earn our place in that Society through the contributions we make in the years ahead.

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 5, 1964

FOR IMMEDIATE RELEASE

TREASURY MARKET TRANSACTIONS IN NOVEMBER

During November 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 \$100,058,000.00.

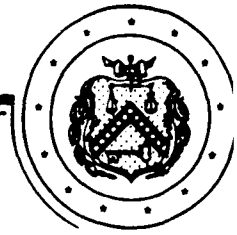
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D-1428

*JST*  
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TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 5, 1964

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D-1428

DRAFT PRESS RELEASE  
FOR DEC. 7, 1964


Secretary of the Treasury Douglas Dillon today announced a drawing by the United States on the International Monetary Fund. The drawing in the amount of \$125 million is the fifth made by the United States and is in German marks.

Total drawings in 1964 now amount to the equivalent of \$525 million in various foreign currencies. A sizable part of these drawings have been offset, however, by the drawings of United States dollars by other countries during the period. When other countries draw dollars from the Fund it restores the U.S. position and in effect amounts to repayment by the United States. As a result the net reduction in United States drawing rights on the Fund has been only about \$265 million.

The currency drawn is expected to be used, as in the past, for sale for dollars to other Fund members for their use in making repayments to the Fund.

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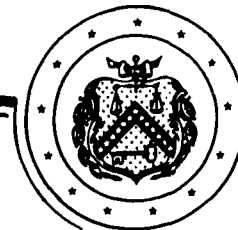
Approve: 

DEC 3 - 1964

Disapprove: \_\_\_\_\_

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 7, 1964

FOR IMMEDIATE RELEASE

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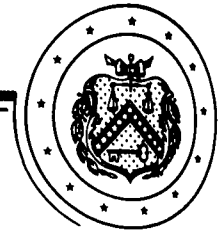
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D-1429

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 7, 1964

FOR IMMEDIATE RELEASE

## TREASURY DECISION ON BEEF STEAKS UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that beef steaks packed 12 packs to a carton or case, each pack weighing 18 ounces net, from Canada, produced by Holiday Farms Ltd., Chippawa, 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.

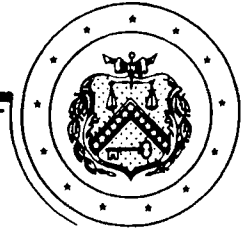
Appraising officers are being instructed to proceed with the appraisal of this merchandise from Canada without regard to any question of dumping.

The dollar value of imports of the involved merchandise received during the period from December 1, 1963, through July 1964 was approximately \$56,000.

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# TREASURY DEPARTMENT

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**RESULTS OF TREASURY'S WEEKLY BILL OFFERING**

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated September 10, 1964, and the other series to be dated December 10, 1964, which were offered on December 2, were opened at the Federal Reserve Banks on December 7. Tenders were invited for \$1,300,000,000, or thereabouts, of 91-day bills and for \$1,000,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing March 11, 1965		:	182-day Treasury bills maturing June 10, 1965	
	Price	Approx. Equiv. Annual Rate		Price	Approx. Equiv. Annual Rate
High	99.052	3.750%	:	98.020	3.916%
Low	99.021	3.873%	:	97.992	3.972%
Average	99.036	3.815% <sup>1/</sup>	:	98.006	3.944% <sup>1/</sup>

75% of the amount of 91-day bills bid for at the low price was accepted  
 40% 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:**

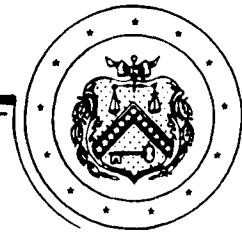
District	Applied For	Accepted	:	Applied For	Accepted
Boston	\$ 15,455,000	\$ 15,455,000	:	\$ 23,110,000	\$ 23,110,000
New York	1,306,357,000	818,507,000	:	1,319,105,000	715,105,000
Philadelphia	29,713,000	22,713,000	:	10,957,000	5,957,000
Cleveland	38,166,000	37,966,000	:	38,224,000	36,425,000
Richmond	21,456,000	21,456,000	:	11,749,000	11,649,000
Atlanta	45,861,000	45,861,000	:	19,856,000	17,856,000
Chicago	175,999,000	150,999,000	:	128,160,000	83,960,000
St. Louis	32,887,000	29,887,000	:	14,732,000	13,638,000
Minneapolis	22,340,000	22,340,000	:	8,745,000	8,745,000
Kansas City	29,318,000	29,318,000	:	13,929,000	13,929,000
Dallas	30,989,000	30,989,000	:	11,215,000	11,215,000
San Francisco	79,786,000	74,786,000	:	72,917,000	58,717,000
<b>TOTALS</b>	<b>\$1,828,327,000</b>	<b>\$1,300,277,000</b> <sup>a/</sup>		<b>\$1,672,600,000</b>	<b>\$1,000,300,000</b>

a/ Includes \$257,735,000 noncompetitive tenders accepted at the average price of 99.036  
 b/ Includes \$91,211,000 noncompetitive tenders accepted at the average price of 98.006  
 1/ On a coupon issue of the same length and for the same amount invested, the return of these bills would provide yields of 3.91%, for the 91-day bills, and 4.06%, 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.

*12-19-30*



# TREASURY DEPARTMENT



FOR RELEASE A. M. NEWSPAPERS,  
Tuesday, December 8, 1964.

WASHINGTON, D.C.

December 7, 1964

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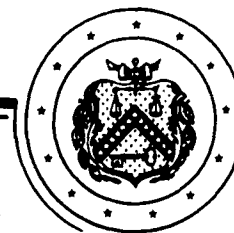
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Richmond	21,456,000	21,456,000	:	11,649,000	11,649,000
Atlanta	45,861,000	45,861,000	:	19,856,000	17,856,000
Chicago	175,999,000	150,999,000	:	128,160,000	83,960,000
St. Louis	32,887,000	29,887,000	:	14,732,000	13,632,000
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# TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 8, 1964

FOR IMMEDIATE RELEASE  
DECEMBER 8, 1964

## UNITED STATES AND INDIA TO DISCUSS NEW INCOME TAX TREATY

The United States and India will begin discussions soon with the aim of drawing up a proposed tax treaty.

The purpose of the treaty would be to avoid double taxation and to foster trade and investment between the two countries.

A proposed treaty between the two countries was signed in 1959 but was never made effective. It contained a tax-sparing clause under which the United States would have allowed a credit to U. S. taxpayers for reductions given to them by India under its investment promotion law.

The new treaty is not expected to contain such a tax-sparing clause. It would be concerned with the tax treatment of trading and other businesses, of investment income and income from services, such as fees, salaries or wages.

Anyone who cares to make suggestions for consideration in the treaty is asked to send his views to Assistant Secretary of the Treasury Stanley S. Surrey, before February 1, 1965.

The principles of U. S. international tax policy were set forth on September 21, 1964, in the form of a speech by Assistant Secretary Surrey in Montreal. Recommendations regarding the proposed treaty with India should be made with those principles in mind. In addition, examination of the previous treaty with India -- recently returned by the Senate to the Executive Branch at the President's request -- might prove worthwhile to those making suggestions.

against the additional United States tax required because of an adjustment under Section 482. The offset will be based upon the additional foreign tax paid by the United States-controlled foreign companies because they included in their income amounts allocated to the U.S. taxpayer by the Internal Revenue Service under Section 482. In addition, under the new policies the Internal Revenue Service will not pursue certain types of cases in years before 1963. These types of cases are described in a technical information release from the Internal Revenue Service, published at the same time as this announcement.

The new policies set forth in the technical information release will be republished in the form of a Revenue Procedure (Revenue Procedure 64-54, which will appear in Internal Revenue Bulletin 1964-52, dated December 28, 1964).

The Revenue Procedure not only outlines the new policies, but also sets forth the circumstances under which taxpayers may take advantage of them. It also describes the method of obtaining the tax relief.

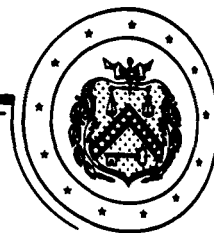
Publication of the Revenue Procedure is part of an effort to make available to taxpayers additional policy guidelines on the administration of rules governing taxation of international operations. This effort includes publication of: (1) regulations under all sections of the 1962 Act; (2) a comprehensive Revenue Procedure containing guidelines which the Internal Revenue Service will apply in considering requests for rulings under Section 367 of the Internal Revenue Code; and (3) specific regulatory guidelines under Section 482 for years beginning after January 1, 1963.

Work is currently being done on all of these projects and is expected to be completed in the near future.

Copies of the technical information release may be obtained from the Public Information Division of the Internal Revenue Service.

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 8, 1964

ADVANCE FOR USE IN A.M. PAPERS OF  
THURSDAY, DECEMBER 10, 1964

## TREASURY ANNOUNCES NEW REVENUE PROCEDURE GOVERNING TAXATION OF U.S. FIRMS OPERATING ABROAD

The Treasury today announced new policies which will be followed in applying Section 482 of the Internal Revenue Service Code.

The new policies will apply only to taxpayer years starting before January 1, 1963. Policies applicable to later years will be announced shortly in the form of proposed regulations.

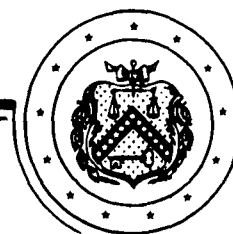
Section 482 affects U.S. taxpayers who have dealings with foreign corporations they control. It allows the Internal Revenue Service to adjust the reported income of such taxpayers to more accurately reflect income earned from dealings with their affiliates.

Although Section 482 has been a part of the Internal Revenue Code for many years, taxpayers have frequently misinterpreted its requirements concerning foreign transactions. As a result, the Internal Revenue Service has frequently found that the income of U.S. taxpayers controlling foreign affiliates has been understated and, therefore, subject to adjustment under Section 482. In many cases, however, the United States-controlled foreign companies had already paid taxes to foreign countries on income which should have been allocated to the U.S. taxpayers. Therefore, if ordinary Section 482 adjustments were made in these cases now, double taxation and other forms of hardship would result.

The primary purpose of the new policies is to avoid such double taxation on income in years beginning before January 1, 1963. They will do this by allowing an offset

# TREASURY DEPARTMENT

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Publication of the Revenue Procedure is part of an effort to make available to taxpayers additional policy guidelines on the administration of rules governing taxation of international operations. This effort includes publication of: (1) regulations under all sections of the 1962 Act; (2) a comprehensive Revenue Procedure containing guidelines which the Internal Revenue Service will apply in considering requests for rulings under Section 367 of the Internal Revenue Code; and (3) specific regulatory guidelines under Section 482 for years beginning after January 1, 1963.

Work is currently being done on all of these projects and is expected to be completed in the near future.

Copies of the technical information release may be obtained from the Public Information Division of the Internal Revenue Service.

The Bureau of Accounts is responsible for a variety of ~~federal~~ financial services concerned with accounting for and disbursing of federal funds and for reporting these and other financial activities of the federal government, including the "Annual Report of the Secretary of the Treasury on the State of the Finances," and the "Monthly Statement of Receipts and Expenditures." ~~[The Bureau handles various investment accounts of the Federal Government]~~

Commissioner Gearhart is a graduate of Drake University. He began his Government career in June, 1935, as the Accountant-In-Charge of the Iowa Treasury State Accounts Office. He has served as Commissioner of the Treasury Bureau of Accounts since January 1, 1961.

FOR RELEASE AFTER 3:00 PM  
WEDNESDAY, DECEMBER 9, 1964

BUREAU OF ACCOUNTS CHIEF RECEIVES  
EXCEPTIONAL SERVICE AWARD

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In award ceremonies at the Treasury Department, Secretary Dillon praised Commissioner Gearhart for his "top management follow-through, perseverance and day-to-day leadership." The Secretary noted that the last four annual budgets of the Bureau of Accounts have shown total savings of \$3 million, despite a 25 percent increase in the workload during that period. The Bureau has also contributed significantly to the joint program of the Treasury, the Comptroller General and the Bureau of the Budget <sup>FOR</sup> ~~OF~~ improving financial and accounting reporting on a government-wide basis, *As a result,*



# TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 9, 1964

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can, of course, be no guarantee that your advice will be followed. Your primary interest is that of importers, and while we have always had the highest regard for your judgment and intelligence, no one could blame you if you sought the immediate adoption of unrestricted free trade. We must consider the needs of importers, but we must consider the needs of others as well. Some of these seek limitation of imports to nothing much beyond coffee and bananas. They have not been backward in giving us their views.

The point I want to make is this. We are at a critical period of history in relation to world trade. Trends can be established in the next few years or even months which will be hard or impossible to reverse. What is said and what is done by groups such as yours can have an influence in guiding or in balancing the direction of these trends. It is an awesome responsibility. I do not believe you will shirk it.

oOo

to January 3, then, in the event of a dumping finding made thereafter, dumping duties would be assessed on unappraised entries under the old 120 day retroactivity provision.

This, in brief - or maybe it has not been so brief - is the substance of the newly adopted amendments to the regulations under the Antidumping Act. For those who wish to study the subject in detail we have prepared what the charitable organization drive managers call a "kit," which can be made available on request to the Commissioner of Customs, Washington, D. C. 20220. It consists of a background memorandum, a comparative print showing how the adopted amendments differ from those proposed earlier in the year, a copy of the Federal Register notice, and a copy of the regulations as they will be in effect on January 3, 1965.

Past experience of appearances before your distinguished organization has taught me that no group can be more searching in the questions its members throw at the speaker following a speech. Fortunately for me, on this occasion, I do not stand alone. Beside me is Edwin F. Rains, Esquire, Senior Assistant General Counsel of the Treasury Department. Mr. Rains is one of the select few who knows everything there is to be known about Customs. In addition, he was a principal architect of the document which is now under discussion. With him here, every question can have an answer.

In conclusion may I express the hope that the National Council of American Importers will continue to interest itself in matters relating to the Antidumping Act and to give us the benefit of its advice. There

Provision is made in regard to comparisons of similar merchandise to bring the standards in line with those relating to circumstances of sale. In the latter case, the regulations have since 1960 provided that the primary basis for calculating the comparison is the result of the differences on the market value of the merchandise rather than the differences in cost. In respect of similar merchandise, however, the regulations had set forth solely differences in cost as the basis for calculation. This is now changed so that in both cases the primary basis relates to effect on market value.

Further amendments provide for publication of an antidumping proceeding notice in cases where the complaint is judged to be worthy of consideration, limitation of notices to individual foreign firms rather than countries in appropriate instances and possible consolidation of related cases.

The entry into force provision works out as follows: Cases which are finally decided prior to January 3, 1965, will have been processed without reference to the new amendments. Any case which is not brought to the attention of the Commissioner of Customs until January 3, 1965, or any time thereafter will be handled entirely in accordance with the regulations as amended. As to cases filed before January 3, but still pending on that date, the new provisions relating to confidentiality of information, quantity discounts and comparisons of similar information will not apply. All other new provisions - for example, those relating to termination of proceedings - will apply. In this connection it may be noted that the provisions as to retroactive assessment of dumping duties will work out as follows: pending cases where there has been no withholding of appraisement prior to January 3, 1965, the new provision will apply: dumping duties may not be assessed on importations entered prior to publication of a withholding order. However, should appraisement have been withheld prior

words, the importer is warned, once there is a withholding order, that there may be trouble. As to shipments then on the high seas he need not worry if he has a reimbursement contract; as to purchases made thereafter or as to any shipment exported after a determination of sales below fair value, dumping duties, if assessed, must be paid out of the importer's own pocket.

These two provisions concerned with retroactivity and reimbursement apply only to situations where the importer and the foreign producer are dealing with each other at arm's length. Where they are related one to the other (i.e., in cases where exporter's sale price rather than purchase price is the basis for comparison with fair value), these new provisions do not apply.

The third provision, relating to termination of cases, in effect allows Treasury to close cases without reference to the Tariff Commission when no useful purpose can be served by the reference. The Tariff Commission has on occasion complained that Treasury has sent over cases which should never have been referred to it. While the new provision will not allow Treasury to substitute its opinion for that of the Commission as to what constitutes injury, Treasury will now have no reason to refer cases, for example where United States industry sees no point in having the reference made. (Some of you may remember Treasury's reference to the Commission of the 1957 South African hardboard case despite our own hardboard industry's disclaimer of interest.) In addition, closing of some cases where there has been prompt price revision with no likelihood of future price discrimination will be facilitated.

Perhaps the most important of these is the amendment relating to retroactive assessment of dumping duties. Under a 1954 amendment of the law, dumping duties may be assessed as far back as 120 days prior to receipt of a complaint. (Prior to 1954 retroactivity was unlimited) While there ~~has~~ been no regulation covering this point, the provision has up to now been construed to mean that dumping duties must be assessed retroactively to the full extent permitted by law. Decision has been reached that this interpretation is not required by law and is unduly harsh. The new amendment establishes a cut-off date for assessment of dumping duties starting as of the time that appraisement may be withheld, in cases where the price to the United States is calculated on the basis of purchase price. The amendment is not worded so as to insure that there will be complete freedom from retroactive assessment. If at the time of a dumping finding there have been importations entered prior to the withholding order which happen to remain unappraised for reasons unconnected with the dumping proceeding - for example, because of suspension of appraisement pending a decision on classification - they will be subject to assessment of dumping duties under the 120 day retroactivity provision.

In addition, as to goods which the importer purchased prior to published notice of the withholding order which do not arrive until after the date of the notice, it is now provided that the importer may, pursuant to agreement with the foreign producer, secure reimbursement from the foreign producer for dumping duties charged against the imports provided they are not shipped after the date of the notice. In other

prove a given point. However it is hoped and intended that decisions on cost justification will be reached on a common sense basis.

In addition to this amendment, provision is made that offers of sale which cannot be expected to be acted on are not to be considered as relevant in a dumping case. An example of what we have in mind would be offers of heavy winter overcoats in a tropical country market.

Treasury made the point when the amendments were first proposed that they were "not designed to make the administration of the Antidumping Act either more or less restrictive." Quite obviously some of the amendments are more desired by domestic industry, some more desired by importers. While the provisions relating to confidentiality and confrontation have been sponsored by both sides, recent comment indicates a number of importers are frightened, in particular by the confidentiality issue. Administered by essentially protectionist-minded government officials they could without doubt act as a substantial curb to foreign trade. But this curb is potential there with or without these particular provisions. Unless the administration can be impartial the result will be unfair, one way or another. With proper exercise of judgment the new provisions should lead to more equitable, because more freely considered, decisions.

This may be an appropriate place to note that in a recent Tariff Commission proceeding the importer's representative stated if Treasury had provided confrontation the case would never have had to go to the Commission.

Three amendments which are clearly of benefit to importers deal with retroactivity, reimbursement and termination of proceedings.

Given the fact that each of the interested parties in a dumping case can now expect to know something about what is at issue, provision for confrontation becomes logical, and it is made. At the same time it has been recognized that public hearings of a quasi-judicial type, with five or ten thousand pages of printed records and five or ten years' delay in reaching decision would be inconsistent with any program to encourage free flow of trade. Although recognizing the unwillingness of disappointed contestants to give up until the last remedy has been exhausted, there seems no reason why these confrontation proceedings can not be accomplished informally and speedily and result in substantially just decisions. In other words, we do not plan to have a record of the confrontation proceedings. Nor do we envisage at this time any formal set of ground rules for confrontation. We would, however, expect to announce in advance the amount of time the parties would be given to present their views, and we would adhere to such schedule.

A further amendment developed in the light of experience over the years deals with quantity discounts. Increasing difficulty has been encountered with claims that price discrimination is justified merely on the basis of large quantities, irrespective of whether there is any possible cost justification involved. The solution here adopted was to set a cut-off figure which we regard as reasonable. If at least 20 percent of home market sales benefit from a given quantity discount, then the discount will ordinarily be recognized also in respect of sales to the United States. Otherwise a cost justification will be needed. Here ~~as~~ in many other situations arising under the new amendments, it is too early to lay down detailed rules as to what type of evidence may be required to



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Particularly with respect to the cases considered in the first year or two following entry into force of the amended regulations, there are bound to be differences of opinion as to what should and what should not be considered confidential. Treasury officials can lay no claim to universal wisdom in reaching decisions, and following long established practice they have no desire to, nor will they, violate confidences. However, in those instances where they see no reason to keep confidential information which the submitter insists must not be revealed, some solution has to be reached. The solution here effected is to give the submitter a choice. Either he withdraws his request for confidential treatment or he must accept the principle that the information, though remaining undisclosed, will not be used to support his position in the case at hand.

A natural consequence of the practice of secrecy was that the Bureau of Customs would receive successive visits first from one side, then from the other. The complainant would, in effect, whisper his secret allegations, and leave. The importer would then come in with his secret denials. The complainant would come back with more information, given in strict confidence. The Bureau would check as best it could with the importer, revealing nothing. The importer would furnish further data in confirmation of what had been offered. And so, on it has gone, week after week, month after month.

It appears that the natural solution to this problem must be to adopt a confrontation procedure in which both sides can be heard at the same time. Such a procedure, of course, could not have been meaningful to any significant degree so long as all of the information received had to be treated as confidential. A confrontation under such circumstances could have resulted only in argument in a vacuum.

Decision to adopt this solution was not, however, adopted until a great deal of thought had been given to just how far we should go. Quite obviously there can be information on each side of a case which must remain unrevealed. Quite obviously a practice of "telling all" can be an open invitation to fishing expeditions designed solely to secure information to which the angler has no right, or designed merely to harass. This is not to say that the open invitation will necessarily be accepted by many; but it could be accepted by a few, and there is no reason to unlock doors to safes where the safes contain information which should not be given out to competitors.

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The amendments which have now been adopted effect a change in regard to adjustments for quantity discounts and similar merchandise. They make no change in regard to adjustments for circumstances of sale.

In addition the amendments provide new procedures in regard to consideration of cases, notably including provision as to making information available, confrontation and argument, processing of complaints, and termination of proceedings; and they add new provisions relative to retroactivity and reimbursement of dumping duties.

The change which has attracted the most attention in the press has been the provision in regard to making information available. Up until now the person who submitted data of any sort in a dumping case could label the submission "confidential" and that would be an end to the matter - the data would remain a deep dyed secret no matter how unjustified the need for secrecy might be. Indeed the Bureau of Customs in asking foreign producers to supply information has given a blanket guarantee of secrecy whether or not there was a request for such treatment.

Complaints as to this practice came from importers and domestic producers alike. The importers wanted to know what they were charged with having done; the domestic producers wanted to know why their charges were not taken at face value. Both sides were in the dark.

will be substituted for home market price.) The price to the United States is called "purchase price" if the foreign producer and the United States importer are dealing at arm's length. It is called "exporter's sales price" if the foreign producer and the importer are related.

"Fair value" is undefined in the law. It is defined in regulations.

The simplest and the most usual way to start, in calculating pursuant to the regulations whether the foreign producer's price to the United States is less than "fair value," is to adjust both prices, the home market price ("fair value") and the price to the United States, to an f.o.b. factory basis. This means that the Treasury Department adjusts out packaging charges and freight. It also washes out taxes rebated on export, and rebated import duties - this latter in line with our procedures for drawback. It also makes adjustments for quantity discounts, for other differences in circumstances of sale, and for differences in physical characteristics where the price comparison is between similar but not identical merchandise sold in the two markets.

The adjustments relating to packaging charges, freight, taxes and import duties are provided in the regulations under the Antidumping Act in that the regulations incorporate by reference the provisions of the Antidumping Act relative to purchase price (section 203), and exporter's sales price (section 204). The adjustments relating to quantity discounts and other circumstances of sale are provided in the regulations without reference to the Act. (It is true that section 202 of the Act refers to adjustments for these circumstances but this is for the purpose of calculating dumping duties only.) The adjustments relating to similar

FOR RELEASE UPON DELIVERY

THE 1964 AMENDMENTS TO THE REGULATIONS UNDER THE ANTIDUMPING ACT

REMARKS OF JAMES POMEROY HENDRICK  
DEPUTY ASSISTANT SECRETARY OF THE TREASURY, BEFORE  
THE NATIONAL COUNCIL OF AMERICAN IMPORTERS  
AMERICANA HOTEL, NEW YORK  
ON THURSDAY, DECEMBER 10, 1964  
12:30 P. M., EST

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Let me start with a few fundamentals:

The Antidumping Act comes into play when a foreign producer sells goods to the United States at a price lower than what he charges in his home market with resultant injury to an American industry. Where this is the situation, special dumping duties are assessed on the imports measured by the price differential which is found.

Decision whether there is such a price differential is made by the Treasury Department. Decision whether there is injury is made by the Tariff Commission.

I repeat, the price comparison Treasury makes is between the foreign producer's home market price and his price to the United States. The home market price is called "fair value." (Under certain circumstances export price to countries other than the United States or cost of production

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The entry into force provision works out as follows: Cases which are finally decided prior to January 3, 1965, will have been processed without reference to the new amendments. Any case which is not brought to the attention of the Commissioner of Customs until January 3, 1965, or any time thereafter will be handled entirely in accordance with the regulations as amended. As to cases filed before January 3, but still pending on that date, the new provisions relating to confidentiality of information, quantity discounts and comparisons of similar information will not apply. All other new provisions - for example, those relating to termination of proceedings - will apply. In this connection it may be noted that the provisions as to retroactive assessment of dumping duties will work out as follows: As pending cases where there has been no withholding of appraisement prior to January 3, 1965, the new provision will apply: dumping duties may not be assessed on importations entered prior to publication of a withholding order. However, should appraisement have been withheld prior

to January 3, then, in the event of a dumping finding made thereafter, dumping duties would be assessed on unappraised entries under the old 120 day retroactivity provision.

This, in brief - or maybe it has not been so brief - is the substance of the newly adopted amendments to the regulations under the Antidumping Act. For those who wish to study the subject in detail we have prepared what the charitable organization drive managers call a "kit," which can be made available on request to the Commissioner of Customs, Washington, D. C. 20220. It consists of a background memorandum, a comparative print showing how the adopted amendments differ from those proposed earlier in the year, a copy of the Federal Register notice, and a copy of the regulations as they will be in effect on January 3, 1965.

Past experience of appearances before your distinguished organization has taught me that no group can be more searching in the questions its members throw at the speaker following a speech. Fortunately for me, on this occasion, I do not stand alone. Beside me is Edwin F. Rains, Esquire, Senior Assistant General Counsel of the Treasury Department. Mr. Rains is one of the select few who knows everything there is to be known about Customs. In addition, he was a principal architect of the document which is now under discussion. With him here, every question can have an answer.

In conclusion may I express the hope that the National Council of American Importers will continue to interest itself in matters relating to the Antidumping Act and to give us the benefit of its advice. There



can, of course, be no guarantee that your advice will be followed. Your primary interest is that of importers, and while we have always had the highest regard for your judgment and intelligence, no one could blame you if you sought the immediate adoption of unrestricted free trade. We must consider the needs of importers, but we must consider the needs of others as well. Some of these seek limitation of imports to nothing much beyond coffee and bananas. They have not been backward in giving us their views.

The point I want to make is this. We are at a critical period of history in relation to world trade. Trends can be established in the next few years or even months which will be hard or impossible to reverse. What is said and what is done by groups such as yours can have an influence in guiding or in balancing the direction of these trends. It is an awesome responsibility. I do not believe you will shirk it.

oOo

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 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 or less for the additional bills dated September 17, 1964, (91 days remaining until maturity date on March 18, 1965) and noncompetitive tenders for \$ 200,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Banks on December 17, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing December 17, 1964. Cash

BETA - MODIFIED

TREASURY DEPARTMENT  
Washington

FOR IMMEDIATE RELEASE,

December 9, 1964

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TREASURY'S WEEKLY BILL OFFERING

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of \$ 2,300,000,000 <sup>(2)</sup>, or thereabouts, for cash and in exchange for Treasury bills maturing December 17, 1964 <sup>(3)</sup>, in the amount of \$ 2,302,756,000 <sup>(4)</sup>, as follows:

91 <sup>(5)</sup>-day bills (to maturity date) to be issued December 17, 1964 <sup>(6)</sup>, in the amount of \$ 1,300,000,000 <sup>(7)</sup>, or thereabouts, representing an additional amount of bills dated September 17, 1964 <sup>(8)</sup> and to mature March 18, 1965 <sup>(9)</sup>, originally issued in the amount of \$ 900,020,000 <sup>(10)</sup>, the additional and original bills to be freely interchangeable.

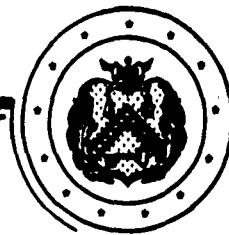
182 <sup>(11)</sup>-day bills, for \$ 1,000,000,000 <sup>(12)</sup>, or thereabouts, to be dated December 17, 1964 <sup>(13)</sup>, and to mature June 17, 1965 <sup>(14)</sup>.

The bills of both series will be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided, and at maturity their face amount will be payable without interest. They will be issued in bearer form only, and in denominations of \$1,000, \$5,000, \$10,000, \$50,000, \$100,000, \$500,000 and \$1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty p.m., Eastern Standard time, Monday, December 14, 1964 <sup>(15)</sup>. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 9, 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.

Commodity	Period	Quantity	Unit of	Imports as of
			Quantity	Nov. 28, 196
<u>Absolute Quotas:</u>				
Butter substitutes containing over 45% of butterfat, and butter oil .....	Calendar Year	1,200,000	Pound	Quota Fill
Fibers of Cotton processed but not spun .....	12 mos. from Sept. 11, 1964	1,000	Pound	
Peanuts, shelled or not shelled, blanched, or otherwise prepared or preserved (except peanut butter) .....	12 mos. from August 1, 1964	1,709,000	Pound	Quota Fill

TREASURY DEPARTMENT  
Washington

IMMEDIATE RELEASE  
THURSDAY, DECEMBER 10, 1964

D-1434

The Bureau of Customs announced today preliminary figures on imports for consumption of the following commodities from the beginning of the respective quota periods through November 28, 1964:

Commodity	:	Period and	Quantity	:	Unit of	:	Imports as of
Commodity	:	Period and	Quantity	:	Quantity	:	Nov. 28, 1964
<u>Tariff-Rate Quotas:</u>							
Cream, fresh or sour .....		Calendar Year	1,500,000		Gallon		829,815
Whole Milk, fresh or sour ....		Calendar Year	3,000,000		Gallon		51
Cattle, 700 lbs. or more each (other than dairy cows) ....		Oct. 1, 1964 - Dec. 31, 1964	120,000		Head		18,287
Cattle less than 200 lbs. each		12 mos. from April 1, 1964	200,000		Head		52,466
Fish, fresh or frozen, fil- leted, etc., cod, haddock, hake, pollock, cusk, and rosefish .....		Calendar Year	24,861,670		Pound		Quota Filled
Tuna Fish .....		Calendar Year	60,911,870		Pound		42,801,114
White or Irish potatoes:							
Certified seed .....		12 mos. from	114,000,000		Pound		24,538,680
Other .....		Sept. 15, 1964	45,000,000		Pound		Quota Filled
Knives, forks, and spoons with stainless steel handles		Nov. 1, 1964 - Oct. 31, 1965	69,000,000		Pieces		30,841,197

TREASURY DEPARTMENT  
Washington

IMMEDIATE RELEASE  
THURSDAY, DECEMBER 10, 1964

D-1434

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White or Irish potatoes:				
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Other .....	Sept. 15, 1964	45,000,000	Pound	Quota Filled
Knives, forks, and spoons with stainless steel handles	Nov. 1, 1964 - Oct. 31, 1965	69,000,000	Pieces	30,841,197



Commodity	:	Period and	Quantity	:	Unit of	:	Imports as of
	:			:	Quantity	:	Nov. 28, 1964
<u>Absolute Quotas:</u>							
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, 1964	1,000	:	Pound	:	-
Peanuts, shelled or not shelled, blanched, or otherwise prepared or preserved (except peanut butter) .....	:	12 mos. from August 1, 1964	1,709,000	:	Pound	:	Quota Filled

TREASURY DEPARTMENT  
WASHINGTON

IMMEDIATE RELEASE

THURSDAY, DECEMBER 10, 1964

D-1435

The Bureau of Customs has announced the following preliminary figures showing the imports for consumption from January 1, 1964, to November 28, 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 November 28, 1964
Buttons .....	680,000	Gross	235,555
Cigars .....	160,000,000	Number	12,160,179
Coconut oil ....	358,400,000	Pound	Quota Filled
Cordage .....	6,000,000	Pound	5,985,536 *
Tobacco .....	5,200,000	Pound	4,701,989

\*Imports through December 7, 1964

TREASURY DEPARTMENT  
WASHINGTON

IMMEDIATE RELEASE

THURSDAY, DECEMBER 10, 1964

D-1435

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Buttons .....	680,000	Gross	235,555
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Coconut oil ....	358,400,000	Pound	Quota Filled
Cordage .....	6,000,000	Pound	5,985,536 *
Tobacco .....	5,200,000	Pound	4,701,989

\*Imports through December 7, 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, 1964 : Dec. 7, 1964	Established : 33-1/3% of : Total Quota :	Imports Sept. 20, 1964 to Dec. 7, 1964	<u>1/</u>
United Kingdom.....	4,323,457	-	1,441,152	-	
Canada.....	239,690	239,393	-	-	
France.....	227,420	-	75,807	-	
India and Pakistan.....	69,627	43,264	-	-	
Netherlands.....	68,240	-	22,747	-	
Switzerland.....	44,388	-	14,796	-	
Belgium.....	38,559	-	12,853	-	
Japan.....	341,535	-	-	-	
China.....	17,322	-	-	-	
Egypt.....	8,135	-	-	-	
Cuba.....	6,544	-	-	-	
Germany.....	76,329	25,425	25,443	-	
Italy.....	21,263	-	7,088	-	
Other, including the U. S.	-	-	-	-	
	5,482,509	308,082	1,599,886	-	

1/ Included in total imports, column 2.

TREASURY DEPARTMENT  
Washington, D. C.

IMMEDIATE RELEASE

THURSDAY, DECEMBER 10, 1964

D-1436

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, 1964 - December 7, 1964

<u>Country of Origin</u>	<u>Established Quota</u>	<u>Imports</u>	<u>Country of Origin</u>	<u>Established Quota</u>	<u>Imports</u>
Egypt and Sudan.....	783,816	-	Honduras.....	752	-
Peru.....	247,952	-	Paraguay.....	871	-
India and Pakistan.....	2,003,483	-	Colombia.....	124	-
China.....	1,370,791	-	Iraq.....	195	-
Mexico.....	8,883,259	1,785,924	British East Africa.....	2,240	-
Brazil.....	618,723	-	Indonesia and Netherlands		
Union of Soviet			1/ New Guinea.....	71,388	-
Socialist Republics.....	475,124	-	British W. Indies.....	21,321	-
Argentina.....	5,203	-	2/ Nigeria.....	5,377	-
Haiti.....	237	-	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, 1964 - December 7, 1964

<u>Staple Length</u>	<u>Allocation</u>	<u>Imports</u>
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	9,665
1-1/8" or more and under		
1-1/8"	1,565,642	2,118,733

~~Established Yearly Quota - 45,656,420~~  
~~Imports August 1, 1964 - December 7, 1964~~

TREASURY DEPARTMENT  
Washington, D. C.

IMMEDIATE RELEASE

THURSDAY, DECEMBER 10, 1964

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D-1436

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, 1964 - December 7, 1964

<u>Country of Origin</u>	<u>Established Quota</u>	<u>Imports</u>	<u>Country of Origin</u>	<u>Established Quota</u>	<u>Imports</u>
Egypt and Sudan.....	783,816	-	Honduras.....	752	-
Peru.....	247,952	-	Paraguay.....	871	-
India and Pakistan.....	2,003,483	-	Colombia.....	124	-
China.....	1,370,791	-	Iraq.....	195	-
Mexico.....	8,883,259	1,785,924	British East Africa.....	2,240	-
Brazil.....	618,723	-	Indonesia and Netherlands		
Union of Soviet Socialist Republics.....	475,124	-	1/ New Guinea.....	71,388	-
Argentina.....	5,203	-	1/ British W. Indies.....	21,321	-
Haiti.....	237	-	2/ Nigeria.....	5,377	-
Ecuador.....	9,333	-	2/ British W. Africa.....	16,004	-
			Other, including the U.S.....	-	-

1/ Except Barbados, Bermuda, Jamaica, Trinidad, and Tobago.

2/ Except Nigeria and Ghana.

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

Imports August 1, 1964 - December 7, 1964

<u>Staple Length</u>	<u>Allocation</u>	<u>Imports</u>
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	9,665
1-1/8" or more and under		
1-3/8"	4,565,642	2,148,733

Cotton 1-1/8" or more  
 Established yearly quota - 45,656,420 lbs.  
 Imports August 1, 1964 - December 7, 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, 1964 to Dec. 7, 1964	Established 33-1/3% of Total Quota	Imports Sept. 20, 1964 to Dec. 7, 1964	<u>1/</u>
United Kingdom.....	4,323,457	-	1,441,152	-	
Canada.....	239,690	239,393	-	-	
France.....	227,420	-	75,807	-	
India and Pakistan.....	69,627	43,264	-	-	
Netherlands.....	68,240	-	22,747	-	
Switzerland.....	44,388	-	14,796	-	
Belgium.....	38,559	-	12,853	-	
Japan.....	341,535	-	-	-	
China.....	17,322	-	-	-	
Egypt.....	8,135	-	-	-	
Cuba.....	6,544	-	-	-	
Germany.....	76,329	25,425	25,443	-	
Italy.....	21,263	-	7,088	-	
Other, including the U. S.	-	-	-	-	
	5,482,509	308,082	1,599,886	-	

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

TREASURY DEPARTMENT  
Washington, D. C.

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D-1437

IMMEDIATE RELEASE

THURSDAY, DECEMBER 10, 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 - October 1, 1964 - December 31, 1964

IMPORTS - October 1, 1964 - December 4, 1964 (or as noted)

Country of Production	ITEM 925.01*		ITEM 925.03*		ITEM 925.02*		ITEM 925.04*	
	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	16,584,685	-	-	-	-
Belgium and Luxemburg (total)	-	-	-	-	-	-	7,520,000	***5,168,425
Bolivia	5,040,000	***3,464,625	-	-	-	-	-	-
Canada	13,440,000	***3,422,176	15,920,000	15,920,000	66,480,000	66,480,000	37,840,000	29,893,863
Italy	-	-	-	-	-	-	3,600,000	-
Mexico	-	-	36,880,000	29,802,549	70,480,000	44,025,923	6,320,000	4,126,410
Peru	16,160,000	16,160,000	12,880,000	***8,821,092	35,120,000	20,684,304	3,760,000	***3,159,234
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	***9,709,902	-	-	-	-
All other countries (total)	6,560,000	***3,831,788	6,080,000	***3,669,166 <sup>1/</sup>	17,840,000	17,840,000	6,080,000	***6,077,868

\*See Part 2, Appendix to Tariff Schedules.  
\*\*Republic of South Africa.  
\*\*\*Imports as of December 7, 1964.

<sup>1/</sup> Adjusted figure



TREASURY DEPARTMENT  
Washington, D. C.

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D-1437

IMMEDIATE RELEASE

THURSDAY, DECEMBER 10, 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 - October 1, 1964 - December 31, 1964

IMPORTS - October 1, 1964 - December 4, 1964 (or as noted)

Country of Production	ITEM 925.01*		ITEM 925.03*		ITEM 925.02*		ITEM 925.04*	
	Lead-bearing ores and materials	Imports	Unwrought lead and lead waste and scrap	Imports	Zinc-bearing ores and materials	Imports	Unwrought zinc (except alloys of zinc and zinc dust) and zinc waste and scrap	Imports
	Quarterly Quota Dutiable lead (Pounds)		Quarterly Quota Dutiable lead (Pounds)		Quarterly Quota Zinc Content (Pounds)		Quarterly Quota By Weight (Pounds)	
Australia	11,220,000	11,220,000	22,540,000	16,584,685	-	-	-	-
Belgium and Luxemburg (total)	-	-	-	-	-	-	7,520,000	***5,168,425
Bolivia	5,040,000	***3,464,625	-	-	-	-	-	-
Canada	13,440,000	***3,422,176	15,920,000	15,920,000	66,480,000	66,480,000	37,840,000	29,893,863
Italy	-	-	-	-	-	-	3,600,000	-
Mexico	-	-	36,880,000	29,802,549	70,480,000	44,025,923	6,320,000	4,126,410
Peru	16,160,000	16,160,000	12,880,000	***8,821,092	35,120,000	20,684,304	3,760,000	***3,159,234
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	***9,709,902	-	-	-	-
All other countries (total)	6,560,000	***3,831,788	6,080,000	***3,669,166 <sup>1/</sup>	17,840,000	17,840,000	6,080,000	***6,077,868

\*See Part 2, Appendix to Tariff Schedules.

\*\*Republic of South Africa.

\*\*\*Imports as of December 7, 1964.

<sup>1/</sup> Adjusted figure

December 14, 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 September 17, 1964, and the other series to be dated December 17, 1964, which were offered on December 9, were opened at the Federal Reserve Banks on December 14. Tenders were invited for \$1,300,000,000, or thereabouts, of 91-day bills and for \$1,000,000,000, or thereabouts of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing March 18, 1965		:	182-day Treasury bills maturing June 17, 1965	
	Price	Approx. Equiv. Annual Rate		Price	Approx. Equiv. Annual Rate
High	99.029 <sup>a/</sup>	3.841%	:	98.004	3.948%
Low	99.019	3.881%	:	97.991	3.974%
Average	99.023	3.864% <sup>1/</sup>	:	97.996	3.965% <sup>1/</sup>

<sup>a/</sup> Excepting two tenders totaling \$600,000

39 percent of the amount of 91-day bills bid for at the low price was accepted

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

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

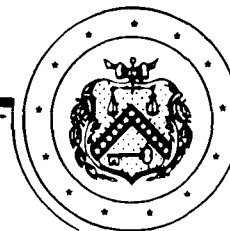
District	Applied For	Accepted	:	Applied For	Accepted
Boston	\$ 40,659,000	\$ 40,659,000	:	\$ 24,173,000	\$ 24,173,000
New York	1,679,168,000	787,718,000	:	1,604,031,000	680,721,000
Philadelphia	36,517,000	21,517,000	:	8,829,000	3,829,000
Cleveland	34,302,000	34,302,000	:	42,709,000	27,994,000
Richmond	16,672,000	16,672,000	:	11,995,000	11,995,000
Atlanta	35,297,000	30,653,000	:	15,484,000	12,034,000
Chicago	239,700,000	159,018,000	:	167,216,000	84,216,000
St. Louis	35,415,000	31,415,000	:	13,853,000	12,353,000
Minneapolis	21,359,000	20,749,000	:	9,677,000	8,462,000
Kansas City	30,500,000	30,500,000	:	15,207,000	12,707,000
Dallas	39,764,000	37,154,000	:	12,751,000	12,321,000
San Francisco	114,525,000	89,695,000	:	171,179,000	109,449,000
<b>TOTALS</b>	<b>\$2,323,878,000</b>	<b>\$1,300,052,000</b>	<b>b/</b>	<b>\$2,097,104,000</b>	<b>\$1,000,254,000</b>

<sup>b/</sup> Includes \$275,603,000 noncompetitive tenders accepted at the average price of 99.04

<sup>c/</sup> Includes \$112,471,000 noncompetitive tenders accepted at the average price of 97.9%

<sup>1/</sup> On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.96%, for the 91-day bills, and 4.10%, 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 compounding if more than one coupon period is involved.

# TREASURY DEPARTMENT



WASHINGTON, D.C.

FOR RELEASE A.M. NEWSPAPERS,  
Tuesday, December 15, 1964.

December 14, 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 September 17, 1964, and the other series to be dated December 17, 1964, which were offered on December 14, were opened at the Federal Reserve Banks on December 14. Tenders were invited for \$1,300,000,000, or thereabouts, of 91-day bills and for \$1,000,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing March 18, 1965		:	182-day Treasury bills maturing June 17, 1965	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
	High	99.029 <sup>a/</sup>	3.841%	:	98.004
Low	99.019	3.861%	:	97.991	3.974%
Average	99.023	3.864% <sup>1/</sup>	:	97.996	3.965% <sup>1/</sup>

<sup>a/</sup> Excepting two tenders totaling \$600,000

39 percent of the amount of 91-day bills bid for at the low price was accepted

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

### TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	:	Applied For	Accepted
Boston	\$ 40,659,000	\$ 40,659,000	:	\$ 24,173,000	\$ 24,173,000
New York	1,679,168,000	787,718,000	:	1,604,031,000	680,721,000
Philadelphia	36,517,000	21,517,000	:	8,829,000	3,829,000
Cleveland	34,302,000	34,302,000	:	42,709,000	27,994,000
Richmond	16,672,000	16,672,000	:	11,995,000	11,995,000
Atlanta	35,297,000	30,653,000	:	15,484,000	12,034,000
Chicago	239,700,000	159,018,000	:	167,216,000	84,216,000
St. Louis	35,415,000	31,415,000	:	13,853,000	12,353,000
Minneapolis	21,359,000	20,749,000	:	9,677,000	8,462,000
Kansas City	30,500,000	30,500,000	:	15,207,000	12,707,000
Dallas	39,764,000	37,154,000	:	12,751,000	12,321,000
San Francisco	114,525,000	89,695,000	:	171,179,000	109,449,000
TOTALS	\$2,323,878,000	\$1,300,052,000 <sup>b/</sup>		\$2,097,104,000	\$1,000,254,000 <sup>c/</sup>

Includes \$275,603,000 noncompetitive tenders accepted at the average price of 99.023

Includes \$112,471,000 noncompetitive tenders accepted at the average price of 97.996

On a coupon issue of the same length and for the same amount invested, the return on

these bills would provide yields of 3.96%, for the 91-day bills, and 4.10%, 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.

FOR IMMEDIATE RELEASE

152

December 14, 1964

TREASURY ANNOUNCES SCHEDULE  
FOR NEXT REGULAR WEEKLY BILL AUCTION

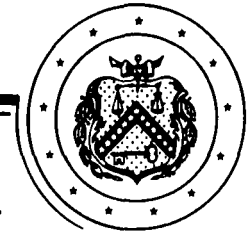
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The Treasury announced today that its next regular weekly bill auction will be held on Friday, December 18, instead of the following Monday.) The Treasury said the <sup>schedule</sup> was advanced to assure ample time <sup>to assure the auction and delivery</sup> during the pre-holiday season. Delivery of the \$1.2 billion of 3-month bills and \$1.0 billion of 6-month bills will be made on the normal day, Thursday, December 24.

10-11-39

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 14, 1964

FOR IMMEDIATE RELEASE

## TREASURY ANNOUNCES SCHEDULE FOR NEXT REGULAR WEEKLY BILL AUCTION

The Treasury announced today that its next regular weekly bill auction will be held on Friday, December 18, instead of the following Monday. Delivery of the \$1.2 billion of 3-month bills and \$1.0 billion of 6-month bills will be made on the normal day, Thursday, December 24. The Treasury said the auction was advanced to assure ample time between the auction and delivery during the pre-holiday season.

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~~BETA - MODIFIED~~  
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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.

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

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

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for  $\$200,000$  or less for the additional bills dated September 24, 1964, (91 days remaining until maturity date on March 25, 1965) and noncompetitive tenders for  $\$200,000$  or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Banks on December 24, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing December 24, 1964. Cash

~~BETA - MODIFIED~~

TREASURY DEPARTMENT  
Washington

FOR IMMEDIATE RELEASE,

December 14, 1964

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TREASURY'S WEEKLY BILL OFFERING

The Treasury Department, by this public notice, invites tenders for two series of Treasury bills to the aggregate amount of \$ 2,200,000,000 , or thereabouts, for cash and in exchange for Treasury bills maturing December 24, 1964 , in the amount of \$ 2,202,045,000 , as follows:

91 -day bills (to maturity date) to be issued December 24, 1964 , in the amount of \$ 1,200,000,000 , or thereabouts, representing an additional amount of bills dated September 24, 1964 , and to mature March 25, 1965 , originally issued in the amount of \$ 900,644,000 , the additional and original bills to be freely interchangeable.

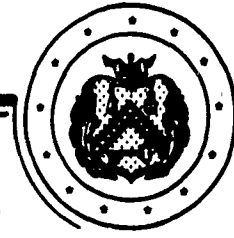
182 -day bills, for \$ 1,000,000,000 , or thereabouts, to be dated December 24, 1964 , and to mature June 24, 1965 .

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 Standard time, Friday, December 18, 1964 . Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three



# TREASURY DEPARTMENT



WASHINGTON, D.C.

December 14, 1964

FOR IMMEDIATE RELEASE

## TREASURY'S WEEKLY BILL OFFERING

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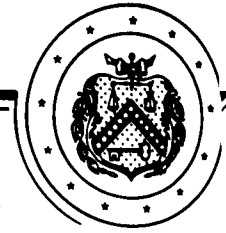
Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated 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.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for \$ 200,000 or less for the additional bills dated September 24, 1964 (91-days remaining until maturity date on March 25, 1965) and noncompetitive tenders for \$ 200,000 or less for the 182-day bills without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Banks on December 24, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing December 24, 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.

# TREASURY DEPARTMENT



WASHINGTON, D.C.

December 15, 1964

FOR IMMEDIATE RELEASE

ERNEST C. BETTS, JR. NAMED DEPUTY  
ASSISTANT SECRETARY FOR ADMINISTRATION

*known*  
The Treasury Department today announced the designation of Mr. Ernest C. Betts, Jr., effective December 15, 1964, as Deputy Assistant Secretary for Administration. He will assist the ~~Administrative~~ Assistant Secretary ~~for~~ ~~in~~ the discharge of his responsibilities and will serve concurrently in his present position as Director of the Department's Office of Budget and Finance.

Mr. Betts has had 26 years of service in the Federal Government in a number of progressively responsible administrative positions in various agencies, principally Agriculture, State, and Treasury. He is ~~believed to be~~ the only career official to have served both as the Director of Personnel and the principal budget officer of different executive departments. He also served overseas as the Attache for Administration for the U.S. Embassy at Beirut.

Mr. Betts was born in Wisconsin in 1914. He attended Platteville State Teachers College and Vernon County Teachers College and was a teacher and principal in rural and elementary schools in Wisconsin before entering the Government Service in 1939.

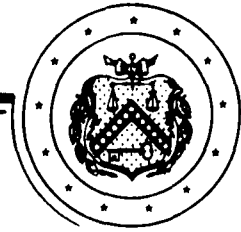
Mr. Betts has maintained an active interest in education and civic affairs. He is a former member of the Arlington County School Board and a former PTA President, and has been active in several professional management organizations, church affairs, and the Boy Scouts. He recently received the Treasury Department's Meritorious Service Award for his work as Director of the Office of Budget and Finance.

Mr. and Mrs. Betts have three children and reside at 815 South 26th Street, Arlington, Virginia.

D-1141

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 15, 1964

FOR IMMEDIATE RELEASE

ERNEST C. BETTS, JR. NAMED  
DEPUTY ASSISTANT SECRETARY FOR ADMINISTRATION

The Treasury Department today announced the designation of Mr. Ernest C. Betts, Jr., effective December 15, 1964, as Deputy Assistant Secretary for Administration. He will assist the Assistant Secretary for Administration in the discharge of his responsibilities and will serve concurrently in his present position as Director of the Department's Office of Budget and Finance.

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Mr. and Mrs. Betts have three children and reside at 315 South 26th Street, Arlington, Virginia.

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D-1441

ALPHA

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.

ALPHA

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. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on December 31, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing December 31, 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



# TREASURY DEPARTMENT



WASHINGTON, D.C.

December 16, 1964

FOR IMMEDIATE RELEASE

## TREASURY REFUNDS ONE-YEAR BILLS

The Treasury Department, by this public notice, invites tenders for \$1,000,000,000, or thereabouts, of 365-day Treasury bills, for cash and in exchange for Treasury bills maturing December 31, 1964, in the amount of \$3,201,591,000, to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be dated December 31, 1964, and will mature December 31, 1965, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of \$1,000, \$5,000, \$10,000, \$50,000, \$100,000, \$500,000 and \$1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty p.m., Eastern Standard time, Wednesday, December 23, 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 365-days, the discount rate will be computed on a bank discount basis of 360 days, as is currently the practice on all issues of Treasury bills.) It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

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



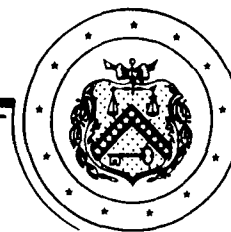
acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for \$200,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on December 31, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing December 31, 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.

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 16, 1964

## FOR IMMEDIATE RELEASE

Following is the text of a communique released yesterday in Paris by the French Finance Ministry on Ministerial Meeting of the Group of Ten:

- "1. The representatives of the ten countries participating in the general arrangements to borrow met at the Ministry of Finance in Paris on December 15th 1964. Mr. Emilio Colombo, the present Chairman, who was unable to attend, asked M. Valery Giscard D'Estaing to preside in his place. The Managing Director of the I.M.F. attended the meeting as did the Secretary General of the O.E.C.D. and the General Manager of the B.I.S. An observer from the Swiss National Bank was also present.
- "2. The Ministers and Governors examined the issues raised by the forthcoming general increase in I.M.F. quotas and especially the problems related to gold payments of 25 percent in connection with the quota increase. They had a full exchange of views looking towards the continuation of the discussions in the I.M.F.
- "3. They heard a report on the activity of the study group on the creation of reserve assets and decided that this group should make its report to the deputies by next June so as to enable the Ministers and Governors to take up the subject at their next meeting in September 1965.
- "4. The representatives of the Ten reviewed the recent evolution of the international monetary situation. They took note of the satisfactory working of the G.A.B. on the occasion of its first activation.
- "5. The Ministers and Governors had a preliminary exchange of views on the renewal of the G.A.B. about which a decision has to be taken before October 1965."

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D-1443

January 1, 1965, to a corporation of the Netherlands Antilles will be required to withhold United States tax on payments made to corporations at the full statutory rate unless, prior to such payment, he receives a certificate issued by the Office of the Inspectorate of Taxes of the Netherlands Antilles stating either (1) that such corporation is not entitled with respect to any of its United States income to any of the special Netherlands Antilles tax benefits mentioned in Article I (1) of the protocol or (2) that all the stock of such corporation is owned solely by one or more individuals resident in the Netherlands Antilles, solely by one or more individuals resident in the Netherlands or solely by one or more corporations of the Netherlands. Procedures were also worked out for the issuance of certificates to withholding agents by the Inspectorate Office with respect to corporations organized in the Netherlands Antilles on or before May 14, 1963. In such cases, temporary relief is granted under Article III (4) of the protocol which provides for certain delays in the application of the modifications made under the protocol with respect to United States source dividends and interest.

It was agreed that appropriate notification of the new procedures to be followed with respect to the withholding of United States tax under the Netherlands Antilles Convention will soon be issued for the assistance of United States withholding agents.

Article I (1) of the protocol provides that Articles VII, VIII and IX of the Convention, as extended to the Netherlands Antilles, shall not apply with respect to United States source dividends, interest and royalties derived by certain Antilles entities which are entitled either to the Netherlands Antilles tax benefits, as in effect on September 1, 1963, which are enumerated in that paragraph, or to "substantially similar tax benefits" granted under any law of the Netherlands Antilles enacted after that date.

The Netherlands Antilles amended its tax law on December 30, 1963, by adding a new Article permitting corporations to elect to be taxed at the rate of 15 percent with respect to United States source dividends and at the applicable normal rate of either 24 or 30 percent with respect to United States source interest and royalties. It was agreed a Netherlands Antilles corporation electing to be taxed under the provisions of this new Article with respect to all of its United States source income would be entitled to the exemptions from, or reductions in the rate of, United States tax provided in Articles VII, VIII, and/or IX of the Convention.

With respect to the procedures to be established with respect to the withholding of United States tax under the new protocol on dividends, interest, and royalties, it was agreed that a United States withholding agent making payments of such income on or after

Washington, D. C.  
December 21, 1964

FOR IMMEDIATE RELEASE

*to Bureau papers of Monday, Dec 2*

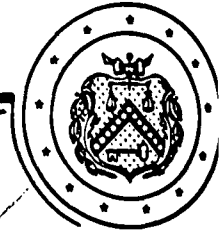
AGREEMENT ON INTERPRETATION OF CERTAIN  
PROVISIONS OF, AND WITHHOLDING PROCEDURES  
TO BE ESTABLISHED UNDER, THE PROTOCOL  
MODIFYING THE NETHERLANDS ANTILLES TAX  
CONVENTION

On December 9, 10, and 11, 1964, representatives of the Governments of the United States and of the Netherlands Antilles met in Washington to (1) determine the circumstances under which a Netherlands Antilles corporation will be entitled to the benefits of Articles VII, VIII and IX of the tax convention between the United States and the Netherlands as modified by the Protocol signed October 23, 1963 and (2) agree upon the procedures to be followed under that protocol in establishing exemption from, or reduction in the rate of, United States tax to be withheld at the source by United States withholding agents on dividends, interest, and royalties derived by corporations of the Netherlands Antilles.

The protocol to the Netherlands Antilles extension became effective on September 28, 1964, upon the exchange on that date of the instruments of ratification of the protocol. It will in general apply with respect to payments of dividends, interest, and royalties made on or after various subsequent dates, the earliest being January 1, 1965.

# TREASURY DEPARTMENT

16



WASHINGTON, D.C.

December <sup>28</sup>, 1964

FOR IMMEDIATE RELEASE

*release to money papers* *Monday, Dec 21*

## Tax Agreement With Netherlands Antilles

Representatives of the governments of the United States and the Netherlands Antilles have agreed upon procedures for the implementation of the tax protocol signed by the two countries on October 23, 1963. The protocol became effective on September 28, 1964.

The procedures concern the method by which U. S. banks, brokers, and other disbursing agents determine the proper rate of tax payable to the United States by Netherlands Antilles corporations. Under the Internal Revenue Code, such agents are required to withhold tax on payments to foreigners.

Attached is a summary of the agreement reached by the governments of the United States and the Netherlands Antilles. In addition to discussing withholding procedures, the agreement deals with the effect of the protocol on certain tax law revisions enacted by the Netherlands Antilles.

About 1,000 corporations in the Netherlands Antilles will be affected. Income tax withholding from the Netherlands Antilles, both corporate and individual, totals about \$2 million a year. Total tax liabilities are slightly larger than that amount.

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# TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 18, 1964

FOR RELEASE MORNING NEWSPAPERS  
MONDAY, DECEMBER 21, 1964

## TAX AGREEMENT WITH NETHERLANDS ANTILLES

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D-1444

Washington, D. C.  
December 18, 1964

FOR RELEASE MORNING NEWSPAPERS  
MONDAY, DECEMBER 21, 1964

AGREEMENT ON INTERPRETATION OF CERTAIN  
PROVISIONS OF, AND WITHHOLDING PROCEDURES TO  
BE ESTABLISHED UNDER, THE PROTOCOL MODIFYING  
THE NETHERLANDS ANTILLES TAX CONVENTION

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The protocol to the Netherlands Antilles extension became effective on September 28, 1964, upon the exchange on that date of the instruments of ratification of the protocol. It will in general apply with respect to payments of dividends, interest, and royalties made on or after various subsequent dates, the earliest being January 1, 1965.

Article I (1) of the protocol provides that Articles VII, VIII and IX of the Convention, as extended to the Netherlands Antilles, shall not apply with respect to United States source dividends, interest and royalties derived by certain Antilles entities which are entitled either to the Netherlands Antilles tax benefits, as in effect on September 1, 1963, which are enumerated in that paragraph, or to "substantially similar tax benefits" granted under any law of the Netherlands Antilles enacted after that date.

(OVER)



The Netherlands Antilles amended its tax law on December 30, 1963 by adding a new Article permitting corporations to elect to be taxed at the rate of 15 percent with respect to United States source dividends and at the applicable normal rate of either 24 or 30 percent with respect to United States source interest and royalties. It was agreed a Netherlands Antilles corporation electing to be taxed under the provisions of this new Article with respect to all of its United States source income would be entitled to the exemptions from, or reductions in the rate of, United States tax provided in Articles VII, VIII, and/or IX of the Convention.

With respect to the procedures to be established with respect to the withholding of United States tax under the new protocol on dividends, interest, and royalties, it was agreed that a United States withholding agent making payments of such income on or after January 1, 1965, to a corporation of the Netherlands Antilles will be required to withhold United States tax on payments made to corporations at the full statutory rate unless, prior to such payment, he receives a certificate issued by the Office of the Inspectorate of Taxes of the Netherlands Antilles stating either (1) that such corporation is not entitled with respect to any of its United States income to any of the special Netherlands Antilles tax benefits mentioned in Article I (1) of the protocol or (2) that all the stock of such corporation is owned solely by one or more individuals resident in the Netherlands Antilles, solely by one or more individuals resident in the Netherlands or solely by one or more corporations of the Netherlands. Procedures were also worked out for the issuance of certificates to withholding agents by the Inspectorate Office with respect to corporations organized in the Netherlands Antilles on or before May 14, 1963. In such cases, temporary relief is granted under Article III (4) of the protocol which provides for certain delays in the application of the modifications made under the protocol with respect to United States source dividends and interest.

It was agreed that appropriate notification of the new procedures to be followed with respect to the withholding of United States tax under the Netherlands Antilles Convention will soon be issued for the assistance of United States withholding agents.

would include that coming from community charity drives, such as the United Givers' Fund or the Community Chest. Government support includes federal, state and local.

As the technical information release points out, the one-third test of public support -- which puts an organization in the 30 percent class -- does not automatically exclude all others from being able to qualify as publicly supported. The actual determination in those other cases will depend upon the circumstances of the particular case.

The attached technical information release of the Internal Revenue Service deals with the new rules in more detail, and gives an example of how they might be applied.

The temporary rules will eventually be replaced by permanent rules, which will not necessarily be the same as the temporary ones.

adjusted  
percent of the donor's/gross income.

Under the 1964 Revenue Act, contributions to "30 percent" organizations which exceed the 30 percent level are also eligible for carryover, which means the excess may be deducted in future years. Contributions to "20 percent" organizations are not eligible for carryover.

The new rules are temporary, and are designed to give guidance to the taxpayer in determining whether or not a particular contribution is eligible for the 30 percent limitation and the carryover.

The new rules state that in order to be automatically considered a "publicly supported" charitable organization -- and therefore eligible for the 30 percent deduction -- at least one-third of the total support of the organization must come, directly or indirectly, from the public or the government. Indirect support

TREASURY DEPARTMENT

December <sup>18</sup>~~21~~, 1964

ADVANCE FOR USE IN MORNING PAPERS  
MONDAY, DECEMBER 21, 1964

NEW RULES ON CHARITABLE CONTRIBUTIONS

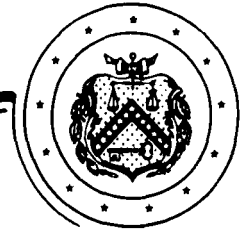
The Internal Revenue Service today announced new rules governing tax deductions for charitable contributions.

The Revenue Act of 1964 liberalized the tax treatment of certain charitable contributions. Previously, the limit on an individual's deductions for charitable contributions was 20 percent of <sup>adjusted</sup> gross income, and only contributions to certain organizations such as churches, hospitals, and schools could be deducted up to 30 percent of his income.

The Revenue Act of 1964, however, provided that the more liberal 30 percent limitation would also apply to contributions to any "publicly supported" organization, thereby substantially increasing the number of "30 percent" organizations. For example, contributions to the Red Cross will now be deductible up to 30

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 18, 1964

FOR RELEASE MORNING NEWSPAPERS  
MONDAY, DECEMBER 21, 1964

## NEW RULES ON CHARITABLE CONTRIBUTIONS

The Internal Revenue Service today announced new rules governing tax deductions for charitable contributions.

The Revenue Act of 1964 liberalized the tax treatment of certain charitable contributions. Previously, the limit on an individual's deductions for charitable contributions was 20 percent of adjusted gross income, and only contributions to certain organizations such as churches, hospitals, and schools could be deducted up to 30 percent of his income.

The Revenue Act of 1964, however, provided that the more liberal 30 percent limitation would also apply to contributions to any "publicly supported" organization, thereby substantially increasing the number of "30 percent" organizations. For example, contributions to the Red Cross will now be deductible up to 30 percent of the donor's adjusted gross income.

Under the 1964 Revenue Act, contributions to "30 percent" organizations which exceed the 30 percent level are also eligible for carryover, which means the excess may be deducted in future years. Contributions to "20 percent" organizations are not eligible for carryover.

The new rules are temporary, and are designed to give guidance to the taxpayer in determining whether or not a particular contribution is eligible for the 30 percent limitation and the carryover.

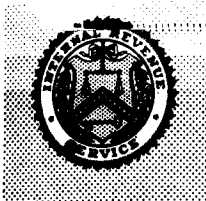
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from the public or the government. Indirect support would include that coming from community charity drives, such as the United Givers' Fund or the Community Chest. Government support includes federal, state and local.

The attached technical information release of the Internal Revenue Service deals with the new rules in more detail, and gives an example of how they might be applied.

As the technical information release points out, the one-third test of public support -- which puts an organization in the 30 percent class -- does not automatically exclude all others from being able to qualify as publicly supported. The actual determination in those other cases will depend upon the circumstances of the particular case.

The temporary rules will eventually be replaced by permanent rules, which will not necessarily be the same as the temporary ones.



# TECHNICAL INFORMATION RELEASE

TIR-667

FOR RELEASE

Monday, December 21, 1964

The Internal Revenue Service today announced certain temporary rules for determining whether charitable contributions to certain organizations constitute gifts to "publicly supported" organizations.

Under the provisions of the Revenue Act of 1964, "publicly supported" organizations qualify as "30-percent organizations". Charitable contributions by an individual to a "publicly supported" organization may generally, as is the case with respect to gifts to other types of "30-percent organizations", be deducted to the extent that such contributions do not exceed 30 percent of the donor's adjusted gross income. Contributions to privately supported organizations are normally subject to a 20-percent limitation.

Gifts to "30-percent organizations" by an individual which exceed 30 percent of his adjusted gross income may generally be carried over and deducted in later years under the "carryover" provision added by the Revenue Act of 1964.

Internal Revenue explained that the rules issued at this time are temporary and are being published merely to provide guidance for donors. These temporary rules are not exclusive, however, and a donor may be able to establish, on the basis of all the facts and circumstances, that an organization to which he has contributed is a "publicly supported" organization.

Internal Revenue also stated that the rules announced at this time do not necessarily reflect the position which will be taken in the regulations to be issued under this provision, but may be relied upon in determining the deductibility of contributions made in any taxable year beginning after December 31, 1963, and ending prior to the date of the promulgation of such regulations.

Section 170 of the Internal Revenue Code contains a limitation which allows individual taxpayers a charitable deduction of up to 20 percent of their adjusted gross income (computed without regard to any net operating loss carryback) for contributions made to or for the use of certain organizations, known as "20-percent organizations", including, among others, organizations organized and operated exclusively for religious, charitable, educational, etc., purposes, and to the United States, a State, or a local governmental unit if the contribution is made for exclusively public purposes.

- MORE -

Prior to the Revenue Act of 1964, a deduction limited to an additional 10 percent of adjusted gross income (computed without regard to any net operating loss carryback) was also allowable in the case of contributions made to certain other organizations, known as "30-percent organizations", including churches, or conventions or associations of churches, certain educational organizations, hospitals, certain medical research organizations, and certain organizations affiliated with State colleges or universities. The Revenue Act of 1964 continued this provision and expanded the group of "30-percent organizations" to include organizations which normally receive a substantial part of their support from a governmental unit or from direct or indirect contributions from the general public (section 170 (b) (1) (A) (vi) ).

Contributions to "30-percent organizations" by individuals are, generally, deductible to the extent that such contributions, when added to deductible contributions to "20-percent organizations", do not exceed 30 percent of the donor's adjusted gross income. For example, if a taxpayer makes a contribution which equals 18 percent of his adjusted gross income to an organization in the 20-percent group and makes an additional contribution which equals 12 percent of his adjusted gross income to an organization in the 30-percent group, both contributions are fully deductible.

In addition, contributions to organizations in the 30-percent group in excess of 30 percent of the donor's adjusted gross income may, generally, be carried over and deducted in a later year under section 170 (b) (5) added by the Revenue Act of 1964. However, such carryover is available only if the contributions to organizations in the 30-percent group alone exceed 30 percent of the taxpayer's adjusted gross income without considering contributions to organizations in the 20-percent group. Furthermore, contributions to organizations in the 30-percent group are "qualified contributions" under the new provisions dealing with the unlimited charitable contribution deduction which were also added by the Revenue Act of 1964.

Internal Revenue stated that in determining whether an organization is "publicly supported", the term "support" not only includes contributions received by the organization, but also includes investment income, such as, interest, rents, royalties, dividends, and capital gains, and net income from related and unrelated business activities. However, in determining the amount of any capital gain to be included in support, the organization should use as its basis the fair market value of any contributed property at the time of its contribution. "Support" does not include any income from the exercise or performance by an organization of its charitable, educational, or other purpose or function constituting the basis of its exemption under section 501 (a), such as fees charged for admission to a museum.



Internal Revenue stated that whether or not an organization receives a "substantial" part of its support from the sources required by the statute depends upon the facts and circumstances in each case. The Service also noted that the term "substantial" is used in many places in the tax law and that its meaning in one section is not necessarily applicable in other sections. Internal Revenue, however, said that an organization will be considered to be one which normally receives a substantial part of its support from donations by a governmental unit, from donations made directly or indirectly by the general public, or from donations from a combination of these sources if such organization received 1/3 or more of its support for each of three out of its last four taxable years ending prior to July 1, 1964, from such sources. Indirect contributions from the general public include contributions from other "publicly supported" organizations, such as a United Givers Fund.

The requirement that the support be received from the general public means that such support must be received from a wide segment of the public, and not solely from a few individuals or families. Therefore, contributions by any individual, trust, or corporation shall be taken into account in determining whether the 1/3 of support test is met only to the extent that such contributions do not exceed 1 percent of the organization's total support. In applying this 1-percent limitation, all contributions made by a donor and a related person within the meaning of section 267 (b) shall be treated as made by one person. The 1-percent limitation does not apply to contributions from governmental units or from other "publicly supported" organizations.

The application of these rules may be illustrated by the following example:

In 1963, X, an organization referred to in section 170 (c) (2), received total support of \$50,000 from the following sources:

Investment income	\$30,000
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Contributions:

100 gifts, each of less than \$500	\$15,000
4 gifts of \$750 each	3,000
1 gift of \$2,000	<u>2,000</u>

Total contributions	<u>20,000</u>
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Total support of X	\$50,000
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TIR-667-4

The amount of support which X received from the general public may be computed by adding the following: (1), Since none of the 100 gifts exceeds 1 percent of total support, the full amount of such gifts (\$15,000); (2) the portion of each \$750 gift which does not exceed 1 percent of total support ( $\$50,000 \times 1\% = \$500$ ;  $\$500 \times 4 = \$2,000$ ); and (3) the portion of the \$2,000 gift which does not exceed 1 percent of total support (\$500). The total contribution from the general public would be \$17,500 ( $\$15,000 + \$2,000 + \$500$ ). Since this amount exceeds 1/3 of X's total support, X will be considered to have received a substantial part of its support from the general public for 1963.

- END -

U. S. TREASURY DEPARTMENT  
INTERNAL REVENUE SERVICE  
WASHINGTON, D. C.

OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
INTERNAL REVENUE SERVICE

FIRST CLASS MAIL

**TECHNICAL  
INFORMATION  
RELEASE**

*Public Information Division*

FOR RELEASE A.M. NEWSPAPERS,  
Saturday, December 19, 1964.

December 18, 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 September 24, 1964, and the other series to be dated December 24, 1964, which were offered on December 14, were opened at the Federal Reserve Banks on December 18. Tenders were invited for \$1,200,000,000, or thereabouts, of 91-day bills and for \$1,000,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing March 25, 1965		:	182-day Treasury bills maturing June 24, 1965	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.025 <sup>a/</sup>	3.857%	:	98.002	3.952%
Low	99.020	3.877%	:	97.996	3.964%
Average	99.022	3.868% <sup>1/</sup>	:	97.998	3.960% <sup>1/</sup>

a/ Excepting one tender of \$30,000

86% of the amount of 91-day bills bid for at the low price was accepted

32% 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	\$ 46,002,000	\$ 34,602,000	:	\$ 41,456,000	\$ 19,156,000
New York	1,566,891,000	791,879,000	:	1,661,307,000	713,452,000
Philadelphia	29,268,000	13,968,000	:	11,612,000	6,312,000
Cleveland	29,229,000	24,229,000	:	57,976,000	36,932,000
Richmond	12,478,000	12,478,000	:	18,580,000	8,540,000
Atlanta	35,004,000	27,985,000	:	23,272,000	13,996,000
Chicago	187,175,000	151,386,000	:	194,070,000	103,532,000
St. Louis	35,208,000	28,980,000	:	13,285,000	11,445,000
Minneapolis	16,693,000	14,169,000	:	7,358,000	4,858,000
Kansas City	27,670,000	23,390,000	:	23,634,000	18,054,000
Dallas	25,836,000	20,696,000	:	12,127,000	7,127,000
San Francisco	90,355,000	56,611,000	:	120,497,000	57,666,000
TOTALS	\$2,101,809,000	\$1,200,373,000 <sup>b/</sup>	:	\$2,185,174,000	\$1,081,070,000

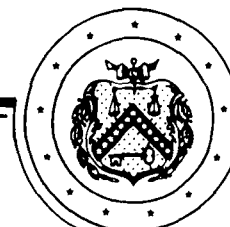
b/ Includes \$207,310,000 noncompetitive tenders accepted at the average price of 99.01

c/ Includes \$96,748,000 noncompetitive tenders accepted at the average price of 97.998

<sup>1/</sup> On a coupon issue of the same length and for the same amount invested, the return of these bills would provide yields of 3.96%, for the 91-day bills, and 4.10%, 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.

*Handwritten:* 12-19-64

# TREASURY DEPARTMENT



WASHINGTON, D.C.

FOR RELEASE A.M. NEWSPAPERS,  
Saturday, December 19, 1964.

December 18, 1964

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Richmond	12,478,000	12,478,000	:	18,580,000	8,540,000
Atlanta	35,004,000	27,985,000	:	23,272,000	13,996,000
Chicago	187,175,000	151,386,000	:	194,070,000	103,532,000
St. Louis	35,208,000	28,980,000	:	13,285,000	11,445,000
Minneapolis	16,693,000	14,169,000	:	7,358,000	4,858,000
Kansas City	27,670,000	23,390,000	:	23,634,000	18,054,000
Dallas	25,836,000	20,696,000	:	12,127,000	7,127,000
San Francisco	90,355,000	56,611,000	:	120,497,000	57,666,000
TOTALS	\$2,101,809,000	\$1,200,373,000 <u>b/</u>	:	\$2,185,174,000	\$1,001,070,000 <u>c/</u>

Includes \$207,310,000 noncompetitive tenders accepted at the average price of 99.022

Includes \$96,748,000 noncompetitive tenders accepted at the average price of 97.998

On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.96%, for the 91-day bills, and 4.10%, 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

REMARKS BY THE HONORABLE DOUGLAS DILLON  
SECRETARY OF THE TREASURY  
AT THE PRESENTATION OF THE ALEXANDER HAMILTON AWARD  
TO ROBERT V. ROOSA,  
UNDER SECRETARY OF THE TREASURY FOR MONETARY AFFAIRS  
IN ROOM 4121, MAIN TREASURY BUILDING  
MONDAY, DECEMBER 21, 1964, 12:00 P.M., EST.

Throughout most of the critical periods in our history, the United States has had the good fortune to find the services of the right man at the right time.

It is my privilege today to formally recognize such service by just such a man at this important juncture of our history.

His citation for the highest Treasury award describes the services he performed for the nation on the domestic and international fronts. But it cannot describe those personal qualities upon which much of his successful Government career has been so soundly based.

In 1960, when President-elect Kennedy turned to Bob Roosa to help the Treasury meet its pivotal responsibilities in debt management and in strengthening the defenses of the dollar, he found the man who was, on two counts, best equipped for the job.

First, Bob Roosa was an outstanding expert in the field of finance, both as it concerns our domestic economy, and as the principal link between the open societies of the free world.

In his capacity as an expert, we have had generous use of his creative and operational genius.

His second qualification was his genius as a teacher.

In its highest sense, this is one of the rarest and least appreciated qualities of a Government official. But he soon persuasively displayed his outstanding ability to impart knowledge and to deepen understanding of economic currents often only dimly perceived and little understood.

The effects of his innovations and of his keen judgment have been readily measurable. They have contributed substantially to the maintenance, under two Presidents, of sound financial conditions for economic growth, and to the successful defense of the dollar.

But perhaps of even longer-range importance, although not so readily apparent, is the legacy he leaves in the form of a wider, deeper and more relevant understanding on the part of the Executive Branch, the Congress and the Press, of the essential role of our fiscal and financial decisions in attaining the goals President Kennedy strove for, and which President Johnson is now encompassing in his plans for the "Great Society".

We at the Treasury have had the privilege of witnessing, in Bob Roosa's last four years with us, a personal "success story". Although we can categorize him as a young man, he has capped a respected Government career with a brilliant finish, and now moves into a private life which will be enhanced by a much deserved opportunity for personal reward. In addition, he takes with him an unparalleled degree of personal respect -- and what is more, of personal affection -- of all who worked with him and for him.

I have the honor now to present Robert V. Roosa with the Treasury Department's Alexander Hamilton Award, for which I will first read the citation:

"Seldom have man, position, and challenge been so aptly matched as during the four years you carried so large a share of the responsibility for the financial health of the Nation. At home, the blend of brilliant perception, experienced judgment, and operating ingenuity you brought to the task of managing the public debt and to the counsels of broader economic policy has immeasurably eased the task of providing a solid financial base for the Nation's vigorous economic growth. Taking office at a critical juncture in our international financial relations, your capacity for combining bold innovation in financial technique with patient application and reasoned exposition in international forums breathed new life and substance into the concepts of mutual consultation and cooperation that have become the hallmark of a greatly strengthened international monetary system. It is fitting that this award recognize these years of extraordinary service to the Department and to the Nation in the tradition established by Alexander Hamilton, but it can be only a token of the lasting imprint of your creative financial genius on the monetary affairs of this country."

December 21, 1964

MEMORANDUM TO THE PRESS:

TREASURY WEEKLY BILL OFFER

To assure bidders ample time during the holiday season, the Treasury announced today its regular weekly offering of \$1.2 billion 3-month Treasury bills and \$1.0 billion 6-month Treasury bills to be auctioned on Monday, December 28.

December 21, 1964

MEMORANDUM TO THE PRESS:

TREASURY WEEKLY BILL OFFER

To assure bidders ample time during the holiday season, the Treasury announced today its regular weekly offering of \$1.2 billion 3-month Treasury bills and \$1.0 billion 6-month Treasury bills to be auctioned on Monday, December 28.



~~BETA - MODIFIED~~  
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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.

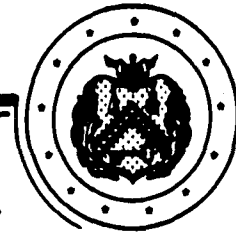
The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. 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.





# TREASURY DEPARTMENT



WASHINGTON, D.C.

December 21, 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 \$2,200,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing December 31, 1964, in the amount of \$3,201,591,000, as follows:

91-day bills (to maturity date) to be issued December 31, 1964, in the amount of \$1,200,000,000, or thereabouts, representing an additional amount of bills dated October 1, 1964, and to mature April 1, 1965, originally issued in the amount of \$900,333,000, the additional and original bills to be freely interchangeable.

182-day bills, for \$1,000,000,000, or thereabouts, to be dated December 31, 1964, and to mature July 1, 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 Standard time, Monday, December 28, 1964. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

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

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for each issue 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 for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Banks on December 31, 1964, in cash or other immediately available funds or in a like face amount of Treasury bills maturing December 31, 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.

As a member of the House of Representatives, in the 79th to 88th Congresses, inclusive, and as Chairman of the Appropriations Subcommittee for the Department of the Treasury and Post Office during the 81st, 82nd, and 84th through the 88th Congresses, Mr Gary has made outstanding contributions to the public service.

( His leadership abilities and prestige in the Congress, his depth of understanding of this Department's programs, his penetrating analysis, and his skillful handling of the appropriations for the Treasury have provided the Department with financial resources to fulfill its mission in a most effective and economical manner.

In addition to his exceptional legislative abilities, Mr Gary has all of the fine personal qualities of a traditional Virginia gentleman. His every action reflects the highest personal integrity, a gentleness of manner, and consideration for the viewpoints of others. He is a true disciple of Jeffersonian principles.

Mr. Gary has been an invaluable counselor to me as Secretary of the Treasury and to my predecessors, in the conduct of the affairs of this Department. We shall sorely miss the benefit of his wise counsel and leadership in future Congresses. He is a most deserving recipient of the Treasury Department's Distinguished Service Award. )/

(HOLD until after ceremony at 12 Noon)

Info letterhead

December 22, 1964

FOR IMMEDIATE RELEASE

REPRESENTATIVE J. VAUGHAN GARY CITED  
FOR DISTINGUISHED SERVICE

Secretary of the Treasury Douglas Dillon presented the Treasury's Distinguished Service Award to Congressman J. Vaughan Gary, Third District of Virginia, at a ceremony held at noon today at the Treasury Department.

given for "unusually outstanding assistance to the Department."

Today marked the second time the award has been given and the first time

*After having been a member of the House of Representatives from the 79th through the 88th Congress, Congressman Gary did not seek re-election and is retiring from the Public Service.*

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Following is the text of Secretary Dillon's citation of Congressman Gary:

# TREASURY DEPARTMENT



WASHINGTON, D.C.

December 23, 1964

FOR IMMEDIATE RELEASE

## REPRESENTATIVE J. VAUGHAN GARY CITED FOR DISTINGUISHED SERVICE

Secretary of the Treasury Douglas Dillon presented the Treasury's Distinguished Service Award to Congressman J. Vaughan Gary, Third District of Virginia, at a ceremony held at noon today at the Treasury Department.

The new Distinguished Service Award was established by Secretary Dillon last year as the Treasury's highest recognition which may be conferred on an individual citizen who is not an employee of the Department. The award is given "in recognition of distinguished public service."

Today marked the second time the award has been given, and the first time that it has been conferred on a member of Congress.

After having been a member of the House of Representatives from the 79th through the 88th Congresses, Congressman Gary did not seek re-election and is retiring from the Public Service. During seven of these Congresses, including the last five continuously, he has been Chairman of the Appropriations Subcommittee for the Departments of the Treasury and Post Office. He will return to the active practice of law on January 1st, renewing his affiliation with the law firm of Shewmake, Gary, Addin, Blackwell, Elmore, and Belcher, in Richmond, Virginia.

Following is the text of Secretary Dillon's citation of Congressman Gary:

"As a member of the House of Representatives, in the 79th to 88th Congresses, inclusive, and as Chairman of the Appropriations Subcommittee for the Departments of the Treasury and Post Office during the 81st, 82nd, and 84th through the 88th Congresses, Mr. Gary has made outstanding contributions to the public service.



"His leadership abilities and prestige in the Congress, his depth of understanding of this Department's programs, his penetrating analysis, and his skillful handling of the appropriations for the Treasury have provided the Department with financial resources to fulfill its mission in a most effective and economical manner.

"In addition to his exceptional legislative abilities, Mr. Gary has all of the fine personal qualities of a traditional Virginia gentleman. His every action reflects the highest personal integrity, a gentleness of manner, and consideration for the viewpoints of others. He is a true disciple of Jeffersonian principles.

"Mr. Gary has been an invaluable counselor to me as Secretary of the Treasury, and to my predecessors, in the conduct of the affairs of this Department. We shall sorely miss the benefit of his wise counsel and leadership in future Congresses. He is a most deserving recipient of the Treasury Department's Distinguished Service Award."

December 23, 1964

**RESULTS OF REFUNDING OF \$1 BILLION OF ONE-YEAR BILLS**

The Treasury Department announced last evening that the tenders for \$1,000,000,000 or thereabouts, of 365-day Treasury bills to be dated December 31, 1964, and to mature December 31, 1965, which were offered on December 16, were opened at the Federal Reserve Banks on December 23.

The details of this issue are as follows:

Total applied for - \$2,308,404,000  
 Total accepted - \$1,000,540,000 (includes \$43,478,000 entered on a noncompetitive basis and accepted in full at the average price shown below)

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

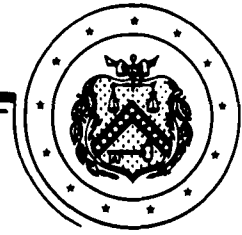
High - 95.987 Equivalent rate of discount approx. 3.958% per annum  
 Low - 95.965 " " " " " 3.980% " "  
 Average - 95.972 " " " " " 3.972% " "

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

<u>Federal Reserve District</u>	<u>Total Applied for</u>	<u>Total Accepted</u>
Boston	\$ 43,720,000	\$ 32,150,000
New York	1,751,861,000	650,426,000
Philadelphia	14,251,000	2,251,000
Cleveland	89,892,000	50,066,000
Richmond	9,645,000	8,645,000
Atlanta	20,023,000	14,383,000
Chicago	216,443,000	154,878,000
St. Louis	14,718,000	9,543,000
Minneapolis	18,445,000	4,268,000
Kansas City	10,017,000	8,961,000
Dallas	31,210,000	19,140,000
San Francisco	88,179,000	45,829,000
<b>TOTAL</b>	<b>\$2,308,404,000</b>	<b>\$1,000,540,000</b>

1/ On a coupon issue of the same length and for the same amount invested, the return these bills would provide a yield of 4.15%. 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 sum of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

# TREASURY DEPARTMENT



WASHINGTON, D.C.

RELEASE A. M. NEWSPAPERS,  
Thursday, December 24, 1964.

December 23, 1964

## RESULTS OF REFUNDING OF \$1 BILLION OF ONE-YEAR BILLS

The Treasury Department announced last evening that the tenders for \$1,000,000,000, whereabouts, of 365-day Treasury bills to be dated December 31, 1964, and to mature December 31, 1965, which were offered on December 16, were opened at the Federal Reserve banks on December 23.

The details of this issue are as follows:

Total applied for - \$2,308,404,000  
 Total accepted - \$1,000,540,000 (includes \$43,478,000 entered on a noncompetitive basis and accepted in full at the average price shown below)

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

High	- 95.987	Equivalent rate of discount approx. 3.958% per annum
Low	- 95.965	" " " " " 3.980% " "
Average	- 95.972	" " " " " 3.972% " " <u>1/</u>

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

<u>Federal Reserve District</u>	<u>Total Applied for</u>	<u>Total Accepted</u>
Boston	\$ 43,720,000	\$ 32,150,000
New York	1,751,861,000	650,426,000
Philadelphia	14,251,000	2,251,000
Cleveland	89,892,000	50,066,000
Richmond	9,645,000	8,645,000
Atlanta	20,023,000	14,383,000
Chicago	216,443,000	154,878,000
St. Louis	14,718,000	9,543,000
Minneapolis	18,445,000	4,268,000
Kansas City	10,017,000	8,961,000
Dallas	31,210,000	19,140,000
San Francisco	88,179,000	45,829,000
TOTAL	\$2,308,404,000	\$1,000,540,000

On a coupon issue of the same length and for the same amount invested, the return on these bills would provide a yield of 4.15%. 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.

**RESULTS OF TREASURY'S WEEKLY BILL OFFERING**

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated October 1, 1964 and the other series to be dated December 31, 1964, which were offered on December 28 were opened at the Federal Reserve Banks on December 28. Tenders were invited for \$1,200,000,000, or thereabouts, of 91-day bills and for \$1,000,000,000, or thereabouts of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing April 1, 1965		:	182-day Treasury bills maturing July 1, 1965	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.026	3.855%	:	98.004	3.845%
Low	99.021	3.875%	:	97.998	3.860%
Average	99.023	3.867% <sup>1/</sup>	:	97.999	3.857% <sup>1/</sup>

76% of the amount of 91-day bills bid for at the low price was accepted  
 95% of the amount of 182-day bills bid for at the low price was accepted

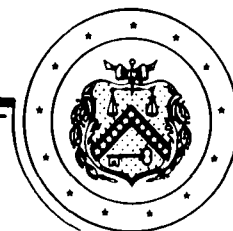
**TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:**

District	Applied For	Accepted	:	Applied For	Accepted
Boston	\$ 35,987,000	\$ 33,497,000	:	\$ 10,086,000	\$ 4,084,000
New York	1,607,174,000	776,186,000	:	1,585,783,000	800,701,000
Philadelphia	26,284,000	11,284,000	:	9,851,000	4,851,000
Cleveland	27,115,000	27,115,000	:	58,283,000	22,000,000
Richmond	22,077,000	19,837,000	:	16,275,000	6,285,000
Atlanta	44,043,000	35,909,000	:	33,443,000	25,846,000
Chicago	288,254,000	135,574,000	:	193,428,000	87,400,000
St. Louis	42,847,000	35,779,000	:	16,535,000	14,535,000
Minneapolis	17,922,000	13,442,000	:	7,994,000	5,319,000
Kansas City	24,530,000	22,530,000	:	18,681,000	15,874,000
Dallas	41,231,000	23,511,000	:	21,135,000	7,739,000
San Francisco	87,583,000	68,015,000	:	67,239,000	37,333,000
<b>TOTALS</b>	<b>\$2,265,047,000</b>	<b>\$1,200,679,000 <sup>a/</sup></b>		<b>\$2,058,713,000</b>	<b>\$1,001,974,000</b>

- a/ Includes \$233,521,000 noncompetitive tenders accepted at the average price of 99.02
- b/ Includes \$97,594,000 noncompetitive tenders accepted at the average price of 97.99
- <sup>1/</sup> On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.96%, for the 91-day bills, and 4.09%, 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 to the interest payment period to the actual number of days in the period, with equated compounding if more than one coupon period is involved.

*12-14-64*

# TREASURY DEPARTMENT



RELEASE A.M. NEWSPAPERS,  
 Day, December 29, 1964.

WASHINGTON, D.C.

December 28, 1964

## RESULTS OF TREASURY'S WEEKLY BILL OFFERING

The Treasury Department announced last evening that the tenders for two series of bills, one series to be an additional issue of the bills dated October 1, 1964, other series to be dated December 31, 1964, which were offered on December 21, opened at the Federal Reserve Banks on December 28. Tenders were invited for \$1,000,000, or thereabouts, of 91-day bills and for \$1,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

NUMBER OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing April 1, 1965		:	182-day Treasury bills maturing July 1, 1965	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.026	3.853%	:	98.004	3.948%
Low	99.021	3.873%	:	97.998	3.960%
Average	99.023	3.867% <u>1/</u>	:	97.999	3.957% <u>1/</u>

76% of the amount of 91-day bills bid for at the low price was accepted  
 95% of the amount of 182-day bills bid for at the low price was accepted

### TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	:	Applied For	Accepted
Atlanta	\$ 35,987,000	\$ 33,497,000	:	\$ 10,096,000	\$ 4,096,000
Boston	1,607,174,000	776,186,000	:	1,585,753,000	800,701,000
Charlotte	26,284,000	11,284,000	:	9,851,000	4,851,000
Cleveland	27,115,000	27,115,000	:	58,283,000	22,083,000
Dallas	22,077,000	19,837,000	:	16,275,000	6,225,000
Denver	44,043,000	35,909,000	:	33,443,000	25,846,000
Indianapolis	288,254,000	135,574,000	:	193,428,000	57,408,000
Kansas City	42,847,000	35,779,000	:	16,535,000	14,535,000
Los Angeles	17,922,000	13,442,000	:	7,994,000	5,319,000
Memphis	24,530,000	22,530,000	:	18,681,000	15,874,000
Minneapolis	41,231,000	23,511,000	:	21,135,000	7,735,000
New York	87,583,000	66,015,000	:	67,239,000	37,301,000
San Francisco			:		
TOTALS	\$2,265,047,000	\$1,200,679,000 <u>a/</u>	:	\$2,038,713,000	\$1,001,974,000 <u>b/</u>

Includes \$233,521,000 noncompetitive tenders accepted at the average price of 99.023  
 Includes \$97,594,000 noncompetitive tenders accepted at the average price of 97.999  
 If coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.96%, for the 91-day bills, and 4.09%, 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.

~~REPEALED~~

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.

~~BEYAXXMODIFIED~~

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

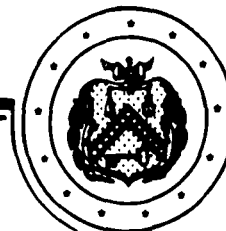
Banking institutions generally may submit tenders for account of customers provided the names of the customers are set forth in such tenders. Others than banking institutions will not be permitted to submit tenders except for their own account. Tenders will be received without deposit from incorporated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

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders/for \$200,000 or less <sup>for each issue</sup> ~~less for the additional bills dated~~ ~~xxxxxx (xxxx) days remain~~ ~~ing until maturity date on~~ ~~xxxxxx~~ ~~and noncompetitive tenders for~~ ~~xxxxxx~~ ~~or less for the~~ ~~xxxxxx day bills~~ without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Banks on January 7, 1965, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 7, 1965. Cash





# TREASURY DEPARTMENT



WASHINGTON, D.C.

December 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 January 7, 1965, in the amount of \$2,100,338,000, as follows:

91-day bills (to maturity date) to be issued January 7, 1965, in the amount of \$1,100,000,000, or thereabouts, representing an additional amount of bills dated October 8, 1964, and to mature April 8, 1965, originally issued in the amount of \$901,176,000, the additional and original bills to be freely interchangeable.

182-day bills, for \$1,000,000,000, or thereabouts, to be dated January 7, 1965, and to mature July 8, 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 Standard time, Monday, January 4, 1965. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

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

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for each issue 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 for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Banks on January 7, 1965, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 7, 1965. 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.

*Four cases closed  
Antidumping cases*

*12-29-66*

100

The Treasury Department today said that it has closed four antidumping cases involving Japanese steel products on the basis of no sales in this country at less than fair value, within the meaning of the Antidumping Act.

Three of the cases arose from complaints by American steel companies, and were closed after the companies withdrew the complaints. One case had been instituted by the Treasury itself.

Two cases, one involving welded standard steel pipe and the other cold rolled steel sheet, were instituted by complaints from United States Steel Corporation. A third, involving hot rolled steel sheet, was instituted by complaint from Kaiser Steel Corporation. In these cases the Treasury investigations covered only the periods dealt with in the complaints. These were filed in late 1962 and early 1963, and all entries complained of have been appraised.

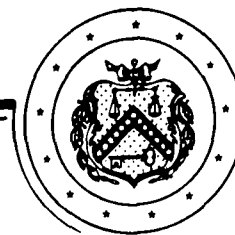
Under these circumstances no dumping duties could have been collected on these entries even if the Treasury decision had been affirmative and followed by a Tariff Commission decision of injury to American industry. In each of these cases the complainant has now withdrawn its complaint.

The fourth case, involving wire strand, was instituted early this year on report of the New York appraiser. There has been no American industry participation in the processing of the case.

In commenting on the length of time during which three of the cases had been pending, Assistant Secretary of the Treasury Reed stated: "In the future when cases of this sort arise, the provisions of the recently published amendments to the regulations under the Antidumping Act relating to making information available and confrontation should operate to make possible speedier decisions." The amended regulations go into effect January 3, 1965.

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 29, 1964

FOR IMMEDIATE RELEASE

## TREASURY CLOSES FOUR ANTIDUMPING CASES

The Treasury Department today said that it has closed four antidumping cases involving Japanese steel products on the basis of no sales in this country at less than fair value, within the meaning of the Antidumping Act.

Three of the cases arose from complaints by American steel companies, and were closed after the companies withdrew the complaints. One case had been instituted by the Treasury itself.

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# TREASURY DEPARTMENT

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WASHINGTON, D.C.

December 31, 1964

FOR IMMEDIATE RELEASE

## WITHHOLDING OF APPRAISEMENT ON GALVANIZED WARE

The Treasury Department is instructing customs field officers to withhold appraisement of galvanized ware from Canada, manufactured and/or exported by General Steel Wares Limited, Canada, pending a determination as to whether this merchandise is being sold in the United States at less than fair value. Notice to this effect is being published in the Federal Register.

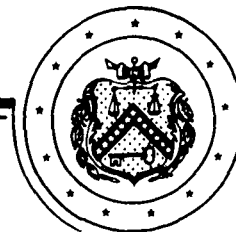
Under the Antidumping Act, determination of sales in the United States at less than fair value would require reference of the case to the Tariff Commission, which would consider whether American industry was being injured. Both dumping price and injury must be shown to justify a finding of dumping under the law.

The complaint in this case was received on November 30, 1964, and was made by William R. Noble, Esquire, Washington, D. C., on behalf of the Galvanized Ware Manufacturers Council.

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# TREASURY DEPARTMENT

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The complaint in this case was received on November 30, 1964, and was made by William R. Noble, Esquire, Washington, D. C., on behalf of the Galvanized Ware Manufacturers Council.

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- (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.

Statement Concerning Recognition of Gain or  
Loss For Federal Income Tax Purposes  
January 1965 Advance Refunding

Gain or loss, if any, upon exchanges of the 2-5/8% bonds of 1965, must be fully recognized under the Internal Revenue Code.

Pursuant to the authority of Section 1037(a) of the Internal Revenue Code no gain or loss shall be recognized for Federal income tax purposes solely on account of the exchange of the remaining seven issues eligible for exchange in this advance refunding; provided, however, that Section 1031(b) of the Code requires recognition of any gain realized on such exchanges to the extent that money (other than interest) is received by the security holder in connection with the exchange as indicated in the following paragraph.

If a cash payment on account of the issue price of the new securities is paid to the investor, and such amount (discount) plus the fair market value <sup>1/</sup> of the new securities exceeds the cost basis to the investor of the securities 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. The investor 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 of the new securities will be the cost basis of the old securities reduced by the amount of the payment. Gain to the extent not recognized in accordance with the above (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 examples following the next paragraph.)

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 of the old securities increased by the amount of the premium.

Examples of Federal income tax treatment where a bond is offered by the Treasury with a payment (other than the accrued interest adjustment) to the investor.

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.

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







among the various eligible issues, cash adjustments will be made to provide all subscribers with appropriately attractive opportunities. The cash and interest adjustments are shown in Table 1 attached.

The payment and delivery date for the new securities is January 19, 1965. All unmatured coupons should be attached to bearer securities presented for exchange. If a net amount is payable to the subscriber (see Table 1) it will be made following the acceptance of surrendered bearer securities or the discharge of registration of registered securities. If a net amount is payable by the subscriber it should accompany the subscription.

A holder of the outstanding eligible securities can compare the interest he will receive as a result of exchanging now (plus or minus any payment, other than the adjustment of accrued interest) with the interest he is currently receiving on the eligible issues plus what he might expect to obtain by reinvesting the proceeds of the eligible securities at maturity. The approximate investment yield to the holder who makes the exchange is shown in column 2 of the attached Table 2. The minimum rate of reinvestment return that a holder who does not make the exchange would instead have to earn for the extension period, in order to equal the investment yield that would be received by making the exchange, is shown in the columns of Table 2 headed "Approximate reinvestment rate for the extension period." For example, if the 3-3/4% notes of 8/15/67 are exchanged for the 4-1/8% bonds of 2/15/74, the investor receives 4-1/8% for the entire 9 years and 1 month plus \$0.10 (per \$100 face value) immediately. If the exchange is not made, a 3-3/4% rate will be received until August 15, 1967, requiring the reinvestment of the proceeds of the 3-3/4's of August 1967 at that time at a rate of at least 4.32% for the remaining 6 years and 6 months, all at compound interest to average out to a 4-1/8% rate for 9 years and 1 month plus the \$0.10 immediate payment.

Attachments

# TREASURY DEPARTMENT



WASHINGTON, D.C.

FOR IMMEDIATE RELEASE

December 30, 1964

## ADVANCE REFUNDING OFFER

The Treasury today announced that it is offering holders of the 2-5/8% bond due February 15, 1965, and seven other selected note and bond issues maturing from November 1965 to November 1967 an opportunity to extend the maturity of their holdings at attractive yields.

The Treasury also said that it will shortly be offering \$1.5 to \$2.0 billion of June Tax Anticipation Bills.

The securities eligible for exchange and those being offered in the advance refunding are as follows:

<u>Securities eligible for exchange and their maturity dates</u>		<u>Securities offered in exchange and their maturity dates</u>	
2-5/8% bonds	2/15/65		
3-1/2% notes	11/15/65	4% bonds	2/15/70
4% notes	11/15/65		
3-5/8% notes	2/15/66	4-1/8% bonds	2/15/74
3-7/8% notes	2/15/66		
3-3/4% bonds	5/15/66	4-1/4% bonds	8/15/87-92
3-3/4% notes	8/15/67	(reopened issue)	
3-5/8% bonds	11/15/67		

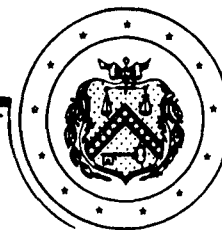
The public holds \$3.4 billion of the 2-5/8% bonds of February 15, 1965, and about \$550 million is held by official accounts. This issue is so near to final maturity that its holders are not being offered the nontaxable exchange privilege that is, as has been customary, being made available to the other seven issues eligible for this advance exchange.

The seven eligible issues maturing from November 1965 to November 1967 invol \$18.7 billion of public holdings and official accounts hold an additional amount about \$10.4 billion of these maturities. No gain or loss shall be recognized for Federal income tax purposes solely on account of the exchange of these issues. A fuller statement of the treatment of the exchange for tax purposes is given in an attachment hereto.

The 4-1/8% bonds of 1974 and the 4-1/4% bonds of 1987-92 contain the usual provision for redemption at par value prior to maturity in payment of Federal estate taxes.

Exchange subscription books will be open for five days, January 4 - 8. The exchanges will be made on the basis of par for par with accrued interest adjustments as of January 15, 1965. Because of differences in coupon and maturity

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3-1/2% notes	11/15/65	4% bonds	2/15/70
4% notes	11/15/65		
3-5/8% notes	2/15/66	4-1/8% bonds	2/15/74
3-7/8% notes	2/15/66		
3-3/4% bonds	5/15/66	4-1/4% bonds	8/15/87-92
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among the various eligible issues, cash adjustments will be made to provide all subscribers with appropriately attractive opportunities. The cash and interest adjustments are shown in Table 1 attached.

The payment and delivery date for the new securities is January 19, 1965. All unmatured coupons should be attached to bearer securities presented for exchange. If a net amount is payable to the subscriber (see Table 1) it will be made following the acceptance of surrendered bearer securities or the discharge of registration of registered securities. If a net amount is payable by the subscriber it should accompany the subscription.

A holder of the outstanding eligible securities can compare the interest he will receive as a result of exchanging now (plus or minus any payment, other than the adjustment of accrued interest) with the interest he is currently receiving on the eligible issues plus what he might expect to obtain by reinvesting the proceeds of the eligible securities at maturity. The approximate investment yield to the holder who makes the exchange is shown in column 2 of the attached Table 2. The minimum rate of reinvestment return that a holder who does not make the exchange would instead have to earn for the extension period, in order to equal the investment yield that would be received by making the exchange, is shown in the columns of Table 2 headed "Approximate reinvestment rate for the extension period." For example, if the 3-3/4% notes of 8/15/67 are exchanged for the 4-1/8% bonds of 2/15/74, the investor receives 4-1/8% for the entire 9 years and 1 month plus \$0.10 (per \$100 face value) immediately. If the exchange is not made, a 3-3/4% rate will be received until August 15, 1967, requiring the reinvestment of the proceeds of the 3-3/4's of August 1967 at that time at a rate of at least 4.32% for the remaining 6 years and 6 months, all at compound interest to average out to a 4-1/8% rate for 9 years and 1 month plus the \$0.10 immediate payment.

Attachments

TABLE NO. 1

Payments to and by the Subscriber in the January 1965 Advance Refunding  
(In dollars per \$100 face value)

Securities to be exchanged	Amounts to be paid to or by subscribers					
	Price adjustment payment		Accrued interest to January 15, 1965 to be paid		Net amount to be paid	
	1/					
	To subscriber	By subscriber	To subscriber	By subscriber	To subscriber	By subscriber

			For the 4% Bond 2/15/70	
5/8% Bond 2/15/65 <sup>4/</sup>	.600000		1.091372	1.691372
<u>v. 1965 - Nov. 1967 Maturities:</u>				
3 3/4% Note 11/15/65..	.450000		.589779	1.039779
4% Note 11/15/65..	.900000		.674033	1.574033
3 5/8% Note 2/15/66	.400000		1.507133	1.907133
3 7/8% Note 2/15/66	.700000		1.611073	2.311073
3 3/4% Bond 5/15/66	.500000		.631906	1.131906
3 3/4% Note 8/15/67	.050000		1.559103	1.609103
3 5/8% Bond 11/15/67	.300000		.610843	.310843

			For the 4 1/8% Bond 2/15/74	
5/8% Bond 2/15/65 <sup>4/</sup>	.650000		1.091372	1.741372
<u>v. 1965 - Nov. 1967 Maturities:</u>				
3 3/4% Note 11/15/65..	.500000		.589779	1.089779
4% Note 11/15/65..	.950000		.674033	1.624033
3 5/8% Note 2/15/66	.450000		1.507133	1.957133
3 7/8% Note 2/15/66	.750000		1.611073	2.361073
3 3/4% Bond 5/15/66	.550000		.631906	1.181906
3 3/4% Note 8/15/67	.100000		1.559103	1.659103
3 5/8% Bond 11/15/67	.250000		.610843	.360843

			For the 4 1/4% Bond 8/15/87-92		
5/8% Bond 2/15/65 <sup>4/</sup>	.250000		1.091372	1.766984	.925612
<u>v. 1965 - Nov. 1967 Maturities:</u>					
3 3/4% Note 11/15/65..	.400000		.589779	1.766984	1.577205
4% Note 11/15/65..	.050000		.674033	1.766984	1.042951
3 5/8% Note 2/15/66	.450000		1.507133	1.766984	.709851
3 7/8% Note 2/15/66	.150000		1.611073	1.766984	.305911
3 3/4% Bond 5/15/66	.350000		.631906	1.766984	1.485078
3 3/4% Note 8/15/67	.800000		1.559103	1.766984	1.007881
3 5/8% Bond 11/15/67	1.150000		.610843	1.766984	2.306141

Office of the Secretary of the Treasury  
Office of Debt Analysis

December 30, 1964

- / Payment on account of purchase price of offered securities.
- / On securities exchanged.
- / On securities offered.
- / Not eligible for nontaxable exchange privilege.

TABLE NO. 2

Investment returns in the January 1965 Advance Refunding

Securities eligible for exchange	Approximate investment yield from 1/15/65 to maturity <u>1/</u>			Approximate reinvestment rate for the extension period <u>2/</u>			
	4% Bond : 2/15/70 :	4-1/8% Bond : 2/15/74 :	4-1/4% Bond : 8/15/87-92 <u>3/</u> to first call or maturity	4% Bond : 2/15/70 :	4-1/8% Bond : 2/15/74 :	4-1/4% Bond : 8/15/87-92 <u>3/</u> To first : call : To	To maturity
2-5/8% Bond 2/15/65 <u>4/</u>	4.16%	4.23%	4.24%	4.16%	4.23%	4.24%	4.24%
<b>Nov. 1965 - Nov. 1967</b> <b>Maturities:</b>							
3-1/2% Note 11/15/65	4.18	4.24	4.25	4.23	4.28	4.27	4.26
4% Note 11/15/65	4.18	4.24	4.25	4.24	4.28	4.27	4.27
3-5/8% Note 2/15/66	4.18	4.24	4.25	4.23	4.28	4.27	4.26
3-7/8% Note 2/15/66	4.18	4.24	4.25	4.24	4.28	4.27	4.27
3-3/4% Bond 5/15/66	4.18	4.24	4.25	4.25	4.29	4.27	4.27
3-3/4% Note 8/15/67	4.18	4.24	4.25	4.31	4.32	4.28	4.28
3-5/8% Bond 11/15/67	4.17	4.24	4.25	4.37	4.35	4.29	4.29

Office of the Secretary of the Treasury  
Office of Debt Analysis

December 30, 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 December 29, 1964.

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

3/ Reopening of an existing security.

4/ Not eligible for nontaxable exchange privilege.



Statement Concerning Recognition of Gain or  
Loss For Federal Income Tax Purposes  
January 1965 Advance Refunding

Gain or loss, if any, upon exchanges of the 2-5/8% bonds of 1965, must be fully recognized under the Internal Revenue Code.

Pursuant to the authority of Section 1037(a) of the Internal Revenue Code no gain or loss shall be recognized for Federal income tax purposes solely on account of the exchange of the remaining seven issues eligible for exchange in this advance refunding; provided, however, that Section 1031(b) of the Code requires recognition of any gain realized on such exchanges to the extent that money (other than interest) is received by the security holder in connection with the exchange as indicated in the following paragraph.

If a cash payment on account of the issue price of the new securities is paid to the investor, and such amount (discount) plus the fair market value <sup>1/</sup> of the new securities exceeds the cost basis to the investor of the securities 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. The investor 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 of the new securities will be the cost basis of the old securities reduced by the amount of the payment. Gain to the extent not recognized in accordance with the above (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 examples following the next paragraph.)

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 of the old securities increased by the amount of the premium.

Examples of Federal income tax treatment where a bond is offered by the Treasury with a payment (other than the accrued interest adjustment) to the investor.

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.

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

- (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 Eligible for January 1965 Advance Refunding Offering  
As of November 30, 1964

(In millions of dollars)

	:	Feb. 15, 1965 2-5/8% Bond 1/	Issues Maturing November 1965 Thru November 1967							
			Total	November 15, 1965	February 15, 1966	May 15, 1966	Aug. 15, 1967	Nov. 15, 1967		
				4% Note	3-1/2% Note	3-7/8% Note	3-5/8% Note	3-3/4% Bond	3-3/4% Note	3-5/8% Bond
Commercial banks.....	\$1,780	\$11,195	\$1,180	\$1,690	\$1,265	\$1,630	\$1,180	\$2,835	\$1,415	
Mutual savings banks.....	6	319	28	27	63	24	18	72	87	
Insurance companies:										
Life.....	9	42	2	2	3	2	8	6	19	
Fire, casualty and marine.....	235	644	63	97	26	105	55	153	145	
Total, insurance companies.....	244	686	65	99	29	107	63	159	164	
Corporate pension funds.....	35	235	20	35	75	25	20	35	25	
Corporations.....	900	1,125	125	325	250	200	50	125	50	
Savings and loan associations.....	40	460	20	40	50	35	40	100	175	
State and local general funds.....	120	1,210	135	275	200	175	100	125	200	
State and local pension funds.....	15	55	5	5	5	5	5	5	25	
All other public investors.....	302	3,398	675	373	196	448	455	616	634	
Total, held by the public.....	3,442	18,682	2,253	2,869	2,133	2,649	1,931	4,072	2,775	
Federal Reserve Banks and Government Investment Accounts.....	534	10,418	6,307	85	1,907	611	319	361	828	
Total outstanding.....	\$3,976	\$29,101	\$8,560	\$2,954	\$4,040	\$3,260	\$2,250	\$4,433	\$3,604	

Office of the Secretary of the Treasury

December 30, 1964

1/ Not eligible for nontaxable exchange privilege.  
Note: Details may not add to totals shown due to rounding.

Market Quotations on Outstanding U.S. Government Issues  
Involved in the January 1965 Advance Refunding 1/  
(Dollars per \$100 face value)

Description	December 29, 1964 (Noon)		December 30, 1964 (2:30 P.M.)	
	Bid	Ask	Bid	Ask
2-5/8% Bond, Feb. 15, 1965 .....	99-27/32	99-29/32	99-27/32	99-29/32
3-1/2% Note, Nov. 15, 1965 .....	99-19/32	99-21/32	99-39/64	99-43/64
4% Note, Nov. 15, 1965 .....	100-2/32	100-4/32	100-2/32	100-4/32
3-5/8% Note, Feb. 15, 1966 .....	99-18/32	99-20/32	99-39/64	99-43/64
3-7/8% Note, Feb. 15, 1966 .....	99-27/32	99-29/32	99-29/32	99-31/32
3-3/4% Bond, May 15, 1966 .....	99-21/32	99-23/32	99-22/32	99-24/32
3-3/4% Note, Aug. 15, 1967 .....	99-5/32	99-9/32	99-6/32	99-10/32
3-5/8% Bond, Nov. 15, 1967 .....	98-28/32	98-30/32	98-29/32	98-31/32
4-1/4% Bond, Aug. 15, 1987-92 ..	100-20/32	100-28/32	100-16/32	100-24/32

Office of the Secretary of the Treasury  
Office of Debt Analysis

December 30, 1964

1/ As reported to the Treasury by the Federal Reserve Bank of New York.

thrown out of a job.

"The government is well aware that experienced employees represent a valuable reservoir of skill and talent. For that reason, as well as the human considerations involved, every effort will be made to carry out this merger with a minimum of inconvenience to the people concerned."

[Further details are included in the attached background statement.]

and the total payroll for the year by about \$1 million. Continued expansion already planned would increase peak employment by 1967 by more than 1,500 jobs over the 1964 peak and the payroll would be more than \$4 million greater.

In announcing the consolidation, which is effective immediately and which will be carried out over the next several months, Secretary Dillon said:

I made the decision to merge these two regions in line with President Johnson's drive for increased economy and efficiency in government. However, it was never his intention, nor is it mine, to work any hardship on the people concerned. I think a vital part of the whole economy program is that it be carried out with continuous consideration of that fact.

The fact that over-all employment in the new regional office will be more than a hundred people below the previous total for the two regions combined, does not mean, and will not mean, that more than a hundred people will

taxpayers. The others will be offered transfers to the New York Regional Office, to other Internal Revenue offices in Boston or to offices elsewhere which have vacancies.

The new region will, when the consolidation is complete sometime this year, show a net reduction in employment of more than a hundred positions. The more than 2,000 Internal Revenue Service employees in the Boston District office and the nearby Lawrence service center will not be affected.

Furthermore, employment at the Lawrence service center -- as automatic data processing increases -- is expected to rise sharply. The Lawrence service center -- which is scheduled to move to new quarters at Andover, Massachusetts -- will serve the entire new region as part of the merger plan. As a result, in 1965 peak employment at that center, both temporary and permanent, will increase by more than 300 jobs

Internal Revenue Service center for electronic data processing at Lawrence, Massachusetts. Experience over the last two years in the operation and supervision of other service centers, however, has shown that this would not be necessary. New York was selected as headquarters on the basis of the supervisory needs of the various districts. Special investigations into alleged corruption in the Manhattan and Brooklyn districts during the past year have clearly shown serious problems of internal supervision requiring close and constant attention. Furthermore, the workload, complexities of technical issues and population of these two districts make them the largest and most difficult to supervise in the entire new region.

At present, about 400 regional employees of the Northeast Region are stationed in Boston. About 200 of these will continue to be employed in a sub-office at Boston for the convenience of



TREASURY DEPARTMENT

December 4, 1964

*News*  
~~DRAFT RELEASE FOR USE IN MORNING PAPERS~~  
TUESDAY, JANUARY 5, 1964

**TWO INTERNAL REVENUE SERVICE REGIONAL OFFICES MERGED**

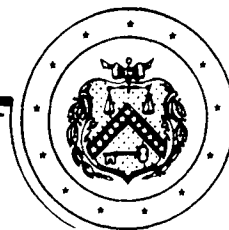
Treasury Secretary Douglas Dillon today announced that the New York and Northeast Regional Offices of the Internal Revenue Service have been consolidated into a single regional office -- the North Atlantic Region.

The merger is expected to result in annual savings of about \$1 million a year in overhead costs. The North Atlantic Region will deal with Internal Revenue matters in the States of Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, and Vermont.

Headquarters for the new region will be in New York. At first it was thought that headquarters should be located in Boston, in order to provide close supervision to the large

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

January 4, 1965

HOLD FOR USE IN MORNING NEWSPAPERS  
TUESDAY, JANUARY 5, 1965

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Furthermore, employment at the Lawrence service center -- as automatic data processing increases -- is expected to rise sharply. The Lawrence service center -- which is scheduled to move to new quarters at Andover, Massachusetts -- will serve the entire new region as part of the merger plan. As a result, in 1965 peak employment at that center, both temporary and permanent, will increase by more than 300 jobs and the total payroll for the year by about \$1 million. Continued expansion already planned would increase peak employment by 1967 by more than 1,500 jobs over the 1964 peak and the payroll would be more than \$4 million greater.

In announcing the consolidation, which is effective immediately and which will be carried out over the next several months, Secretary Dillon said:

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"The fact that over-all employment in the new regional office will be more than a hundred people below the previous total for the two regions combined, does not mean, and will not mean, that more than a hundred people will be thrown out of a job.

"The government is well aware that experienced employees represent a valuable reservoir of skill and talent. For that reason, as well as the human considerations involved, every effort will be made to carry out this merger with a minimum of inconvenience to the people concerned."

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

January 4, 1965

FOR IMMEDIATE RELEASE

## TREASURY DECISION ON BICYCLES UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that bicycles from Hungary, manufactured by Pannonia, Budapest, Hungary, are being, or are likely to be, sold at less than fair value within the meaning of the Antidumping Act.

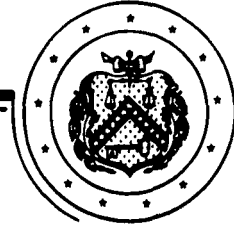
Accordingly, this case is being referred to the United States Tariff Commission for an injury determination.

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 period November 1963 to date was approximately \$175,000.

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

January 4, 1965

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January 4, 1965

**RESULTS OF TREASURY'S WEEKLY BILL OFFERING**

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated October 8, 1964 and the other series to be dated January 7, 1965, which were offered on December 29, 1964, were opened at the Federal Reserve Banks on January 4. Tenders were invited for \$1,100,000,000, or thereabouts, of 91-day bills and for \$1,000,000,000, or thereabouts of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing April 8, 1965		:	182-day Treasury bills maturing July 8, 1965	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.036	3.814%	:	98.020	3.916%
Low	99.031	3.833%	:	98.014	3.928%
Average	99.032	3.829% <sup>1/</sup>	:	98.015	3.927% <sup>1/</sup>

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

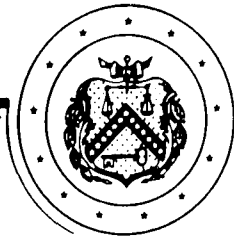
**TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:**

District	Applied For	Accepted	:	Applied For	Accepted
Boston	\$ 36,350,000	\$ 25,980,000	:	\$ 22,497,000	\$ 13,497,000
New York	1,321,825,000	706,325,000	:	1,548,884,000	823,547,000
Philadelphia	28,422,000	16,344,000	:	11,898,000	3,783,000
Cleveland	24,983,000	24,558,000	:	32,187,000	7,654,000
Richmond	17,078,000	15,435,000	:	11,525,000	8,265,000
Atlanta	31,265,000	21,150,000	:	27,574,000	9,518,000
Chicago	296,243,000	125,148,000	:	221,864,000	56,566,000
St. Louis	42,027,000	34,639,000	:	13,790,000	9,357,000
Minneapolis	17,858,000	12,047,000	:	14,050,000	9,454,000
Kansas City	35,347,000	29,719,000	:	16,014,000	10,645,000
Dallas	26,799,000	16,619,000	:	12,062,000	7,010,000
San Francisco	108,571,000	73,746,000	:	87,859,000	43,958,000
<b>TOTAL</b>	<b>\$1,986,566,000</b>	<b>\$1,101,710,000 <sup>a/</sup></b>		<b>\$2,020,224,000</b>	<b>\$1,003,262,000</b>

- a/ Includes \$239,864,000 noncompetitive tenders accepted at the average price of 99.0
- b/ Includes \$86,551,000 noncompetitive tenders accepted at the average price of 98.01
- 1/ On a coupon issue of the same length and for the same amount invested, the return these bills would provide yields of 3.92% for the 91-day bills, and 4.06% for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

# TREASURY DEPARTMENT

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FOR RELEASE A.M. NEWSPAPERS,  
Tuesday, January 5, 1965.

WASHINGTON, D.C.

January 4, 1965

## RESULTS OF TREASURY'S WEEKLY BILL OFFERING

The Treasury Department announced last evening that the tenders for two series of treasury bills, one series to be an additional issue of the bills dated October 8, 1964, and the other series to be dated January 7, 1965, which were offered on December 29, 1964, were opened at the Federal Reserve Banks on January 4. Tenders were invited for 1,100,000,000, or thereabouts, of 91-day bills and for \$1,000,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

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## TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

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Philadelphia	28,422,000	16,344,000	:	11,898,000	3,793,000
Cleveland	24,983,000	24,558,000	:	32,187,000	7,654,000
Richmond	17,078,000	16,435,000	:	11,525,000	8,265,000
Atlanta	31,265,000	21,150,000	:	27,574,000	9,516,000
Chicago	296,243,000	125,148,000	:	221,864,000	56,565,000
St. Louis	42,027,000	34,639,000	:	13,790,000	9,357,000
Minneapolis	17,856,000	12,047,000	:	14,050,000	9,454,000
Kansas City	35,347,000	29,719,000	:	16,014,000	10,645,000
Dallas	26,799,000	16,619,000	:	12,082,000	7,010,000
San Francisco	108,571,000	73,746,000	:	87,859,000	43,959,000
TOTALS	\$1,986,566,000	\$1,101,710,000 <u>a/</u>	:	\$2,020,224,000	\$1,003,262,000 <u>b/</u>

Includes \$239,864,000 noncompetitive tenders accepted at the average price of 99.032  
 Includes \$86,551,000 noncompetitive tenders accepted at the average price of 98.015  
 On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.92%, for the 91-day bills, and 4.06%, 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.

~~XXXXXXXXXXXX~~

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.



~~BEPA - 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 <sup>for each issue</sup> for \$ ~~200,000~~ <sup>200,000</sup> or less ~~less for the additional bids dated~~ ~~for the days remaining until maturity date on~~ ~~and noncompetitive tenders for~~ ~~or less for the~~ ~~by~~ without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Banks on January 14, 1965, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 14, 1965. Cash

~~Exhibit 2-A~~

~~BETA MODIFIED~~

TREASURY DEPARTMENT  
Washington

FOR IMMEDIATE RELEASE,

January 6, 1965

~~XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX~~  
(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 , or thereabouts, for cash and in exchange for Treasury bills maturing January 14, 1965 , in the amount of \$ 2,114,060,000 , as follows:

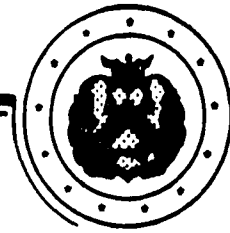
91-day bills (to maturity date) to be issued January 14, 1965 ,  
in the amount of \$ 1,100,000,000 , or thereabouts, representing an additional amount of bills dated October 15, 1964 , and to mature April 15, 1965 , originally issued in the amount of \$ 1,004,483,000 , the additional and original bills to be freely interchangeable.

182-day bills, for \$ 1,000,000,000 , or thereabouts, to be dated January 14, 1965 , and to mature July 15, 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 Standard time, Monday, January 11, 1965 Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

# TREASURY DEPARTMENT



WASHINGTON, D.C.

January 6, 1965

FOR IMMEDIATE RELEASE

## TREASURY'S WEEKLY BILL OFFERING

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91-day bills (to maturity date) to be issued January 14, 1965, in the amount of \$ 1,100,000,000, or thereabouts, representing an additional amount of bills dated October 15, 1964, and to mature April 15, 1965, originally issued in the amount of \$1,004,483,000, the additional and original bills to be freely interchangeable.

182-day bills, for \$1,000,000,000, or thereabouts, to be dated January 14, 1965, and to mature July 15, 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 Standard time, Monday, January 11, 1965. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

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

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for each issue 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 for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Banks on January 14, 1965, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 14, 1965. 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.

~~XXXXXXXXXX~~

the sale or other disposition of Treasury bills does not have any special treatment, such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, 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 (1) 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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~~CONFIDENTIAL~~

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.

All bidders are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any bills of / <sup>this additional</sup> at a specific rate or price ~~issue~~, until after one-thirty p.m., Eastern Standard time, Tuesday, January 12, 1965.  
(11)

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, non-competitive tenders for \$ 300,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on January 19, 1965, provided, however, any qualified depository will be permitted <sup>not more than 50 percent of the amount of</sup> make payment by credit in its Treasury tax and loan account for Treasury bills allotted it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its District.

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

TREASURY DEPARTMENT  
Washington

FOR IMMEDIATE RELEASE,

January 6, 1965

TREASURY OFFERS ADDITIONAL \$1-3/4 BILLION IN JUNE TAX BILLS

The Treasury Department, by this public notice, invites tenders for \$1,750,000, or thereabouts, of 154-day Treasury bills (to maturity date), to be issued January 1, 1965, on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be designated Tax Anticipation Series and represent an additional amount of bills dated November 24, 1964, to mature June 22, 1965, originally issued in the amount of \$1,504,489,000. The additional and original bills will be freely interchangeable. They will be accepted at face value in payment of income ~~and profits~~ taxes due on June 15, 1965, and to the extent ~~(6)~~ are not presented for this purpose the face amount of these bills will be payable without interest at maturity. Taxpayers desiring to apply these bills in payment of June ~~(7)~~ 1965, income ~~and profits~~ taxes have the privilege of surrendering them to any Federal Reserve Bank or Branch or to the Office of the Treasurer of the United States Washington, not more than fifteen days before June 15, 1965, and receiving receipt ~~(8)~~ therefor showing the face amount of the bills so surrendered. These receipts may be submitted in lieu of the bills on or before June 15, 1965, to the District Director of Internal Revenue for the District in which such taxes are payable. The bills will be issued in bearer form only, and in denominations of \$1,000, \$5,000, \$10,000, \$50,000, \$100,000, \$500,000 and \$1,000,000 (maturity value). ~~(9)~~

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty p.m., Eastern Standard time, Tuesday, January 12, 1965. Tenders will ~~(10)~~ not be received at the Treasury Department, Washington. Each tender must be for an amount multiple of \$1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

# TREASURY DEPARTMENT



WASHINGTON, D.C.

January 6, 1965

FOR IMMEDIATE RELEASE

## TREASURY OFFERS ADDITIONAL \$1-3/4 BILLION IN JUNE TAX BILLS

The Treasury Department, by this public notice, invites tenders for \$1,750,000,000, or thereabouts, of 155-day Treasury bills (to maturity date), to be issued January 18, 1965, on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be designated Tax Anticipation Series and represent an additional amount of bills dated November 24, 1964, to mature June 22, 1965, originally issued in the amount of \$1,504,489,000. The additional and original bills will be freely interchangeable. They will be accepted at face value in payment of income taxes due on June 15, 1965, and to the extent they are not presented for this purpose the face amount of these bills will be payable without interest at maturity. Taxpayers desiring to apply these bills in payment of June 15, 1965, income taxes have the privilege of surrendering them to any Federal Reserve Bank or Branch or to the Office of the Treasurer of the United States, Washington, not more than fifteen days before June 15, 1965, and receiving receipts therefor showing the face amount of the bills so surrendered. These receipts may be submitted in lieu of the bills on or before June 15, 1965, to the District Director of Internal Revenue for the District in which such taxes are payable. The bills will be issued in bearer form only, and in denominations of \$1,000, \$5,000, \$10,000, \$50,000, \$100,000, \$500,000 and \$1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty p.m., Eastern Standard time, Tuesday, January 12, 1965. 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.

All bidders are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any bills of this additional issue at a specific rate or price, until after one-thirty p.m., Eastern Standard time, Tuesday, January 12, 1965.

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for \$300,000 or less without stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Payment of accepted tenders at the prices offered must be made or completed at the Federal Reserve Bank in cash or other immediately available funds on January 18, 1965, provided, however, any qualified depository will be permitted to make payment by credit in its Treasury tax and loan account for not more than 50 percent of the amount of Treasury bills allotted to it for itself and its customers up to any amount for which it shall be qualified in excess of existing deposits when so notified by the Federal Reserve Bank of its District.

The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but are exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority. For purposes of taxation the amount of discount at which Treasury bills are originally sold by the United States is considered to be interest. Under Sections 454 (b) and 1221 (5) of the Internal Revenue Code of 1954 the amount of discount at which bills issued hereunder are sold is not considered to accrue until such bills are sold, redeemed or otherwise disposed of, and such bills are excluded from consideration as capital assets.

Accordingly, the owner of Treasury bills (other than life insurance companies) issued hereunder need include in his income tax return only the difference between the price paid for such bills, whether on original issue or on subsequent purchase, and the amount actually received either upon sale or redemption at maturity during the taxable year for which the return is made, as ordinary gain or loss.

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FOR IMMEDIATE RELEASE

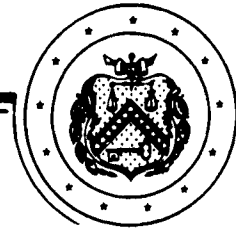
JANUARY 6, 1966

*Treasury offering of June Tax  
Anticipation bills*

The Treasury acted to cover its ~~January~~ cash needs by announcing today that on Tuesday, January 12, it will auction \$1-3/4 billion of Tax Anticipation bills due June 22, 1965 and acceptable at par in payment of June 15 income tax liabilities. Payment will be due ~~Tuesday,~~ *Monday* January 1<sup>8</sup>, 1965. Commercial banks may make payment for up to 50 per cent of their own and their customers' subscriptions by credit to Treasury Tax and Loan Accounts.

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

January 6, 1965

FOR IMMEDIATE RELEASE

## TREASURY OFFERING OF JUNE TAX ANTICIPATION BILLS

The Treasury acted to cover the bulk of its cash needs for the first quarter by announcing today that on Tuesday, January 12, it will auction \$1-3/4 billion of Tax Anticipation bills due June 22, 1965 and acceptable at par in payment of June 15 income tax liabilities. Payment will be due Monday, January 18, 1965. Commercial banks may make payment for up to 50 per cent of their own and their customers' subscriptions by credit to Treasury Tax and Loan Accounts.

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D-1458

"There is an obvious problem with regard to the 25 percent gold reserve requirement. Action will be needed sooner or later to correct the situation. Some change will be appropriate in order both to assure the availability of credit in a growing domestic economy and to relieve any doubt that may remain anywhere that the U. S. gold supply stands firmly behind the dollar in international markets at the immutable price of \$35. While legislative action will undoubtedly have to be requested of the Congress, the form or timing of the request has not been finally determined.

"Concerning the movement in the London gold price the need for operational flexibility in market dealings should be emphasized. Any speculation against the basic price of gold would inevitably end on the losing side. The market is under firm control but has been allowed to fluctuate from time to time as needed to make such speculation more costly."

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

January 8, 1965

FOR IMMEDIATE RELEASE:

The Treasury today issued the following statement:

"A wave of speculative comment has distorted the significance of recent developments in the gold and foreign exchange markets. The underlying factors influencing these markets have not changed in recent days. Comparatively wide price fluctuations have been set off, in these customarily small and narrow markets, by mistaken interpretations of the coincidence of several unrelated official actions or statements by various governments.

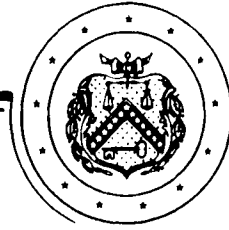
"The Treasury is able to give categorical assurance that neither the announced purchases of gold by the French Treasury, nor the minor technical adjustment that has been executed in the market quotations for the pound sterling, nor newspaper stories concerning a possible revision in gold cover requirements in the United States, reflect or imply any fundamental change in the basic supply and demand situation that has prevailed in the gold and foreign exchange markets in recent months.

"With regard to the French gold purchase announced yesterday, the transaction adjusts the current French position. Future demand will be primarily tied to whatever developments there may be in the French balance of payments over coming months. After this transaction, French dollar holdings will total about \$1.2 billion, of which nearly \$700 million are held to cover the outstanding debt of the French Government to the United States and Canada while an adequate working balance would require about \$400 million.

"With respect to market trading for currently available and forward purchases of the British pound sterling, price changes have reflected a technical adjustment to repeated but modest speculative pressures that accumulate from time to time. Such pressures could become disruptive if it were not for the fact that market quotations can vary within a moderate range to increase the costs and risks of unwarranted speculation of this nature.

D-1459

# TREASURY DEPARTMENT



WASHINGTON, D.C.

January 8, 1965

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Mr. Johns was appointed to the Service in 1954. He has served in the Birmingham, Chicago, and Atlanta office, and on the Vice Presidential and White House Details. In November, 1963, he was assigned to the White House where he now holds the position of an Assistant Special Agent in Charge. Born on December 11, 1925, at Birmingham, Alabama, he holds a Bachelor of Science degree in Law and Business Administration from Howard College, Birmingham. He is married to the former Nita Jean Parker. They have one son.

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Mr. Benn was appointed to the Service on September 5, 1939, and assigned to the White House Detail, where he has been a ranking member since September, 1949. On September 1, 1961, he was appointed Special Agent in Charge. Born on June 17, 1916, at Forest Park, Illinois, he holds a Bachelor of Science degree in Police Administration from Michigan State University. He is married to the former Jean Brownell, and has two daughters.

Mr. Boring was appointed to the Service in 1943. Past assignments include the New York and Philadelphia offices. Prior to joining the White House Detail in 1944, he was with the Protective Research Section. Most recently he was an Assistant Special Agent in Charge of the White House Detail. Born on June 25, 1915, in Salamanca, New York, he is married to the former Ruth Lehner. They have two daughters.

after Vice President Johnson took office. In November, 1963, Mr. Youngblood became an Assistant Special Agent in Charge of the White House Detail. Born in Macon, Georgia, on January 13, 1924, Mr. Youngblood received a Bachelor of Science Degree from the Georgia Institute of Technology in 1949. He is married to the former Peggy Behman, and has three daughters and one son.

Mr. Kellerman was appointed to the Service on December 19, 1941. He has served in field offices in Detroit, Toledo, Cincinnati, Washington and Indianapolis. He served initially on the White House Detail from 1942 to 1951, and returned to it in 1955 from Indianapolis. He has occupied several supervisory positions and most recently has been an Assistant Special Agent in Charge. Prior to joining the Service he served with the Michigan State Police from 19<sup>3</sup>~~4~~7 to 19<sup>+</sup>~~7~~1. Born on March 14, 1915, in New Baltimore, Michigan, he is married to the former June Drake. The Kellermans have two daughters.

*Immediate Release*

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~~DRAFT PRESS RELEASE~~

January 8, 1965

Secret Service Chief James J. Rowley today announced the appointment of Rufus W. Youngblood as Special Agent in Charge of the White House Detail, and Roy H. Kellerman as Deputy Special Agent in Charge. The appointments will become effective Monday, January 11.

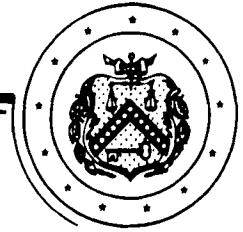
Mr. Youngblood will succeed Gerald A. Behn, and Mr. Kellerman will replace Floyd M. Boring. Mr. Behn and Mr. Boring are being assigned to the Secret Service Headquarters' staff as Inspectors. Thomas L. Johns will occupy the position vacated by Mr. Kellerman.

Chief Rowley said the changes were in line with the Service's policy of rotating key personnel in order to provide senior supervisors with the broadest possible experience, and are part of his current plan to streamline and improve the Service.

Mr. Youngblood was appointed to the United States Secret Service in 1951. He served in the Atlanta office and on the White House Detail, and was assigned to the Vice Presidential Detail shortly

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

January 8, 1965

FOR IMMEDIATE RELEASE

## ROWLEY ANNOUNCES CHANGES IN SECRET SERVICE WHITE HOUSE DETAIL

Secret Service Chief James J. Rowley today announced the appointment of Rufus W. Youngblood as Special Agent in Charge of the White House Detail, and Roy H. Kellerman as Deputy Special Agent in Charge. The appointments will become effective Monday, January 11.

Mr. Youngblood will succeed Gerald A. Behn, and Mr. Kellerman will replace Floyd M. Boring. Mr. Behn and Mr. Boring are being assigned to the Secret Service Headquarters' staff as Inspectors. Thomas L. Johns will occupy the position vacated by Mr. Kellerman.

Chief Rowley said the changes were in line with the Service's policy of rotating key personnel in order to provide senior supervisors with the broadest possible experience, and are part of his current plan to streamline and improve the Service.

Mr. Youngblood was appointed to the United States Secret Service in 1951. He served in the Atlanta office and on the White House Detail, and was assigned to the Vice Presidential Detail shortly after Vice President Johnson took office. In November, 1963, Mr. Youngblood became an Assistant Special Agent in Charge of the White House Detail. Born in Macon, Georgia, on January 13, 1924, Mr. Youngblood received a Bachelor of Science Degree from the Georgia Institute of Technology in 1949. He is married to the former Peggy Behman, and has three daughters and one son.

Mr. Kellerman was appointed to the Service on December 19, 1941. He has served in field offices in Detroit, Toledo, Cincinnati, Washington and Indianapolis. He served initially on the White House Detail from 1942 to 1951, and returned to it in 1955 from Indianapolis. He has occupied several supervisory positions and most recently has been an Assistant Special Agent in Charge. Prior to joining the Service he served with the Michigan State Police from 1937 to 1941. Born on March 14, 1915, in New Baltimore, Michigan, he is married to the former June Drake. The Kellermans have two daughters.

Mr. Behn was appointed to the Service on September 5, 1939, and assigned to the White House Detail, where he has been a ranking member since September, 1949. On September 1, 1961, he was appointed Special Agent in Charge. Born on June 17, 1916, at Forest Park, Illinois, he holds a Bachelor of Science degree in Police Administration from Michigan State University. He is married to the former Jean Brownell, and has two daughters.

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City

"A" Market Chairmen

St. Paul

Robert S. Macfarlane  
President  
Northern Pacific Railroad  
Company  
St. Paul, Minnesota

<u>CITY</u>	<u>"A" MARKET CHAIRMEN</u>	<u>"A" MARKET MANAGERS</u>
Omaha	A. F. Jacobson President Northwestern Bell Telephone Company 100 South 19th Street Omaha, Nebraska	Neville R. Phillips Room 8408 Federal Building 215 - North 17th Street Omaha, Nebraska 68102 Phone: 402-221-3755
Philadelphia	Stuart T. Saunders Chairman of the Board The Pennsylvania Railroad Company 6 Penn Center Plaza Philadelphia, Pennsylvania	Darrell D. Bandy Room 800 - U. S. Customhouse 2nd and Chestnut Streets Philadelphia, Pennsylvania 1 Phone: 215-597-2450
Pittsburgh	F. L. Byrom President Koppers Company, Inc. Koppers Building Pittsburgh, Pennsylvania	James W. Marvin Room 800 - U. S. Customhouse 2nd and Chestnut Streets Philadelphia, Pennsylvania 1 Phone: 215-597-2450
St. Louis	David S. Lewis President McDonnell Aircraft Corporation P. O. Box 516 St. Louis, Missouri	Elmer C. Smith Federal Reserve Bank Buildin P. O. Box 442 - Main Post Of St. Louis, Missouri 63166 Phone: 314-622-5716
St. Paul	Robert S. Macfarlane President Northern Pacific Railway Company 176 East 5th Street St. Paul, Minnesota	Glen R. Johnson 408 Federal Building 110 South 4th Street Minneapolis, Minnesota 55401 Phone: 612-334-2311
San Francisco	Carl O. Lindeman President The Pacific Telephone and Telegraph Company 140 New Montgomery Street San Francisco, California	Newton B. McCarthy Room 7116 - Box 36002 450 Golden Gate Avenue San Francisco, California 94 Phone: 415-556-3700
Seattle	William M. Allen President The Boeing Company P. O. Box 3707 Seattle, Washington	William C. H. Lewis 236 Federal Office Building 909 First Avenue Seattle, Washington 98104 Phone: 206-682-4255
<b>MEMBERS-AT-LARGE</b>	Harold S. Geneen, President International Telephone and Telegraph Corporation 320 Park Avenue New York, New York	Frank R. Milliken, President Kennecott Copper Corporation 161 East 42nd Street New York, New York

(Note: Insert "U. S. Savings Bonds Division" in address for Market Managers)  
 (Note: All telephone numbers are under the FTS System)



1965 U. S. INDUSTRIAL PAYROLL SAVINGS COMMITTEE

<u>CITY</u>	<u>"A" MARKET CHAIRMEN</u>	<u>"A" MARKET MANAGERS</u>
Los Angeles	Daniel J. Haughton President Lockheed Aircraft Corporation 2555 Hollywood Way Burbank, California	William C. Eller 1204 Western Pacific Building 1031 South Broadway Los Angeles, California 90011 Phone: 213-688-4840
Louisville	William H. Kendall President Louisville and Nashville Railroad Company 908 West Broadway Louisville, Kentucky	John U. Courtney 706 Republic Building 429 West Walnut Street Louisville, Kentucky 40202 Phone: 502-582-5441
Milwaukee	Robert S. Stevenson President Allis-Chalmers Manufacturing Company 1126 South 70th Street Milwaukee, Wisconsin	Edwin L. Bersagel Room 307 - Empire Building 710 North Plankinton Avenue Milwaukee, Wisconsin 53203 Phone: 414-272-3741
Nashville	Colonel Gilbert M. Dorland President Nashville Bridge Company P. O. Box 239 Nashville, Tennessee	Norvell S. Rose Room 638 U. S. Court House 801 Broad Street Nashville, Tennessee 37203 Phone 615-242-5401
Newark	Orville E. Beal President The Prudential Insurance Company of America 745 Broad Street Newark, New Jersey	Jack B. Dunn Room 413 Federal Building Federal Square Newark, New Jersey 07102 Phone: 201-645-2263
New Orleans	Henry Z. Carter President Avondale Shipyards, Inc. P. O. Box 1030 New Orleans, Louisiana	Raphael H. Morvant Room T-5003A, Federal Office Building - 701 Loyola Avenue New Orleans, Louisiana 70113 Phone: 504-527-6124
New York	James F. Oates, Jr. Chairman of the Board The Equitable Life Assurance Society of the United States 1285 Avenue of the Americas New York, New York	W. Howard Smith 346 Broadway New York, New York 10013 Phone: 212-732-7460
Oklahoma City	Robert S. Kerr, Jr. Director Kerr-McGee Oil Industries, Inc. Kermac Building Oklahoma City, Oklahoma	Samuel D. Braden Room 5413 - New Federal Build Oklahoma City, Oklahoma 73102 Phone: 405-236-2558

1965  
U. S. INDUSTRIAL PAYROLL SAVINGS COMMITTEE  
MARKET CHAIRMEN AND MARKET MANAGERS

HONORARY CHAIRMAN

Honorable Douglas Dillon  
Secretary of the Treasury  
Washington, D. C.

CHAIRMAN

Dr. Elmer W. Engstrom, President  
Radio Corporation of America  
30 Rockefeller Plaza  
New York, New York

NATIONAL INDUSTRY CAMPAIGN MANAGER

Martin H. Miller  
National Industry Campaign Manager  
U. S. Treasury Department  
U. S. Savings Bonds Division  
Washington, D. C. 20226  
Phone: Executive 3-6400  
Ext. 2219

CITY

"A" MARKET CHAIRMEN

"A" MARKET MANAGERS

Baltimore

Alfred P. Ramsey  
President  
Baltimore Gas and Electric  
Company  
Lexington and Liberty Streets  
Baltimore, Maryland

Ormond R. Galvin  
319 Calvert Building  
St. Paul & Fayette Streets  
Baltimore, Maryland 21202  
Phone: 301-752-2712

Birmingham

Robert E. Garrett  
President  
United States Pipe and  
Foundry Company  
3300 First Avenue, North  
Birmingham, Alabama

Oscar P. Drake  
Room 100  
The 2121 Building  
2121 Eighth Avenue North  
Birmingham, Alabama 35203  
Phone: 205-325-3784

Boston

O. Kelley Anderson  
President  
New England Mutual Life  
Insurance Company  
501 Boylston Street  
Boston, Massachusetts

Francis E. Burke  
Room 1901 U. S. Post Office  
& Courthouse Building  
Boston, Massachusetts 02109  
Phone: 617-223-2921

Chicago

William J. Quinn  
President  
Chicago, Milwaukee, St. Paul  
and Pacific Railroad Company  
516 West Jackson Boulevard  
Chicago, Illinois

Arnold J. Rauen  
Room 1  
536 South Clark Street  
Chicago, Illinois 60605  
Phone: 312-828-6753

## 1965 U. S. INDUSTRIAL PAYROLL SAVINGS COMMITTEE

2.

<u>CITY</u>	<u>"A" MARKET CHAIRMEN</u>	<u>"A" MARKET MANAGERS</u>
Cleveland	Wade N. Harris President Midland-Ross Corporation 55 Public Square Cleveland, Ohio	Charles L. Martin 4th Floor, Federal Reserve Bank Building East Sixth & Superior Street Cleveland, Ohio 41101 Phone: 216-241-7135
Dallas	Fladger F. Tannery President Frito-Lay, Inc. 400 Exchange Bank Building Dallas, Texas	Jesse L. Adams, Jr. Room 502 - Thomas Building 1314 Wood Street Dallas, Texas 75202 Phone: 214-749-2631
Denver	Walter K. Koch President The Mountain States Telephone and Telegraph Company P. O. Box 960 Denver, Colorado	Dewey M. Smith Room 426 - Denham Building 635 18th Street Denver, Colorado 80202 Phone: 303-297-3577
Detroit	Lynn A. Townsend President Chrysler Corporation 341 Massachusetts Avenue Detroit, Michigan	Delmar V. Cote' 1400 Washington Boulevard Bui Detroit, Michigan 48226 Phone: 313-226-7375
Greensboro	Howard Holderness President Jefferson Standard Life Insurance Company North Elm Street Greensboro, North Carolina	Walter P. Johnson 238 Post Office Building North Eugene Street Greensboro, North Carolina 27 Phone: 919-275-9459
Hartford	William P. Gwinn President United Aircraft Corporation 400 Main Street East Hartford, Connecticut	Kenneth M. Crane 305 Steiger Building 99 Pratt Street Hartford, Connecticut 06103 Phone: 203-244-3550
Houston	Sidney A. Shuman President Reed Roller Bit Company 6501 Navigation Boulevard Houston, Texas	Harry J. Dedeaux Room 2513 - New Federal Build 414 Rust Avenue P. O. Box 61211 Houston, Texas 77061 Phone: 713-228-4245
Indianapolis	Eugene N. Beesley President Eli Lilly & Company 740 South Alabama Street Indianapolis, Indiana	Benner E. Davenport 36 South Pennsylvania Street Indianapolis, Indiana 46204 Phone: 317-633-8719

Crawford H. Greenewalt  
Chairman of the Board  
E. I. du Pont de Nemours & Co., Inc.  
du Pont Building  
Wilmington, Delaware  
(Chemicals)

John L. Gushman  
President  
Anchor Hocking Glass Corporation  
109 North Broad Street  
Lancaster, Ohio  
(Glass)

Reed O. Hunt  
Chairman of the Board  
Crown Zellerbach Corporation  
One Bush Street  
San Francisco, California  
(Paper)

Thomas V. Jones  
President and Chairman  
Northrop Corporation  
9744 Wilshire Boulevard  
Beverly Hills, California  
(Aerospace-Aircraft)

Clarence A. Kelley  
President  
Dixie Ohio Express, Inc.  
P. O. Box 750  
Akron, Ohio  
(Trucking)

Lawrence Litchfield, Jr.  
Chairman of the Board  
Aluminum Company of America  
1501 Alcoa Building  
Pittsburgh, Pennsylvania  
(Aluminum)

Joseph A. Martino  
Chairman and President  
National Lead Company  
111 Broadway  
New York, New York  
(Lead)

Charles F. Myers, Jr.  
President  
Burlington Industries, Inc.  
301 North Eugene Street  
Greensboro, North Carolina  
(Textiles)

William J. Quinn  
~~Chairman and President~~  
Chicago, Milwaukee, St. Paul  
and Pacific Railroad  
848 Union Station Building  
Chicago, Illinois  
(Railroads)

M. J. Rathbone  
Chairman of the Board  
Standard Oil Company of New Jersey  
30 Rockefeller Plaza  
New York, New York  
(Petroleum)

H. I. Romnes  
Vice Chairman of the Board  
American Telephone and Telegraph Co.  
195 Broadway  
New York, New York  
(Electrical Equipment)

W. Cordes Snyder, Jr.  
Chairman of the Board  
Blaw-Knox Company  
300 Sixth Avenue  
Pittsburgh, Pennsylvania  
(Machinery Manufacturing)

C. E. Woolman  
President  
Delta Air Lines, Inc.  
Atlanta Airport  
Atlanta, Georgia  
(Air Transportation)

Leslie B. Worthington  
President  
United States Steel Corporation  
325 William Penn Place  
Pittsburgh, Pennsylvania  
(Steel)

Charles J. Zimmerman  
President  
Connecticut Mutual Life Insurance  
Company  
140 Garden Street  
Hartford, Connecticut  
(Insurance)

1964  
U. S. INDUSTRIAL PAYROLL SAVINGS COMMITTEE  
FOR THE TREASURY DEPARTMENT

249

CHAIRMAN  
FRANK R. MILLIKEN  
PRESIDENT  
KENNECOTT COPPER CORPORATION  
161 EAST 42ND STREET  
NEW YORK, NEW YORK  
(COPPER)

Crowdus Baker  
President

James T. Griffin  
Vice President  
Sears, Roebuck and Company  
925 South Homan Avenue  
Chicago, Illinois  
(Retail Merchandising)

Walter Bouldin  
President  
Alabama Power Company  
600 North 18th Street  
Birmingham, Alabama  
(Public Utilities)

Maurice R. Chambers  
President  
International Shoe Company  
1509 Washington Avenue  
St. Louis, Missouri  
(Shoe Manufacturing)

Harold W. Comfort  
President  
The Borden Company  
350 Madison Avenue  
New York, New York  
(Food Manufacturing)

John D. deButts  
President  
Illinois Bell Telephone Company  
212 West Washington Street  
Chicago, Illinois  
(Telecommunications)

John D. Ehrgott  
Chairman of the Board  
The Great Atlantic & Pacific  
Tea Company, Inc.  
420 Lexington Avenue  
New York, New York  
(Retail Food)

Dr. Elmer W. Engstrom  
President  
Radio Corporation of America  
30 Rockefeller Plaza  
New York, New York  
(Electronics)

Ray R. Eppert  
President  
Burroughs Corporation  
6071 Second Avenue  
Detroit, Michigan  
(Office Equipment)

Raymond C. Firestone  
President  
The Firestone Tire & Rubber Company  
1200 Firestone Parkway  
Akron, Ohio  
(Rubber)

Alexander H. Galloway  
President  
R. J. Reynolds Tobacco Company  
Winston-Salem, North Carolina  
(Tobacco)

Harold S. Geneen, President  
International Telephone and  
Telegraph Corporation  
320 Park Avenue  
New York, New York  
Member 1963

John F. Gordon  
President  
General Motors Corporation  
General Motors Building  
Detroit, Michigan  
(Automotive)

Dr. Elmer W. Engstrom, President, Radio Corporation of America, was named Chairman of the U. S. Industrial Payroll Savings Committee for 1965 by Secretary Dillon on December 7, 1964. Dr. Engstrom was a member of the 1964 Committee, serving as Chairman, Mid-Atlantic Area, Electronics Industry Drive, during the 1963 campaign, when Mr. Geneen was chairman for both electronics and for the full industrial committee.

A list of the 1964 and 1965 Committees is attached.

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Other Treasury speakers on the day's program include Under Secretary of the Treasury-Designate for Monetary Affairs, Frederick L. Deming; Director of Treasury's Office of Debt Analysis, Duane Saunders, and National Director of U. S. Savings Bonds, William H. Neal. The meeting will be opened by Deputy Under Secretary for Monetary Affairs, Paul A. Volcker.

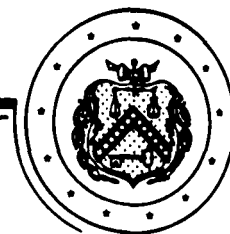
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Members of the Committee for the new campaign year will head up payroll savings programs in their respective metropolitan communities. Mr. Milliken, retiring Chairman, and Harold S. Geneen, President, International Telephone and Telegraph Corporation, Chairman of the 1963 Committee, will remain active as members-at-large of the 1965 Committee.

( more )

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

January 11, 1965

FOR IMMEDIATE RELEASE

## TREASURY INDUSTRIAL PAYROLL SAVINGS COMMITTEE MEETS TO STIMULATE NATIONWIDE SAVINGS BONDS SALES FOR 1965

Nearly 50 of America's top industrial leaders will meet with Treasury Secretary Douglas Dillon and other officials in Washington, Tuesday, January 12, to review results of the 1964 Payroll Savings campaign for the sale of U. S. Savings Bonds and to plan the 1965 drive. Following the meeting they will be received by the President at the White House.

The businessmen are members of the U. S. Industrial Payroll Savings Committee named by Secretary Dillon. They represent both major industries and top industrial market areas.

Frank R. Milliken, President, Kennecott Copper Corporation, 1964 Committee Chairman, will preside over sessions in the Benjamin Franklin Suite at the Department of State.

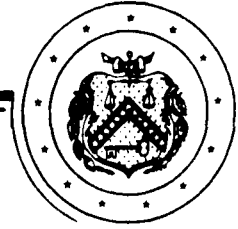
Secretary Dillon is principal speaker at a noon luncheon and will later accompany committee members to the White House, where President Johnson will receive the group at 5:30 p.m.

( more )



# TREASURY DEPARTMENT

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WASHINGTON, D.C.

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1964  
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FOR THE TREASURY DEPARTMENT

**CHAIRMAN**  
**FRANK R. MILLIKEN**  
**PRESIDENT**  
**KENNECOTT COPPER CORPORATION**  
**161 EAST 42ND STREET**  
**NEW YORK, NEW YORK**  
**(COPPER)**

Crowdus Baker  
President

James T. Griffin  
Vice President  
Sears, Roebuck and Company  
925 South Homan Avenue  
Chicago, Illinois  
(Retail Merchandising)

Walter Bouldin  
President  
Alabama Power Company  
600 North 18th Street  
Birmingham, Alabama  
(Public Utilities)

Maurice R. Chambers  
President  
International Shoe Company  
1509 Washington Avenue  
St. Louis, Missouri  
(Shoe Manufacturing)

Harold W. Comfort  
President  
The Borden Company  
350 Madison Avenue  
New York, New York  
(Food Manufacturing)

John D. deButts  
President  
Illinois Bell Telephone Company  
212 West Washington Street  
Chicago, Illinois  
(Telecommunications)

John D. Ehr Gott  
Chairman of the Board  
The Great Atlantic & Pacific  
Tea Company, Inc.  
420 Lexington Avenue  
New York, New York  
(Retail Food)

Dr. Elmer W. Engstrom  
President  
Radio Corporation of America  
30 Rockefeller Plaza  
New York, New York  
(Electronics)

Ray R. Eppert  
President  
Burroughs Corporation  
6071 Second Avenue  
Detroit, Michigan  
(Office Equipment)

Raymond C. Firestone  
President  
The Firestone Tire & Rubber Company  
1200 Firestone Parkway  
Akron, Ohio  
(Rubber)

Alexander H. Galloway  
President  
R. J. Reynolds Tobacco Company  
Winston-Salem, North Carolina  
(Tobacco)

Harold S. Geneen, President  
International Telephone and  
Telegraph Corporation  
320 Park Avenue  
New York, New York  
Member 1963

John F. Gordon  
President  
General Motors Corporation  
General Motors Building  
Detroit, Michigan  
(Automotive)

Crawford H. Greenewalt  
Chairman of the Board  
E. I. du Pont de Nemours & Co., Inc.  
du Pont Building  
Wilmington, Delaware  
(Chemicals)

John L. Gushman  
President  
Anchor Hocking Glass Corporation  
109 North Broad Street  
Lancaster, Ohio  
(Glass)

Reed O. Hunt  
Chairman of the Board  
Crown Zellerbach Corporation  
One Bush Street  
San Francisco, California  
(Paper)

Thomas V. Jones  
President and Chairman  
Northrop Corporation  
9744 Wilshire Boulevard  
Beverly Hills, California  
(Aerospace-Aircraft)

Clarence A. Kelley  
President  
Dixie Ohio Express, Inc.  
P. O. Box 750  
Akron, Ohio  
(Tracking)

Lawrence Litchfield, Jr.  
Chairman of the Board  
Aluminum Company of America  
1501 Alcoa Building  
Pittsburgh, Pennsylvania  
(Aluminum)

Joseph A. Marcino  
Chairman and President  
National Lead Company  
111 Broadway  
New York, New York  
(Lead)

Charles F. Myers, Jr.  
President  
Burlington Industries, Inc.  
301 North Eugene Street  
Greensboro, North Carolina  
(Textiles)

William J. Quinn  
~~Chairman and~~ President  
Chicago, Milwaukee, St. Paul  
and Pacific Railroad  
848 Union Station Building  
Chicago, Illinois  
(Railroads)

M. J. Rathbone  
Chairman of the Board  
Standard Oil Company of New Jersey  
30 Rockefeller Plaza  
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(Petroleum)

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Vice Chairman of the Board  
American Telephone and Telegraph Co.  
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New York, New York  
(Electrical Equipment)

W. Cordes Snyder, Jr.  
Chairman of the Board  
Blaw-Knox Company  
300 Sixth Avenue  
Pittsburgh, Pennsylvania  
(Machinery Manufacturing)

C. E. Woolman  
President  
Delta Air Lines, Inc.  
Atlanta Airport  
Atlanta, Georgia  
(Air Transportation)

Leslie B. Worthington  
President  
United States Steel Corporation  
325 William Penn Place  
Pittsburgh, Pennsylvania  
(Steel)

Charles J. Zimmerman  
President  
Connecticut Mutual Life Insurance  
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140 Garden Street  
Hartford, Connecticut  
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Nashville	Colonel Gilbert M. Dorland President Nashville Bridge Company P. O. Box 239 Nashville, Tennessee	Norvell S. Rose Room 638 U. S. Court House 801 Broad Street Nashville, Tennessee 37203 Phone 615-242-5401
Newark	Orville E. Beal President The Prudential Insurance Company of America 745 Broad Street Newark, New Jersey	Jack B. Dunn Room 413 Federal Building Federal Square Newark, New Jersey 07102 Phone: 201-645-2263
New Orleans	Henry Z. Carter President Avondale Shipyards, Inc. P. O. Box 1030 New Orleans, Louisiana	Raphael H. Morvant Room T-5003A, Federal Office Building - 701 Loyola Avenue New Orleans, Louisiana 70113 Phone: 504-527-6124
New York	James F. Oates, Jr. Chairman of the Board The Equitable Life Assurance Society of the United States 1285 Avenue of the Americas New York, New York	W. Howard Smith 346 Broadway New York, New York 10013 Phone: 212-732-7460
Oklahoma City	Robert S. Kerr, Jr. Director Kerr-McGee Oil Industries, Inc. Kermac Building Oklahoma City, Oklahoma	Samuel D. Braden Room 5413 - New Federal Building Oklahoma City, Oklahoma 73102 Phone: 405-236-2558

<u>CITY</u>	<u>"A" MARKET CHAIRMEN</u>	<u>"A" MARKET MANAGERS</u>
Omaha	A. F. Jacobson President Northwestern Bell Telephone Company 100 South 19th Street Omaha, Nebraska	Neville R. Phillips Room 8408 Federal Building 215 - North 17th Street Omaha, Nebraska 68102 Phone: 402-221-3755
Philadelphia	Stuart T. Saunders Chairman of the Board The Pennsylvania Railroad Company 6 Penn Center Plaza Philadelphia, Pennsylvania	Darrell D. Bandy Room 800 - U. S. Customhouse 2nd and Chestnut Streets Philadelphia, Pennsylvania 19106 Phone: 215-597-2450
Pittsburgh	F. L. Byrom President Koppers Company, Inc. Koppers Building Pittsburgh, Pennsylvania	James W. Marvin Room 800 - U. S. Customhouse 2nd and Chestnut Streets Philadelphia, Pennsylvania 19106 Phone: 215-597-2450
St. Louis	David S. Lewis President McDonnell Aircraft Corporation P. O. Box 516 St. Louis, Missouri	Elmer C. Smith Federal Reserve Bank Building P. O. Box 442 - Main Post Office St. Louis, Missouri 63166 Phone: 314-622-5716
St. Paul	Robert S. Macfarlane President Northern Pacific Railway Company 176 East 5th Street St. Paul, Minnesota	Glen R. Johnson 408 Federal Building 110 South 4th Street Minneapolis, Minnesota 55401 Phone: 612-334-2311
San Francisco	Carl O. Lindeman President The Pacific Telephone and Telegraph Company 140 New Montgomery Street San Francisco, California	Newton B. McCarthy Room 7116 - Box 36002 450 Golden Gate Avenue San Francisco, California 94102 Phone: 415-556-3700
Seattle	William M. Allen President The Boeing Company P. O. Box 3707 Seattle, Washington	William C. H. Lewis 236 Federal Office Building 909 First Avenue Seattle, Washington 98104 Phone: 206-682-4255
<b>MEMBERS-AT-LARGE</b>	Harold S. Geneen, President International Telephone and Telegraph Corporation 320 Park Avenue New York, New York	Frank R. Milliken, President Kennecott Copper Corporation 161 East 42nd Street New York, New York

(Note: Insert "U. S. Savings Bonds Division" in address for Market Managers)  
 (Note: All telephone numbers are under the FTS System)



City

"A" Market Chairmen

St. Paul

Robert S. Macfarlane  
President  
Northern Pacific Railroad  
Company  
St. Paul, Minnesota

FOR RELEASE A.M. NEWSPAPERS,  
Tuesday, January 12, 1965.

January 11, 1965

RESULTS OF TREASURY'S WEEKLY BILL OFFERING

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated October 15, 1964, and the other series to be dated January 14, 1965, which were offered on January 6, were opened at the Federal Reserve Banks on January 11. Tenders were invited for \$1,100,000,000, or thereabouts, of 91-day bills and for \$1,000,000,000, or thereabouts of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing April 15, 1965		:	182-day Treasury bills maturing July 15, 1965	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.042	3.790%	:	98.015	3.926%
Low	99.034	3.522%	:	98.002	3.952%
Average	99.036	3.814% <sup>1/</sup>	:	98.007	3.942% <sup>1/</sup>

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

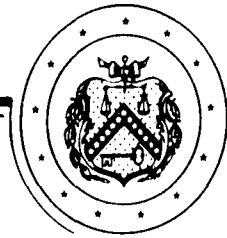
TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	:	Applied For	Accepted
Boston	\$ 24,926,000	\$ 14,910,000	:	\$ 22,394,000	\$ 13,844,000
New York	1,487,097,000	671,057,000	:	1,294,299,000	676,144,000
Philadelphia	29,212,000	17,212,000	:	14,245,000	6,245,000
Cleveland	31,288,000	31,288,000	:	51,081,000	46,461,000
Richmond	16,720,000	16,640,000	:	18,080,000	16,660,000
Atlanta	62,802,000	54,021,000	:	21,006,000	16,864,000
Chicago	281,742,000	124,842,000	:	216,618,000	95,908,000
St. Louis	43,534,000	36,270,000	:	15,577,000	13,577,000
Minneapolis	26,352,000	22,392,000	:	13,196,000	12,196,000
Kansas City	41,397,000	41,347,000	:	16,806,000	16,806,000
Dallas	29,234,000	19,714,000	:	14,935,000	11,935,000
San Francisco	97,426,000	50,466,000	:	112,847,000	74,327,000
<b>TOTALS</b>	<b>\$2,171,730,000</b>	<b>\$1,100,159,000</b> <sup>a/</sup>		<b>\$1,811,084,000</b>	<b>\$1,000,967,000</b>

- a/ Includes \$312,705,000 noncompetitive tenders accepted at the average price of 99.0
- b/ Includes \$126,113,000 noncompetitive tenders accepted at the average price of 98.0
- 1/ On a coupon issue of the same length and for the same amount invested, the return these bills would provide yields of 3.90%, for the 91-day bills, and 4.08%, 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.

1 - 1412

# TREASURY DEPARTMENT



WASHINGTON, D.C.

FOR RELEASE A.M. NEWSPAPERS,  
 Tuesday, January 12, 1965.

January 11, 1965

## RESULTS OF TREASURY'S WEEKLY BILL OFFERING

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated October 15, 1964, and the other series to be dated January 14, 1965, which were offered on January 11, 1965, were opened at the Federal Reserve Banks on January 11. Tenders were invited for \$1,100,000,000, or thereabouts, of 91-day bills and for \$1,000,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

TYPE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing April 15, 1965		:	182-day Treasury bills maturing July 15, 1965	
	Price	Approx. Equiv. Annual Rate		Price	Approx. Equiv. Annual Rate
High	99.042	3.790%	:	98.015	3.926%
Low	99.034	3.822%	:	98.002	3.952%
Average	99.036	3.814% <u>1/</u>	:	98.007	3.942% <u>1/</u>

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

### TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	:	Applied For	Accepted
Boston	\$ 24,926,000	\$ 14,910,000	:	\$ 22,394,000	\$ 13,844,000
New York	1,487,097,000	671,057,000	:	1,294,299,000	676,144,000
Philadelphia	29,212,000	17,212,000	:	14,245,000	6,245,000
Cleveland	31,288,000	31,288,000	:	51,081,000	46,461,000
Richmond	16,720,000	16,640,000	:	18,080,000	16,660,000
Atlanta	62,802,000	54,021,000	:	21,006,000	16,864,000
Chicago	281,742,000	124,842,000	:	216,618,000	95,908,000
St. Louis	43,534,000	36,270,000	:	15,577,000	13,577,000
Minneapolis	26,352,000	22,392,000	:	13,196,000	12,196,000
Kansas City	41,397,000	41,347,000	:	16,806,000	16,806,000
Dallas	29,234,000	19,714,000	:	14,935,000	11,935,000
San Francisco	97,426,000	50,466,000	:	112,847,000	74,327,000
<b>TOTALS</b>	<b>\$2,171,730,000</b>	<b>\$1,100,159,000</b>	<b>a/</b>	<b>\$1,811,084,000</b>	<b>\$1,000,967,000</b>

Includes \$312,705,000 noncompetitive tenders accepted at the average price of 99.036  
 Includes \$126,113,000 noncompetitive tenders accepted at the average price of 98.007  
 On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.90%, for the 91-day bills, and 4.08%, 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

REMARKS BY THE HONORABLE DOUGLAS DILLON  
SECRETARY OF THE TREASURY  
BEFORE  
THE MEETING OF THE INDUSTRIAL PAYROLL SAVINGS COMMITTEE,  
DIPLOMATIC FUNCTIONS AREA, DEPARTMENT OF STATE  
WASHINGTON, D. C.,  
TUESDAY, JANUARY 12, 1965, 12:45, P.M., EST

On behalf of your committee and myself, Mr. Milliken, I thank you for this exceptionally fine memento of the 1964 payroll savings drives in industry -- a copper tray engraved with the Concord Minute Man insignia, symbol of the selfless spirit that has inspired this volunteer committee as it did those famed volunteers of 1775.

The 1964 Payroll Savings Campaign in industry is a splendid example of exceptional volunteer service to our nation. The leading role of business and industry in that campaign was clearly underscored in the signing by Chairman Milliken, the 28 members of the committee, and myself of a "Share in America" certificate urging all employers and employees to join the campaign "for mutual good" of government and self.

The immediate and enthusiastic response of the business community to the "Share in America" campaign resulted in bringing up to 40 thousand the total number of companies -- large and small -- conducting Payroll Savings Plans.

Response on the part of the employees was no less impressive. About, 1,300,000 new participants signed up as payroll savers during 1964. Of these, industry accounted for about one million -- and of that total, some 211,000 were employees of the companies represented on the committee. As a result, over-all sale of payroll saver bonds -- the \$25 to \$200 bonds -- is running today at a record peacetime rate of \$3 billion annually, and accounting for 64 percent of the total E and H sales dollar.

These results -- particularly in view of the stiff competition for the savings dollar -- are indeed an impressive tribute to the men of this committee, who willingly and unstintingly gave of their energies, their talents, their resources and their invaluable time.

Presentation of Awards to Committee Members

For these reasons, it is both my privilege and pleasure to present to the committee members tangible evidence of our appreciation for their excellent work and untiring efforts during this year's Payroll Savings Campaign. We hope it will be for each of you a meaningful memento of the exemplary service you have rendered to your country.

This is the Treasury award specifically created to honor exceptional service in the United States Savings Bonds program -- a small token in itself, but representing much in terms of extraordinary accomplishment. On its face is the Minute Man, symbol of the Savings Bonds volunteer program, with a ring of 13 stars representing the original colonies. On the back is the seal of the Treasury Department.

At this time, I would like to present this certificate to your new Chairman -- the President of the Radio Corporation of America, Dr. Elmer W. Engstrom. I know that you will find him an excellent leader. I congratulate you, Dr. Engstrom, and your committee, upon your appointment. Dr. Engstrom, an internationally known engineer, is a long-time supporter of the Payroll Savings Plan. As the 1964 chairman for the electronic industry, he led a highly successful campaign -- in which his own company achieved 82 percent participation.

The citation reads:

UNITED STATES TREASURY DEPARTMENT

CITATION

to

Dr. Elmer W. Engstrom

In recognition of outstanding service to the Nation

as a member of the

U. S. Industrial Payroll Savings Committee,

providing leadership and inspiration

within your company and your industry

in the promotion of

United States Savings Bonds

We have a similar certificate for each member of the 1964 committee. I wish time permitted my presenting each one individually. Since it does not, I have asked our staff members to present them to you at your places. Congratulations, and my deepest appreciation, to each of you.

Presentation of Award to Frank R. Milliken

This is the Treasury's Distinguished Service Award, a gold medal, which was newly established last year. It is the highest award the Treasury Department can present to any one outside the Department. It has been awarded only twice before.

It is now my pleasure to present this award to Frank R. Milliken, for his achievements as chairman of the 1964 industrial campaign. First, the citation:

CITATION

DISTINGUISHED SERVICE AWARD

FRANK R. MILLIKEN

"As Chairman of the U. S. Industrial Payroll Savings Committee for 1964, Frank R. Milliken has provided outstanding leadership for the Treasury Department and the Nation in helping assure the sound management of the public debt.

"By effectively dramatizing the mission of the Payroll Savings Plan and its benefits to management, workers and the Government, he rallied employer and employee throughout the land to vigorous promotion of systematic saving from pay in Series E Bonds. The sale of \$25 to \$200 denomination E Bonds is now at an annual rate of \$3 billion, its highest level since the War Loan Drives of 1942-1945.

"For his inspiring leadership and successful accomplishment in a volunteer mission of the highest order, Mr. Milliken is most deserving of the Treasury Department's Distinguished Service Award.

"Given under my hand and seal this 12th day of January, nineteen hundred and sixty five.

/s/ Douglas Dillon  
Secretary of the Treasury

Mr. Milliken, I ask you to accept this medal, and its accompanying citation with my sincerest thanks and warmest congratulations. I know of no one more deserving.

The leadership of men of your influence in the business community is indispensable to the efforts of the Treasury Department on behalf of United States Savings Bonds. As you know, the Savings Bonds program is a vital link in the partnership of mutual interest between citizens and their government -- for it contributes not only to the personal security of the individual and family, but to the financial security of the community and the nation.

You are also well aware how essential the Savings Bonds program is to the success of one of the Treasury Department's most important operations -- that of debt management. It has helped us to finance the national debt in a conservative, non-inflationary manner. And it has complemented our success during the past four years in lengthening the average maturity of the entire marketable debt -- the first time that has been achieved by any post war administration.

In the last 18 years the investment in E and H Bonds has increased by \$18.0 billion and now accounts for 22 percent of the publicly held debt, as opposed to only 15 percent in 1946. In the other private markets in which the Treasury has had to place securities, while the last four years has seen an increase of \$9 billion, the eighteen years since 1946 have seen a net decrease of nearly \$2 billion. These figures graphically illustrate how important the increase in the public's holdings of Savings Bonds, spurred largely by efforts such as those of this committee, has been in maintaining a sound debt structure throughout the postwar period.

We have witnessed great progress in the advance of the payroll savings plan over the past two years. Yet we realize that much remains to be done toward giving payroll savings the universal opportunity it deserves, and needs, if it is to make its fullest contribution to our debt management program.

It is our constant objective to spread this opportunity more widely among wage and salary employees. In doing so, we are almost totally dependent upon the employer himself -- upon his personal conviction of the worth of the program, and his willingness to endorse it and promote it among his employees. This is why we need your help.

You, the 1963-64 members of the Industrial Payroll Savings Committee, were selected because of your leadership in America's foremost industries, which contribute so much to the strength of our economy, and because you personally furthered the payroll savings program in your own companies. These same factors led us to invite the new members who have joined our committee today. They, like the 1963-64 members, enjoy wide acquaintance and respect within their industries, and will meet with the same favorable response from their counterparts in other companies when they ask for support of the payroll savings plan.

The 1965 Committee will have a new marketing approach and a new goal. Its members have been chosen because they are not only highly influential within their individual industries, but because they are also key leaders of their respective communities and market areas -- 27 of the largest in the nation. While the scope and significance of the committee is nationwide, its success will depend upon the achievements of each individual member as Market Chairman of his own metropolitan area. Each will have the task of organizing Payroll Savings Campaigns among all of the large companies of his area -- providing the leadership and inspiration that will encourage your fellow industrialists to take part, and thus to offer the opportunity of Payroll Savings to your entire community.

Our industry-wide goal is the enrollment of one million one hundred thousand new participants in 1965. I am confident that it will be reached with your help. Later this afternoon, Mr. Neal will give you more particulars about this new marketing approach, furnish details of the campaign, and inform you regarding the staff members who will assist you.

I am delighted to announce at this time that the committee's two past chairmen, President Harold S. Geneen of International Telephone and Telegraph and President Frank R. Milliken of Kennecott Copper, have agreed to serve the committee as members-at-large. Their past experience in spearheading this committee at the national level should prove invaluable.

We will be following your progress next year with keen interest. We will be working closely with you, helping you in every way possible. I am sure that next fall you will once again be able to report another outstanding year.



REMARKS OF FREDERICK L. DEMING  
(UNDER SECRETARY OF THE TREASURY FOR MONETARY AFFAIRS DESIGNATE)  
AT THE INDUSTRIAL PAYROLL SAVINGS COMMITTEE MEETING,  
WASHINGTON, D. C., ON JANUARY 12, 1965

I am grateful to have this opportunity -- even before officially taking office -- to appear before this distinguished group of American business executives who will be spearheading this year's national payroll savings campaign in business and industry. With the exception of former Chairmen Geneen and Milliken, who will be serving as members at large on this year's committee, you are, as I am, new men on the job. But neither you nor I are newcomers to the program and its benefits to the Nation and its people.

Each of you has been selected to head up the payroll savings program in your area because of your demonstrated personal interest, your willingness to lend your prestige to its advancement, and, of course, your willingness to volunteer the time, energy and resources that will be essential to a successful campaign in your area. The full resources of our Savings Bond staff will be at your disposal in implementing your plans and objectives.

Fortunately, you as I, will also have the benefit of the work and experience of our predecessors. But we are dependent upon you gentlemen to supply the critical ingredients of leadership and direction essential to reaching the goal of over one million new participants.

All of us in the Treasury who carry a part of the responsibility for managing the debt are particularly conscious of the immense contribution the payroll savings program can and has made to the sound handling of our Nation's finances. Today, E and H Savings Bonds account for more than \$48 billion -- or 22 percent -- of the publicly-held Government debt. New sales have held at consistently high levels, amounting to \$4.6 billion last year, equivalent to 40 percent of our total cash financing over the same period. Moreover, the heart of the entire Savings Bond program lies in regular payroll savings plans of Series E bonds, which have grown to the point where they now account for some 60 percent of all E bond sales.

But, the vital importance of this program to our financial health and well-being cannot be found in these figures alone. The holdings are widely dispersed among our citizens at all income levels. By and large, they represent the net result of gradual accumulations over the years. In this way, the Treasury has been able to tap an immense source of funds that would otherwise be difficult or impossible to reach, and to do so without an abrupt and potentially damaging impact on flows of savings through our financial institutions or to other borrowers. These direct benefits to the Treasury have their counterpart for the individual, for he has been afforded a convenient means for obtaining an absolutely safe investment, promptly convertible into cash, at an assured rate of return over a number of years. And the Nation itself is strengthened, in ways no less important for our inability to measure them precisely, by enabling all our citizens to take a direct part in the sound financing of his Government, to learn regular patterns of savings, and to build their family security.

The widespread participation of the American public in this program testifies, I believe, to a recognition of the continuing worth of savings bonds in personal financial planning. But even more important, this kind of personal participation -- unmatched in any other nation -- seems to me to reflect a public confidence in the integrity of our currency and in our financial policies that is a unique source of strength to the United States.

As President Johnson pointed out in his State of the Union Message, we are entering a third century of quest and purpose in our union. We have built strong foundations. We are today in the midst of the most prolonged upward surge in economic progress in our history -- and this advance has been marked by price stability unequalled in the world. Nothing is more important to our continued prosperity than maintenance of this price stability. And, as I take office with you, I am especially conscious of the contribution of the savings bond program to this record.

Looked at from the more parochial view of my immediate responsibilities, every dollar of savings bond sales means just that much less cash that we have to raise through marketable issues. With savings bond sales running to \$4-1/2 billion a year -- about the same amount as the net increase in our marketable debt in recent years -- this has clearly been of critical significance in easing the task of the debt managers.

For instance, the Treasury in recent years has made considerable progress in restructuring our marketable debt, increasing the average maturity from a low of 4 years and 2 months in 1960 to roughly five years at the end of last year. By seizing favorable opportunities in the market as they appeared, and by developing new techniques, such as the advance refunding, this could be accomplished without disturbing the flow of funds to homebuyers, businessmen, state and local governments, and consumers at a time when it was important that the availability of credit to those borrowers be unimpeded.

Could this progress have been made if the savings bond program had not been functioning so effectively? The answer is, I think, self-evident. Either there would have needed to be more use of short-term borrowing and reliance on commercial bank financing -- with potentially inflationary consequences -- or the volume of long-term Treasury financing would have had to be vastly increased, with the attendant risk of diverting too many funds from other borrowers and impeding our economic advance.

I have no blueprint to give you today on the specifics of Treasury debt management in the year ahead. Necessarily, decisions on major refundings and new money borrowing can only be made in the light of money market and general economic conditions prevailing at the time these financings are undertaken. But I can assure you that we are going to make every effort to maintain a well-balanced debt structure. And we are also determined to finance the Government's new money needs by drawing upon the savings generated by a growing economy in ways that will not contribute to inflationary pressures.

Your savings bonds campaign efforts will play an important part in this effort. Not only will savings bonds sales help hold down our marketable borrowings to manageable proportions, but when we sell savings bonds we are attracting genuine savings into Government bonds for an average period of around seven years.

A little later this afternoon you will be given a technical presentation of the ways in which the savings bond program contributes to sound public debt management. Also the campaign materials you will have at your disposal stress the importance of the program to the Nation as well as the individual investors. One point I particularly feel that is important that we get across to the American public in this "Star-Spangled" campaign year is that every citizen buying savings bonds is making a personal contribution to the soundness of the American dollar.

The effort to avoid inflationary pressures requires many partners. Business and labor share special responsibilities in maintaining a relationship between wages, productivity, and prices that can permit us to prolong our recent excellent record of cost and price stability. The consumer also has his responsibilities through his spending and saving decisions. Millions of Americans can contribute to the Government's efforts in a personal way by investing at least part of their savings in United States savings bonds.

Moreover, it must be kept in mind that the success of our efforts to maintain a sound dollar is not only important domestically, but it is also important in the international posture we present to other nations. The United States is the banker for the entire Free World. If we are to merit the continued confidence of other nations in the soundness of the American dollar -- confidence upon which much of the international payments mechanism of the entire Free World is based -- we must continue to so handle our financial affairs that foreign holders know their balances here are fully useable in practice and fully safe in principal.

Certainly a basic factor in stemming the gold outflow and reducing the balance of payments deficit from the high levels prevailing in 1958-60, on which my predecessor has worked so relentlessly and effectively, has been a restoration of confidence in the dollar abroad as a result of this country's maintenance of price and cost stability. I know, too, the special interest with which our friends in other industrialized countries follow our financing programs, because of the implications of these programs for price stability. So, the success with which you carry forward your campaigns will make a basic contribution to resolving our international problems, as well as to sound financing at home.

There are, of course, many facets to this international balance of payments problem which, unfortunately, is still very much with us. While much has been done, much still remains to be done to eliminate the deficit. We have learned that it is not an easy problem with which to deal -- progress has too often been interrupted -- and we cannot be satisfied until equilibrium is restored.

There are solid grounds for satisfaction. Our commercial exports reached a new record in 1964, rising \$4.3 billion or 25 percent over the levels of 1960. To be sure, imports have also risen, but less than might have been expected given the growth

NOTE: Figures for 1964, seasonally adjusted annual rates on just three quarters.

of our economy. As a result, our commercial trade surplus increased to \$3.6 billion. And, with investment income rising steadily, our balance on all commercial goods and services has risen to \$6.8 billion, a gain of \$2.4 billion from the 1960 level.

At the same time, we have cut the net outflow of dollars in our defense and military programs by some \$0.7 billion. Taking these two major components of our accounts together, savings since 1960 have been almost as large as the total deficit in 1960.

The difficulty, of course, is that these gains have been partly offset by rising capital outflows. Developments in that area reflect, of course, a great many influences. In some part, for instance, rising capital outflows are a counterpart of our improved export performance.

At times, outflows of liquid funds have been induced by interest rate differentials, although we have been successful in recent years in minimizing those incentives. More important have been continuing structural imbalances in the size and efficiency of capital markets among the developed countries, as well as a tendency for controls and restrictions to linger on in some potentially important foreign markets.

I cite these problems in the capital area not to imply that the full burden of the remaining adjustment should fall in that area, but to emphasize the complexity of the influences on the balance of payments and the need for a coordinated attack on all parts of that problem. This attack has included some direct and selective measures that, however, necessary today, we would not want to use as permanent policy instruments. That is true, for instance, of our tying of aid and the Interest Equalization Tax.

We cannot relax until our accounts are in equilibrium and we can dispense with these measures that in some degree might conflict with longer range goals of freer trade and payments. And this brings me back to where I started -- the critical importance of cost and price stability and sound financial policies.

In this effort on all fronts to protect the value and integrity of the American dollar, I cannot stress too emphatically the integral place which is filled in this panorama by the savings bond program on which we are focusing our attention here today. A vigorous payroll savings drive throughout industry

and business will make it possible for the Treasury to finance a part of the Federal Government's borrowing needs through the voluntary savings of millions of American people. That will provide one of the most effective direct avenues for each American to make his individual contribution toward the same objectives that I have mentioned for the various arms of Government and for the business and financial communities.

It is because of the crucial significance of this voluntary program that I hope you will find your new assignment both satisfying and challenging. We are placing on you a major portion of our hope for the success of this year's "Star-Spangled Savings" campaign.

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January 12, 1965

RESULTS OF TREASURY'S OFFER OF ADDITIONAL  
 \$1-3/4 BILLION IN JUNE TAX BILLS

The Treasury Department announced last evening that the tenders for an additional \$1,750,000,000, or thereabouts, of the Tax Anticipation Series Treasury bills dated November 24, 1964, and to mature June 22, 1965, were opened at the Federal Reserve Bar on January 12. The additional amount of bills, which were offered on January 6, will be issued January 18 (155 days to maturity date).

The details of this issue are as follows:

Total applied for - \$4,037,167,000  
 Total accepted - 1,750,567,000 (includes \$233,367,000 entered on a noncompetitive basis and accepted in full at the average price shown below)

Range of accepted competitive bids: (Excepting 2 tenders totaling \$5,700,000)

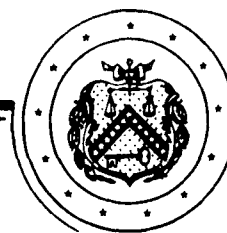
High	- 98.411	Equivalent rate of discount approx.	3.691%	per annum
Low	- 98.399	" " " " " "	3.718%	" "
Average	- 98.402	" " " " " "	3.711%	" "

(26% of the amount bid for at the low price was accepted)

<u>Federal Reserve District</u>	<u>Total Applied For</u>	<u>Total Accepted</u>
Boston	\$ 184,476,000	\$ 137,876,000
New York	1,669,140,000	379,698,000
Philadelphia	115,754,000	46,274,000
Cleveland	255,981,000	75,861,000
Richmond	62,040,000	54,040,000
Atlanta	121,515,000	75,215,000
Chicago	478,134,000	257,914,000
St. Louis	65,580,000	55,980,000
Minneapolis	104,705,000	29,605,000
Kansas City	69,072,000	42,832,000
Dallas	300,895,000	103,285,000
San Francisco	609,875,000	491,987,000
<b>TOTAL</b>	<b>\$4,037,167,000</b>	<b>\$1,750,567,000</b>

1/ On a coupon issue of the same length and for the same amount invested, the return these bills would provide a yield of 3.82%. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills paid at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period with semiannual compounding if more than one coupon period is involved.

# TREASURY DEPARTMENT



WASHINGTON, D. C.

FOR RELEASE A. M. NEWSPAPERS,  
Wednesday, January 13, 1965.

January 12, 1965

## RESULTS OF TREASURY'S OFFER OF ADDITIONAL \$1-3/4 BILLION IN JUNE TAX BILLS

The Treasury Department announced last evening that the tenders for an additional \$1,750,000,000, or thereabouts, of the Tax Anticipation Series Treasury bills dated November 24, 1964, and to mature June 22, 1965, were opened at the Federal Reserve Banks on January 12. The additional amount of bills, which were offered on January 6, will be issued January 18 (155 days to maturity date).

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Average	-	98.402	" " " " " "	3.711%	" "		<u>1/</u>

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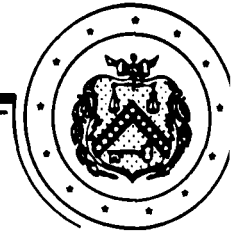
<u>Federal Reserve District</u>	<u>Total Applied For</u>	<u>Total Accepted</u>
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New York	1,669,140,000	379,698,000
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Cleveland	255,981,000	75,861,000
Richmond	62,040,000	54,040,000
Atlanta	121,515,000	75,215,000
Chicago	478,134,000	257,914,000
St. Louis	65,580,000	55,980,000
Minneapolis	104,705,000	23,805,000
Kansas City	69,072,000	42,832,000
Dallas	300,695,000	103,285,000
San Francisco	607,415,000	441,987,000
<b>TOTAL</b>	<b>\$4,037,167,000</b>	<b>\$1,750,567,000</b>

On a coupon issue of the same length and for the same amount invested, the return on these bills would provide a yield of 3.82%. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.



# TREASURY DEPARTMENT

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WASHINGTON, D.C.

January 12, 1965

FOR IMMEDIATE RELEASE

TREASURY MARKET TRANSACTIONS IN DECEMBER

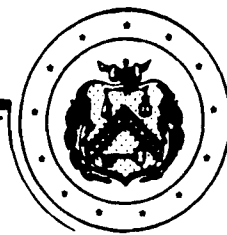
During December 1964, market transactions in direct and guaranteed securities of the government for Treasury investment and other accounts resulted in net purchases by the Treasury Department of \$116,773,000.00.

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D-1464

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

January 12, 1965

FOR IMMEDIATE RELEASE

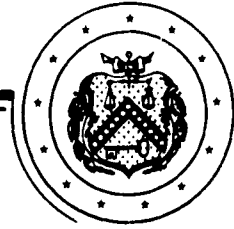
TREASURY MARKET TRANSACTIONS IN DECEMBER

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D-1464

# TREASURY DEPARTMENT



WASHINGTON, D.C.

FOR IMMEDIATE RELEASE

January 12, 1965

## PRELIMINARY RESULTS OF TREASURY'S ADVANCE REFUNDING

The Treasury Department today announced its satisfaction with the response to its advance refunding offer. About \$8,996 million of public holdings were exchanged for the three offered issues, 40.7% of the total of \$22,124 million of the eligible issues held by the public. In addition, official accounts, which held \$10,952 million of the eligible securities, subscribed for \$702 million.

The large public subscription for the new issues, and particularly for the 4-1/4% bonds of 1987-92, gives impressive evidence of investors' willingness to extend the maturity of their holdings into longer-term securities. Their action reflects the basic confidence in the stability of the long-term market that arises from the continuing large flow of funds seeking investment opportunities. The large public subscription also will reduce and accordingly facilitate the Treasury's refunding tasks in the next three years. The Treasury will have sufficient flexibility in its cash needs and refinancing opportunities, however, to supply whatever volume of Treasury bills that may be needed to maintain a reasonable international relationship among short-term interest rates.

Subscriptions from the public include \$4,028 million for the 4% bonds of 1970, \$2,787 million for the 4-1/8% bonds of 1974, and \$2,181 million for the 4-1/4% bonds of 1987-92. Subscriptions from official accounts include \$322 million for the 4% bonds of 1970, \$325 million for the 4-1/8% bonds of 1974, and \$55 million for the 4-1/4% 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				Total unexchanged
		4% Bonds 1970	4-1/8% Bonds 1974	4-1/4% Bonds 1987-92	Total	
Securities	Amounts					
2-5/8% bonds, 1965	\$ 3,976	\$ 672	\$ 508	\$ 628	\$1,808	\$ 2,168
3-1/2% notes, B-1965	2,954	637	415	282	1,334	1,620
4% notes, E-1965	8,560	175	154	145	474	8,086
3-5/8% notes, B-1966	3,260	583	320	144	1,047	2,213
3-7/8% notes, C-1966	4,040	367	403	660	1,430	2,610
3-3/4% bonds, 1966	2,250	306	117	120	543	1,707
3-3/4% notes, A-1967	4,433	895	457	137	1,489	2,944
3-5/8% bonds, 1967	3,604	715	738	120	1,573	2,031
<b>Total</b>	<b>\$33,077</b>	<b>\$4,350</b>	<b>\$3,112</b>	<b>\$2,236</b>	<b>\$9,698</b>	<b>\$23,379</b>

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

TREASURY DEPARTMENT  
Washington, D. C.

IMMEDIATE RELEASE

THURSDAY, JANUARY 14, 1965

D-1466

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, :January 11, 1965:	Established : Quota	Imports :May 29, 1964, :January 11, 1965:
	(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	120
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	397
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	-	-	-	-
	<u>800,000</u>	<u>795,000</u>	<u>4,000,000</u>	<u>3,815,517</u>

TREASURY DEPARTMENT  
Washington, D. C.

IMMEDIATE RELEASE

THURSDAY, JANUARY 14, 1965

D-1466

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, :January 11, 1965:	Established Quota	Imports :May 29, 1964, :January 11, 1965
	(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	120
Australia	-	-	1,000	-
Germany	100	-	5,000	-
Syria	100	-	5,000	397
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	-	-	-
Brasil	100	-	-	-
Union of Soviet Socialist Republics	100	-	-	-
Belgium	100	-	-	-
Other foreign countries or areas	-	-	-	-
	<u>800,000</u>	<u>795,000</u>	<u>4,000,000</u>	<u>3,815,517</u>

TREASURY DEPARTMENT  
Washington, D. C.

D-1467

IMMEDIATE RELEASE

THURSDAY, JAN. 14, 1965

PRELIMINARY DATA ON IMPORTS FOR CONSUMPTION OF UNMANUFACTURED LEAD AND ZINC CHARGEABLE TO THE QUOTAS ESTABLISHED BY PRESIDENTIAL PROCLAMATION NO. 3257 OF SEPTEMBER 22, 1958, AS MODIFIED BY THE TARIFF SCHEDULES OF THE UNITED STATES, WHICH BECAME EFFECTIVE AUGUST 31, 1963.

QUARTERLY QUOTA PERIOD - October 1, 1964 - December 31, 1964

IMPORTS - October 1, 1964 - December 31, 1964

Country of Production	ITEM 925.01*		ITEM 925.03*		ITEM 925.02*		ITEM 925.04*	
	Lead-bearing ores and materials	Imports	Unwrought lead and lead waste and scrap	Imports	Zinc-bearing ores and materials	Imports	Unwrought zinc (except alloys of zinc and zinc dust) and zinc waste and scrap	Imports
	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	6,422,440
Bolivia	5,040,000	3,952,137	-	-	-	-	-	-
Canada	13,440,000	10,708,438	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	36,875,799	70,480,000	51,900,859	6,320,000	6,320,000
Peru	16,160,000	16,160,000	12,880,000	12,879,982	35,120,000	35,120,000	3,760,000	3,759,911
Republic of the Congo (formerly Belgian Congo)	-	-	-	-	-	-	5,440,000	5,438,8
*Un. So. Africa	14,880,000	14,880,000	-	-	-	-	-	-
Yugoslavia	-	-	15,760,000	15,760,000	-	-	-	-
All other countries (total)	6,560,000	3,870,952	6,080,000	4,059,440	17,840,000	17,840,000	6,080,000	6,077,868

\*See Part 2, Appendix to Tariff Schedules.

\*\*Republic of South Africa.

TREASURY DEPARTMENT  
Washington, D. C.

D-1467

IMMEDIATE RELEASE

THURSDAY, JAN. 14, 1965

PRELIMINARY DATA ON IMPORTS FOR CONSUMPTION OF UNMANUFACTURED LEAD AND ZINC CHARGEABLE TO THE QUOTAS ESTABLISHED BY PRESIDENTIAL PROCLAMATION NO. 3257 OF SEPTEMBER 22, 1958, AS MODIFIED BY THE TARIFF SCHEDULES OF THE UNITED STATES, WHICH BECAME EFFECTIVE AUGUST 31, 1963.

QUARTERLY QUOTA PERIOD - October 1, 1964 - December 31, 1964

IMPORTS - October 1, 1964 - December 31, 1964

Country of Production	ITEM 925.01*		ITEM 925.03*		ITEM 925.02*		ITEM 925.04*	
	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	1,220,000	22,540,000	22,540,000	-	-	-	-
Belgium and Luxembourg (total)	-	-	-	-	-	-	7,520,000	6,422,440
Bolivia	5,040,000	3,952,137	-	-	-	-	-	-
Canada	13,440,000	10,708,438	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	36,875,799	70,480,000	51,900,859	6,320,000	6,320,000
Peru	16,160,000	16,160,000	12,880,000	12,879,982	35,120,000	35,120,000	3,760,000	3,759,915
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	3,870,952	6,080,000	4,059,440	17,840,000	17,840,000	6,080,000	6,077,868

\*See Part 2, Appendix to Tariff Schedules.  
\*\*Republic of South Africa.

PREPARED IN THE BUREAU OF CUSTOMS

FOR IMMEDIATE RELEASE  
 THURSDAY, JANUARY 14, 1965

TREASURY DEPARTMENT  
 Washington, D. C.

D-1468

PRELIMINARY DATA ON IMPORTS FOR CONSUMPTION OF UNMANUFACTURED LEAD AND ZINC CHARGEABLE TO THE QUOTAS ESTABLISHED BY PRESIDENTIAL PROCLAMATION NO. 3257 OF SEPTEMBER 22, 1958, AS MODIFIED BY THE TARIFF SCHEDULES OF THE UNITED STATES, WHICH BECAME EFFECTIVE AUGUST 31, 1963.

QUARTERLY QUOTA PERIOD - January 1, 1965 - March 31, 1965

IMPORTS - January 1, 1965 - January 8, 1965 (or as noted)

Country of Production	ITEM 925.01*		ITEM 925.03*		ITEM 925.02*		ITEM 925.04*	
	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	70,624	-	-	-	-
Belgium and Luxemburg (total)	-	-	-	-	-	-	7,520,000	***924,032
Bolivia	5,040,000	***8,417	-	-	-	-	-	-
Canada	13,440,000	***155,186	15,920,000	1,569,918	66,480,000	66,480,000	37,840,000	5,299,298
Italy	-	-	-	-	-	-	3,600,000	***1,722,414
Mexico	-	-	36,880,000	2,353,564	70,480,000	3,178,688	6,320,000	4
Peru	16,160,000	16,160,000	12,880,000	-	35,120,000	5,902,000	3,760,000	1,699,50
Republic of the Congo (formerly Belgian Congo)	-	-	-	-	-	-	5,440,000	-
**Un. So. Africa	14,880,000	***7,440,000	-	-	-	-	-	-
Yugoslavia	-	-	15,760,000	***27,622	-	-	-	-
All other countries (total)	6,560,000	***1,034,988	6,080,000	***2,708,809	17,840,000	***13,043,375	6,080,000	***3,936,670

\*See Part 2, Appendix to Tariff Schedules.

\*\*Republic of South Africa.

\*\*\*Imports as of January 11, 1965.

PREPARED IN THE BUREAU OF CUSTOMS



FOR IMMEDIATE RELEASE  
 THURSDAY, JANUARY 14, 1965

TREASURY DEPARTMENT  
 Washington, D. C.

D-1468

PRELIMINARY DATA ON IMPORTS FOR CONSUMPTION OF UNMANUFACTURED LEAD AND ZINC CHARGEABLE TO THE QUOTAS ESTABLISHED BY PRESIDENTIAL PROCLAMATION NO. 3257 OF SEPTEMBER 22, 1958, AS MODIFIED BY THE TARIFF SCHEDULES OF THE UNITED STATES, WHICH BECAME EFFECTIVE AUGUST 31, 1963.

QUARTERLY QUOTA PERIOD - January 1, 1965 - March 31, 1965

IMPORTS - January 1, 1965 - January 8, 1965 (or as noted)

Country of Production	ITEM 925.01*		ITEM 925.03*		ITEM 925.02*		ITEM 925.04*	
	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	70,624	-	-	-	-
Belgium and Luxemburg (total)	-	-	-	-	-	-	7,520,000	***924,032
Bolivia	5,040,000	***8,417	-	-	-	-	-	-
Canada	13,440,000	***155,186	15,920,000	1,569,918	66,480,000	66,480,000	37,840,000	5,299,298
Italy	-	-	-	-	-	-	3,600,000	***1,722,414
Mexico	-	-	36,880,000	2,353,564	70,480,000	3,178,688	6,320,000	-
Peru	16,160,000	16,160,000	12,880,000	-	35,120,000	5,902,000	3,760,000	1,699,588
Republic of the Congo (formerly Belgian Congo)	-	-	-	-	-	-	5,440,000	-
**Un. So. Africa	14,980,000	***7,440,000	-	-	-	-	-	-
Yugoslavia	-	-	15,760,000	***27,622	-	-	-	-
All other countries (total)	6,560,000	***1,034,988	6,080,000	***2,708,809	17,840,000	***13,043,375	6,080,000	***3,936,670

\*See Part 2, Appendix to Tariff Schedules.  
 \*\*Republic of South Africa.  
 \*\*\*Imports as of January 11, 1965.

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, 1964, to : Jan. 11, 1965	: Established : : 33-1/3% of : : Total Quota :	Imports : Sept. 20, 1964 : to Jan. 11, 1965	<u>1/</u>
United Kingdom.....	4,323,457	11,713	1,441,152	-	-
Canada.....	239,690	239,393	-	-	-
France.....	227,420	-	75,807	-	-
India and Pakistan.....	69,627	43,264	-	-	-
Netherlands.....	68,240	-	22,747	-	-
Switzerland.....	44,388	-	14,796	-	-
Belgium.....	38,559	-	12,853	-	-
Japan.....	341,535	-	-	-	-
China.....	17,322	-	-	-	-
Egypt.....	8,135	-	-	-	-
Cuba.....	6,544	-	-	-	-
Germany.....	76,329	25,425	25,443	-	-
Italy.....	21,263	-	7,088	-	-
Other, including the U. S.	-	-	-	-	-
	5,482,509	319,795	1,599,886	-	-

1/ Included in total imports, column 2.

TREASURY DEPARTMENT  
Washington, D. C.

IMMEDIATE RELEASE

THURSDAY, JANUARY 14, 1965

D-1469

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, 1964 - January 11, 1965

<u>Country of Origin</u>	<u>Established Quota</u>	<u>Imports</u>	<u>Country of Origin</u>	<u>Established Quota</u>	<u>Imports</u>
Egypt and Sudan.....	783,816	-	Honduras.....	752	-
Peru.....	247,952	25,484	Paraguay.....	871	-
India and Pakistan.....	2,003,483	-	Colombia.....	124	-
China.....	1,370,791	-	Iraq.....	195	-
Mexico.....	8,883,259	1,785,924	British East Africa.....	2,240	-
Brazil.....	618,723	-	Indonesia and Netherlands		
Union of Soviet			New Guinea.....	71,388	-
Socialist Republics.....	475,124	-	British W. Indies.....	21,321	-
Argentina.....	5,203	-	Nigeria.....	5,377	-
Haiti.....	237	-	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, 1964 - January 11, 1965

<u>Staple Length</u>	<u>Allocation</u>	<u>Imports</u>
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	9,665
1-1/8" or more and under		

TREASURY DEPARTMENT  
Washington, D. C.

IMMEDIATE RELEASE

THURSDAY, JANUARY 14, 1965

D-1469

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, 1964 - January 11, 1965

<u>Country of Origin</u>	<u>Established Quota</u>	<u>Imports</u>	<u>Country of Origin</u>	<u>Established Quota</u>	<u>Imports</u>
Egypt and Sudan.....	783,816	-	Honduras.....	752	
Peru.....	247,952	25,484	Paraguay.....	871	
India and Pakistan.....	2,003,483	-	Colombia.....	124	
China.....	1,370,791	-	Iraq.....	195	
Mexico.....	8,883,259	1,785,924	British East Africa.....	2,240	
Brazil.....	618,723	-	Indonesia and Netherlands		
Union of Soviet Socialist Republics.....	475,124	-	1/ New Guinea.....	71,388	
Argentina.....	5,203	-	British W. Indies.....	21,321	
Haiti.....	237	-	2/ Nigeria.....	5,377	
Ecuador.....	9,333	-	2/ British W. Africa.....	16,004	
			Other, including the U.S....	-	

1/ Except Barbados, Bermuda, Jamaica, Trinidad, and Tobago.

2/ Except Nigeria and Ghana.

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

Imports August 1, 1964 - January 11, 1965

<u>Staple Length</u>	<u>Allocation</u>	<u>Imports</u>
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	9,665
1-1/8" or more and under		
1-3/8"	4,565,642	2,148,733

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, 1964, to : : Jan. 11, 1965 :	: Established : : 33-1/3% of : : Total Quota :	: Imports : : Sept. 20, 1964 : to Jan. 11, 1965	<u>1/</u>
United Kingdom.....	4,323,457	11,713	1,441,152	-	-
Canada.....	239,690	239,393	-	-	-
France.....	227,420	-	75,807	-	-
India and Pakistan.....	69,627	43,264	-	-	-
Netherlands.....	68,240	-	22,747	-	-
Switzerland.....	44,388	-	14,796	-	-
Belgium.....	38,559	-	12,853	-	-
Japan.....	341,535	-	-	-	-
China.....	17,322	-	-	-	-
Egypt.....	8,135	-	-	-	-
Cuba.....	6,544	-	-	-	-
Germany.....	76,329	25,425	25,443	-	-
Italy.....	21,263	-	7,088	-	-
Other, including the U. S.	-	-	-	-	-
	5,482,509	319,795	1,599,886	-	-

1/ Included in total imports, column 2.

Prepared in the Bureau of Customs.

TREASURY DEPARTMENT  
WASHINGTON

IMMEDIATE RELEASE

THURSDAY, JANUARY 14, 1965

D-1470

The Bureau of Customs has announced the following preliminary figures showing the imports for consumption from January 1, 1964, to December 31, 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 December 31, 1964
Buttons .....	680,000	Gross	274,648
Cigars .....	160,000,000	Number	13,579,564
Coconut oil ...	358,400,000	Pound	Quota Filled
Cordage .....	6,000,000	Pound	Quota Filled
Tobacco .....	5,200,000	Pound	5,184,939

TREASURY DEPARTMENT  
WASHINGTON

IMMEDIATE RELEASE

THURSDAY, JANUARY 14, 1965

D-1470

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Cordage .....	6,000,000	Pound	Quota Filled
Tobacco .....	5,200,000	Pound	5,184,939

Commodity	:	Period and Quantity	:	Unit of Quantity	:	Imports as of Dec. 31, 196
<u>Absolute Quotas:</u>						
Butter substitutes contain- ing over 45% of butterfat, and butter oil.....		Calendar Year 1964	1,200,000	Pound		Quota Filled
		Calendar Year 1965	1,200,000	Pound		Quota Filled
Fibers of Cotton processed but not spun .....		12 mos. from Sept. 11, 1964	1,000	Pound		
Peanuts, shelled or not shelled, blanched, or otherwise prepared or preserved (except peanut butter) .....		12 mos. from August 1, 1964	1,709,000	Pound		Quota Filled

\*Filled January 4, 1965.



TREASURY DEPARTMENT  
Washington

IMMEDIATE RELEASE  
THURSDAY, JANUARY 14, 1965

D-1471

The Bureau of Customs announced today preliminary figures on imports for consumption of the following commodities from the beginning of the respective quota periods through December 31, 1964:

Commodity	Period and Quantity	Unit of Quantity	Imports as of Dec. 31, 1964
<u>Tariff-Rate Quotas:</u>			
Cream, fresh or sour .....	Calendar Year	1,500,000 Gallon	1,009,502
Whole Milk, fresh or sour ...	Calendar Year	3,000,000 Gallon	51
Cattle, 700 lbs. or more each (other than dairy cows) ...	Oct. 1, 1964 - Dec. 31, 1964	120,000 Head	23,415
Cattle less than 200 lbs. each	12 mos. from April 1, 1964	200,000 Head	53,500
Fish, fresh or frozen, fil- leted, etc., cod, haddock, hake, pollock, cusk, and rosefish .....	Calendar Year	24,861,670 Pound	Quota Filled
Tuna Fish .....	Calendar Year	60,911,870 Pound	52,930,980
White or Irish potatoes:			
Certified seed .....	12 mos. from	114,000,000 Pound	73,139,730
Other .....	Sept. 15, 1964	45,000,000 Pound	Quota Filled
Knives, forks, and spoons with stainless steel handles	Nov. 1, 1964 - Oct. 31, 1965	69,000,000 Pieces	41,673,920

TREASURY DEPARTMENT  
Washington

IMMEDIATE RELEASE  
THURSDAY, JANUARY 14, 1965

D-1471

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Cattle, 700 lbs. or more each (other than dairy cows) ...	Oct. 1, 1964 - Dec. 31, 1964	120,000 Head	23,415
Cattle less than 200 lbs. each	12 mos. from April 1, 1964	200,000 Head	53,506
Fish, fresh or frozen, fil- leted, etc., cod, haddock, hake, pollock, cusk, and roselish .....	Calendar Year	24,861,670 Pound	Quota Filled
Tuna Fish .....	Calendar Year	60,911,870 Pound	52,930,989
White or Irish potatoes:			
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Knives, forks, and spoons with stainless steel handles	Nov. 1, 1964 - Oct. 31, 1965	69,000,000 Pieces	41,673,920

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<u>Absolute Quotas:</u>				
Butter substitutes containing over 45% of butterfat, and butter oil.....	Calendar Year 1964	1,200,000	Pound	Quota Filled
	Calendar Year 1965	1,200,000	Pound	Quota Filled
Fibers of Cotton processed but not spun .....	12 mos. from Sept. 11, 1964	1,000	Pound	-
Peanuts, shelled or not shelled, blanched, or otherwise prepared or preserved (except peanut butter) .....	12 mos. from August 1, 1964	1,709,000	Pound	Quota Filled

\*Filled January 4, 1965.

BETTER 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.

~~BICA~~ ~~MODIFIED~~

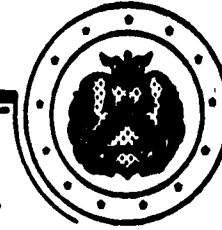
decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

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 each issue 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 for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Banks on January 21,  
1965, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 21, 1965. Cash



# TREASURY DEPARTMENT



WASHINGTON, D.C.

January 13, 1965

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 \$2,200,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing January 21, 1965, in the amount of \$2,102,744,000, as follows:

91-day bills (to maturity date) to be issued January 21, 1965, in the amount of \$1,200,000,000, or thereabouts, representing an additional amount of bills dated October 22, 1964, and to mature April 22, 1965, originally issued in the amount of \$1,000,769,000, the additional and original bills to be freely interchangeable.

182-day bills, for \$1,000,000,000, or thereabouts, to be dated January 21, 1965, and to mature July 22, 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 Standard time, Monday, January 18, 1965. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

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

Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for each issue 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 for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Banks on January 21, 1965, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 21, 1965. 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.



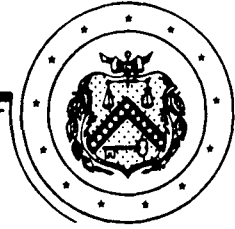
## TREASURY ANNOUNCES INCREASE IN WEEKLY BILL OFFERING

The Treasury announced today that in the coming weeks it expects to increase the amount of regular weekly Treasury bills to be auctioned by \$100 million over the \$2.1 billion maturing amounts. The first such increase will be in the bills to be auctioned on Monday, January 18th.

The Treasury will be offering \$1.2 billion of three-month bills and \$1.0 billion of six-month bills. The larger offerings will be helpful in counteracting a technical shortage of shorter-term bills in the market, in maintaining international short-term interest rate relationships, and in covering some of the Treasury's remaining first-quarter cash needs.

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

January 13, 1965

FOR IMMEDIATE RELEASE

## TREASURY ANNOUNCES INCREASE IN WEEKLY BILL OFFERING

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D-1473

FOR IMMEDIATE RELEASE

January 15, 1965

PAYMENT OF FINAL INTEREST ON REGISTERED TREASURY SECURITIES

on February 15th, the Treasury said today.

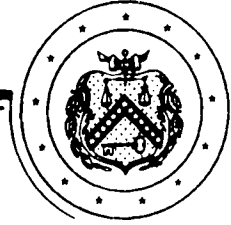
The revised regulations were published on December 30, 1964, and will speed up payments of final interest and result in a uniform method covering periodic interest payments of registered Treasury securities.

~~The Treasury today called attention to a recent change in its regulations covering payment of the final installment of interest on its registered securities. The change will speed up payments of final interest and result in a uniform method covering periodic interest payments of registered Treasury securities.~~

Heretofore the final interest payment on these securities has been paid with the principal instead of by separate check as was the case with prior interest payments. The final interest installment will be paid under the new regulations by Treasury check in the same manner as all earlier interest installments have been paid: that is, it will be paid on the maturity date by check payable to the holder.

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

January 15, 1965

FOR IMMEDIATE RELEASE

## PAYMENT OF FINAL INTEREST ON REGISTERED TREASURY SECURITIES

A change in the method of making final interest payments on all the Treasury's registered marketable securities will become effective for the first time on the 2-5/8% bonds remaining for redemption on February 15th, the Treasury said today.

The revised regulations were published on December 30, 1964, and will speed up payments of final interest and result in a uniform method covering periodic interest payments of registered Treasury securities.

Heretofore the final interest payment on these securities has been paid with the principal instead of by separate check as was the case with prior interest payments. The final interest installment will be paid under the new regulations by Treasury check in the same manner as all earlier interest installments have been paid: that is, it will be paid on the maturity date by check payable to the holder of record on the Department's books at the close of business one full month prior to that date.

This means that purchasers of registered securities during the month preceding maturity will no longer receive the final interest payment. Accordingly, purchases during the month preceding maturity will involve adjustments on account of accrued interest just as adjustments have been necessary on purchases of registered securities during the final month of any other interest period.

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D-1474

January 18, 1965

RESULTS OF TREASURY'S WEEKLY BILL OFFERING

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated October 22, 1964, and the other series to be dated January 21, 1965, which were offered on January 13 were opened at the Federal Reserve banks on January 18. Tenders were invited for \$1,200,000,000, or thereabouts, of 91-day bills and for \$1,000,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing April 22, 1965		:	182-day Treasury bills maturing July 22, 1965	
	Price	Approx. Equiv. Annual Rate		Price	Approx. Equiv. Annual Rate
High	99.038	3.806%	:	98.000	3.956%
Low	99.031	3.833%	:	97.997	3.962%
Average	99.034	3.821% <sup>1/</sup>	:	97.998	3.960% <sup>1/</sup>

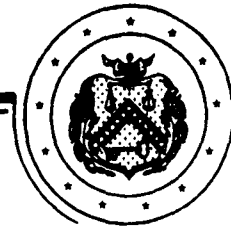
65% of the amount of 91-day bills bid for at the low price was accepted  
 9% of the amount of 182-day bills bid for at the low price was accepted

TOTAL TENDERS APPLIED FOR AND ACCEPTED BY FEDERAL RESERVE DISTRICTS:

District	Applied For	Accepted	:	Applied For	Accepted
Boston	\$ 15,349,000	\$ 15,349,000	:	\$ 36,640,000	\$ 21,640,000
New York	1,500,906,000	791,456,000	:	1,757,891,000	701,994,000
Philadelphia	26,160,000	16,160,000	:	16,461,000	4,690,000
Cleveland	26,479,000	26,479,000	:	63,746,000	33,746,000
Richmond	12,274,000	12,274,000	:	17,827,000	4,667,000
Atlanta	42,076,000	37,139,000	:	20,418,000	11,843,000
Chicago	273,254,000	132,879,000	:	341,336,000	119,584,000
St. Louis	34,619,000	32,919,000	:	14,464,000	12,064,000
Minneapolis	22,658,000	18,858,000	:	8,075,000	4,724,000
Kansas City	27,264,000	26,264,000	:	16,858,000	11,523,000
Dallas	27,699,000	22,349,000	:	16,566,000	6,656,000
San Francisco	84,591,000	68,116,000	:	164,002,000	67,895,000
TOTALS	\$2,099,429,000	\$1,200,242,000 <sup>a/</sup>	:	\$2,474,988,000	\$1,001,026,000

<sup>a/</sup> Includes \$260,232,000 noncompetitive tenders accepted at the average price of 99.03  
<sup>b/</sup> Includes \$98,030,000 noncompetitive tenders accepted at the average price of 97.997  
<sup>1/</sup> On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.91%, for the 91-day bills, and 4.10%, 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.

January 18, 1965

FOR RELEASE A.M. NEWSPAPERS  
Tuesday, January 19, 1965

## RESULTS OF TREASURY'S WEEKLY BILL OFFERING

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated October 22, 1964, and the other series to be dated January 21, 1965, which were offered on January 13 were opened at the Federal Reserve Banks on January 18. Tenders were invited for \$1,200,000,000, or thereabouts, of 91-day bills and for \$1,000,000,000, or thereabouts, of 182-day bills. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing April 22, 1965		:	182-day Treasury bills maturing July 22, 1965	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.038	3.806%	:	98.000	3.956%
Low	99.031	3.833%	:	97.997	3.962%
Average	99.034	3.821% <u>1/</u>	:	97.998	3.960% <u>1/</u>

65% of the amount of 91-day bills bid for at the low price was accepted  
9% 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	\$ 15,349,000	\$ 15,349,000	:	\$ 36,640,000	\$ 21,640,000
New York	1,500,906,000	791,456,000	:	1,757,891,000	701,994,000
Philadelphia	28,160,000	16,160,000	:	16,461,000	4,690,000
Cleveland	26,479,000	26,479,000	:	63,746,000	33,746,000
Richmond	12,274,000	12,274,000	:	17,027,000	4,667,000
Atlanta	42,076,000	37,139,000	:	20,918,000	11,843,000
Chicago	273,254,000	132,879,000	:	341,336,000	119,584,000
St. Louis	38,619,000	32,919,000	:	14,864,000	12,064,000
Minneapolis	22,658,000	18,858,000	:	8,679,000	4,724,000
Kansas City	27,264,000	26,264,000	:	16,858,000	11,523,000
Dallas	27,699,000	22,349,000	:	16,566,000	6,656,000
San Francisco	84,691,000	68,116,000	:	164,002,000	67,895,000
<b>TOTALS</b>	<b>\$2,099,429,000</b>	<b>\$1,200,242,000</b> <u>a/</u>		<b>\$2,474,988,000</b>	<b>\$1,001,026,000</b> <u>b/</u>

Includes \$260,232,000 noncompetitive tenders accepted at the average price of 99.034  
Includes \$98,030,000 noncompetitive tenders accepted at the average price of 97.998  
On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.91%, for the 91-day bills, and 4.10%, 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.

The Bureau of Accounts is responsible for a variety of central financial services concerned with accounting for and disbursing of federal funds and for reporting these and other financial activities of the Federal government, including the "Annual Report of the Secretary of the Treasury on the State of the Finances," and the "Monthly Statement of Receipts and Expenditures."

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program. Mr. Sokol has been the recipient of the Department of the Army's Meritorious Civilian Service Award and the Treasury Department's Meritorious Service and Exceptional Service Awards.

Mr. Sokol is a native of New York City and a graduate of the College of the City of New York. He married the former Evelyn Gold. They have one daughter, and reside at 7777 Maple Avenue, Takoma Park Maryland.

In December, 1964 Treasury Secretary Douglas Dillon presented the Treasury's Exceptional Service Award to Commissioner Gearhart for his "outstanding contributions" to the total management effort of the Treasury Department. The Secretary praised Commissioner Gearhart for his "top management follow-through, perseverance and day-to-day leadership."



DRAFT RELEASE - RCC - 1/18-65

FOR IMMEDIATE RELEASE

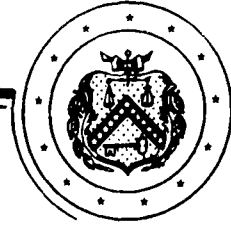
SIDNEY S. SOKOL NAMED  
COMMISSIONER OF ACCOUNTS

The Treasury Department announced today that Mr. Sidney S. Sokol will succeed Mr. Harold R. Gearhart as Commissioner of Accounts of the Treasury. Mr. Gearhart, who has been in his present position since January, 1961, will retire on January 29, after more than 31 years of service for the United States Government.

Mr. Sokol has been Assistant Commissioner of Accounts since January, 1961, and has been in the Federal service since 1935, all with the Treasury Department except for four years with the War Department, Army Service Forces. He has been closely associated with the Joint Financial Management Improvement Program, composed of representatives of the Treasury, Bureau of the Budget and General Accounting Office, and for the last two years has served as the Treasury representative on the steering committee for that

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

January 18, 1965

FOR IMMEDIATE RELEASE

## SIDNEY S. SOKOL NAMED COMMISSIONER OF ACCOUNTS

The Treasury Department announced today that Mr. Sidney S. Sokol will succeed Mr. Harold R. Gearhart as Commissioner of Accounts of the Treasury. Mr. Gearhart, who has been in his present position since January, 1961, will retire on January 29, after more than 31 years of service for the United States Government.

Mr. Sokol has been Assistant Commissioner of Accounts since January, 1961, and has been in the Federal service since 1935, all with the Treasury Department except for four years with the U. S. Army. He has been closely associated with the Joint Financial Management Improvement Program, composed of representatives of the Treasury, Bureau of the Budget and General Accounting Office, and for the last two years has served as the Treasury representative on the steering committee for that program. Mr. Sokol has been the recipient of the Department of the Army's Meritorious Civilian Service Award and the Treasury Department's Meritorious Service and Exceptional Service Awards.

Mr. Sokol is a native of New York City and a graduate of the College of the City of New York. He married the former Evelyn Gold. They have one daughter, and reside at 7777 Maple Avenue, Takoma Park, Maryland.

The Bureau of Accounts is responsible for a variety of central financial services concerned with accounting for and disbursing of federal funds and for reporting these and other financial activities of the Federal Government, including the "Annual Report of the Secretary of the Treasury on the State of the Finances," and the "Monthly Statement of Receipts and Expenditures."

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D-1476

Before a final determination was reached with respect to the question presented, the Government of Canada amended Canadian Order-in-Council P.C. 1963-1/1544 to provide that Canadian duty remissions will not be paid as a result of any exportation from Canada after January 17, 1965.

It is hereby determined that Canadian Order-in-Council P.C. 1963-1/1544 does not now provide for the payment or bestowal, directly or indirectly, of any bounty or grant upon the manufacture or production or export of any article which is imported into the United States.

Commissioner of Customs

Approved:

Assistant Secretary of the Treasury

*2007-11-14  
R. J. ...*

DEPARTMENT OF CUSTOMS  
Bureau of Customs

MOTOR VEHICLES AND MOTOR  
PARTS FROM CANADA

*Determination of Investigation of*  
Suspected Bounty or Grant

A notice was published in the Federal Register of June 3, 1964 (29 F.R. 724) that the Bureau of Customs had received information that Canada had adopted measures, which became effective on November 1, 1963, under which amounts measured by the duties paid on imports into Canada of "motor vehicles and motor vehicle parts" (as described in Canadian Order-in-Council P.C. 1963--1/1544 of October 22, 1963) were to be paid directly or indirectly upon exports to any country of "motor vehicles and motor vehicle parts." Such amounts were to be paid in connection with total exports which exceeded total exports made during the 12 months ending October 31, 1962.

The notice afforded an opportunity for interested persons to present written views on the question whether the foregoing Canadian measures constituted the payment or bestowal of a bounty or grant within the meaning of section 303, Tariff Act of 1930 (19 U.S.C. 1303), upon exports of motor vehicles and motor vehicle parts from Canada. A large number of views and arguments were received in response to the notice.

The Treasury's conclusion ~~XXXX~~ was reached after being advised that the Government of Canada had amended its Order-in-Council to provide that Canadian duty remissions will not be paid as a result of any exportation from Canada after January 17, 1965. The amendment of the Canadian order followed the agreement entered into by the United States and Canada to eliminate tariffs on new automobiles and auto parts signed last Saturday by President Johnson and Prime Minister Lester Pearson at the LBJ Ranch in Texas.

Notice of investigation into the subsidy question raised by the Canadian Remission Plan had been published by the Treasury's Bureau of Customs on June 3, 1964.

The text of the Treasury's notice of determination, which is being published in the Federal Register, is ~~as follows:~~ <sup>*attached.*</sup>

D R A F T - 1/18/65

FOR IMMEDIATE RELEASE

CANADA HALTS REMISSION OF IMPORT DUTIES

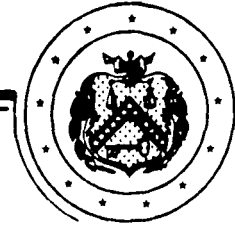
The Treasury Department today announced that it had determined that the Canadian Order-in-Council of October 22, 1963 which provided for remission of customs duties on motor vehicles and motor vehicle parts imported from the United States, does not now provide a subsidy to Canadian companies.

The beneficiaries of the Canadian order have been automobile manufacturers in Canada who have increased their exports, and in consequence have been entitled to the remissions.

If the Treasury had determined that the Canadian order bestowed a grant or bounty within the meaning of U. S. Customs law, countervailing duties would have been imposed by the United States upon Canadian imports. Under the law, countervailing duties cannot be applied retroactively.

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

January 19, 1965

FOR IMMEDIATE RELEASE

## CANADA HALTS REMISSION OF IMPORT DUTIES

The Treasury Department today announced that it had determined that the Canadian Order-in-Council of October 22, 1963, which provided for remission of customs duties on motor vehicles and motor vehicle parts imported from the United States, does not now provide a subsidy to Canadian companies.

The beneficiaries of the Canadian order have been automobile manufacturers in Canada who have increased their exports, and in consequence have been entitled to the remissions.

If the Treasury had determined that the Canadian order bestowed a grant or bounty within the meaning of U. S. Customs law, countervailing duties would have been imposed by the United States upon Canadian imports. Under the law, countervailing duties cannot be applied retroactively.

The Treasury's conclusion was reached after being advised that the Government of Canada had amended its Order-in-Council to provide that Canadian duty remissions will not be paid as a result of any exportation from Canada after January 17, 1965. The amendment of the Canadian order followed the agreement entered into by the United States and Canada to eliminate tariffs on new automobiles and auto parts signed last Saturday by President Johnson and Prime Minister Lester Pearson at the LBJ Ranch in Texas.

Notice of investigation into the subsidy question raised by the Canadian Remission Plan had been published by the Treasury's Bureau of Customs on June 3, 1964.

The text of the Treasury's notice of determination, which is being published in the Federal Register, is attached.

D-1477

DEPARTMENT OF THE TREASURY  
Bureau of Customs

MOTOR VEHICLES AND MOTOR  
PARTS FROM CANADA

Determination with Respect to  
Suspected Bounty or Grant

A notice was published in the Federal Register of June 3, 1964 (29 F.R. 7249) that the Bureau of Customs had received information that Canada had adopted measures, which became effective on November 1, 1963, under which amounts measured by the duties paid on imports into Canada of "motor vehicles and motor vehicle parts" (as described in Canadian Order-in-Council P.C. 1963--1/1544 of October 22, 1963) were to be paid directly or indirectly upon exports to any country of "motor vehicles and motor vehicle parts." Such amounts were to be paid in connection with total exports which exceeded total exports made during the 12 months ending October 31, 1962.

The notice afforded an opportunity for interested persons to present written views on the question whether the foregoing Canadian measures constituted the payment or bestowal of a bounty or grant within the meaning of section 303, Tariff Act of 1930 (19 U.S.C. 1303), upon exports of motor vehicles and motor vehicle parts from Canada. A large number of views and arguments were received in response to the notice.

Before a final determination was reached with respect to the question presented, the Government of Canada amended Canadian Order-in-Council P.C. 1963-1/1544 to provide that Canadian duty remissions will not be paid as a result of any exportation from Canada after January 17, 1965.

It was therefore determined that Canadian Order-in-Council P.C. 1963-1/1544 does not now provide for the payment or bestowal, directly or indirectly, of any bounty or grant upon the manufacture or production or export of any article which is imported into the United States.

Commissioner of Customs

Approved:

Assistant Secretary of the Treasury



~~SECRET~~

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~~  
~~XXXXXXXXXXXX~~

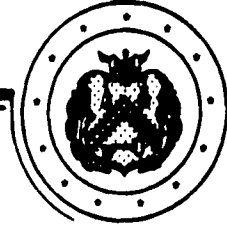
decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

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 each issue 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 for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Banks on January 28,  
1965, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 28, 1965. Cash  
~~(16)~~  
~~(17)~~



# TREASURY DEPARTMENT



WASHINGTON, D. C.

January 19, 1965

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 \$2,200,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing January 28, 1965, in the amount of \$2,102,144,000, as follows:

91-day bills (to maturity date) to be issued January 28, 1965, in the amount of \$1,200,000,000, or thereabouts, representing an additional amount of bills dated October 29, 1964, and to mature April 29, 1965, originally issued in the amount of \$1,002,754,000, the additional and original bills to be freely interchangeable.

182-day bills, for \$1,000,000,000, or thereabouts, to be dated January 28, 1965, and to mature July 29, 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 Standard time, Monday, January 25, 1965. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

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

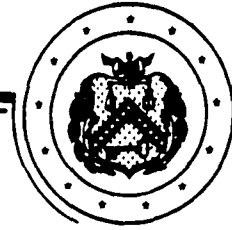
Immediately after the closing hour, tenders will be opened at the Federal Reserve Banks and Branches, following which public announcement will be made by the Treasury Department of the amount and price range of accepted bids. Those submitting tenders will be advised of the acceptance or rejection thereof. The Secretary of the Treasury expressly reserves the right to accept or reject any or all tenders, in whole or in part, and his action in any such respect shall be final. Subject to these reservations, noncompetitive tenders for each issue 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 for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Banks on January 28, 1965, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 28, 1965. 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.

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

January 19, 1965

FOR IMMEDIATE RELEASE

## TREASURY REPORTS ON TAX AND LOAN ACCOUNTS

The Treasury today released a report setting forth the results of its study of Treasury Tax and Loan Accounts made at the request of the Senate Committee on Finance.

The report explains the reasons why the Tax and Loan Account system enables the Secretary of the Treasury to carry out two of his responsibilities: assuring that Treasury operations do not disrupt the money market, and assuring an effective distribution system for Government securities. The report then estimates the value to banks of the balances maintained in Tax and Loan Accounts during calendar year 1963, and the costs of services performed by the banks through which the Government recoups the value of the balances.

Copies of the report are available from the Fiscal Service of the Treasury Department, Room 3458.

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D-1479

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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.

~~XXXXX~~

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 ~~XXXXX~~ stated price from any one bidder will be accepted in full at the average price (in three decimals) of accepted competitive bids. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on February 1, 1965, ~~XXXXX~~ in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 31, 1965. ~~XXXXX~~ 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.

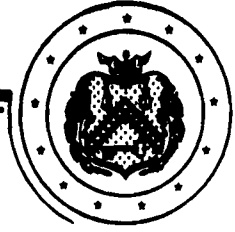
The income derived from Treasury bills, whether interest or gain from the sale or other disposition of the bills, does not have any exemption, as such, and loss from the sale or other disposition of Treasury bills does not have any special treatment, as such, under the Internal Revenue Code of 1954. The bills are subject to estate, inheritance, gift or other excise taxes, whether Federal or State, but





# TREASURY DEPARTMENT

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WASHINGTON, D.C.

January 19, 1965

FOR IMMEDIATE RELEASE

## TREASURY REFUNDS ONE-YEAR BILLS

The Treasury Department, by this public notice, invites tenders for \$1,000,000,000, or thereabouts, of 365-day Treasury bills, for cash and in exchange for Treasury bills maturing January 31, 1965, in the amount of \$1,000,393,000, to be issued on a discount basis under competitive and noncompetitive bidding as hereinafter provided. The bills of this series will be dated January 31, 1965, and will mature January 31, 1966, when the face amount will be payable without interest. They will be issued in bearer form only, and in denominations of \$1,000, \$5,000, \$10,000, \$50,000, \$100,000, \$500,000 and \$1,000,000 (maturity value).

Tenders will be received at Federal Reserve Banks and Branches up to the closing hour, one-thirty p.m., Eastern Standard time, Tuesday, January 26, 1965. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three decimals, e. g., 99.925. Fractions may not be used. (Notwithstanding the fact that these bills will run for 365-days, the discount rate will be computed on a bank discount basis of 360 days, as is currently the practice on all issues of Treasury bills.) It is urged that tenders be made on the printed forms and forwarded in the special envelopes which will be supplied by Federal Reserve Banks or Branches on application therefor.

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

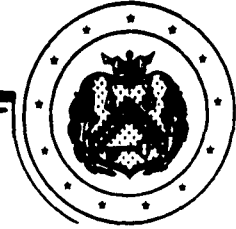
D-1480

range of accepted bids. Those submitting tenders will be advised of 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. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Bank on February 1, 1965, in cash or other immediately available funds or in a like face amount of Treasury bills maturing January 31, 1965. 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.

# TREASURY DEPARTMENT



WASHINGTON, D.C.

FOR IMMEDIATE RELEASE

January 19, 1965

## 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 1970,  
4-1/8% Treasury Bonds of 1974, and  
4-1/4% Treasury Bonds of 1987-92 (reopened issue),

in exchange for:

2-5/8% Treasury Bonds of 1965, due February 15, 1965,  
3-1/2% Treasury Notes of Series B-1965, due November 15, 1965,  
4% Treasury Notes of Series E-1965, due November 15, 1965,  
3-5/8% Treasury Notes of Series B-1966, due February 15, 1966,  
3-7/8% Treasury Notes of Series C-1966, due February 15, 1966,  
3-3/4% Treasury Bonds of 1966, due May 15, 1966,  
3-3/4% Treasury Notes of Series A-1967, due August 15, 1967, and  
3-5/8% Treasury Bonds of 1967, due November 15, 1967.

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

<u>FEDERAL RESERVE DISTRICT</u>	<u>4% BONDS OF 1970</u>	<u>4-1/8% BONDS OF 1974</u>	<u>4-1/4% BONDS OF 1987-92</u>	<u>Total</u>
Boston	\$ 118,135,500	\$ 81,329,500	\$ 52,244,500	\$ 251,709,500
New York	1,841,668,000	1,510,634,000	1,750,680,000	5,102,982,000
Philadelphia	127,168,500	71,606,000	3,550,500	202,325,000
Cleveland	342,731,500	115,873,000	86,569,500	545,174,000
Richmond	110,588,500	55,733,500	17,668,500	183,990,500
Atlanta	151,926,500	60,224,000	1,975,000	214,125,500
Chicago	775,784,000	495,327,000	134,828,000	1,405,939,000
St. Louis	156,309,000	50,798,500	7,857,500	214,965,000
Minneapolis	114,264,500	78,601,000	5,682,000	198,547,500
Kansas City	163,174,000	65,570,500	4,601,500	233,346,000
Dallas	137,627,500	67,731,000	25,121,500	230,480,000
San Francisco	296,065,500	319,433,000	172,868,000	788,366,500
Treasury	43,261,000	128,263,500	3,084,500	174,609,000
<b>Totals</b>	<b>\$4,378,704,000</b>	<b>\$3,101,124,500</b>	<b>\$2,266,731,000</b>	<b>\$9,746,559,500</b>

(OVER)

D-1481

SUMMARY OF AMOUNT AND NUMBER OF SUBSCRIPTIONS BY INVESTOR  
 CLASS RECEIVED IN JANUARY 1965 ADVANCE REFUNDING  
 (Dollar Amounts in Millions)

	4% Bonds of 1970		4-1/8% Bonds of 1974		4-1/4% Bonds of 1987-92		TOTAL	
	Amount	No. Sub.	Amount	No. Sub.	Amount	No. Sub.	Amount	No. Sub.
Individuals <u>1/</u>	\$ 104	5,349	\$ 54	3,646	\$ 10	622	\$ 168	9,617
Commercial Banks (Own account)	2,826	7,309	1,768	3,308	972	235	5,566	10,852
All others <u>2/</u>	<u>1,127</u>	<u>4,113</u>	<u>954</u>	<u>2,552</u>	<u>1,229</u>	<u>714</u>	<u>3,310</u>	<u>7,379</u>
Totals	\$4,057	16,771	\$2,776	9,506	\$2,211	1,571	\$9,044	27,848
Government Accounts	<u>322</u>		<u>325</u>		<u>55</u>		<u>702</u>	
Grand Totals	\$4,379		\$3,101		\$2,266		\$9,746	

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.

servant. This is his third position in Government. He first came to Internal Revenue fresh from school, serving four years in the Legislative and Regulations Division of the Chief Counsel's office. Then, last year President Johnson selected him to return to the Service as Chief Counsel from private practice. During that year he demonstrated his vigorous administrative ability in reorganizing and streamlining the procedures in that office. At the same time he established policies which have speeded up the rulings, regulations and legislative processes, all aimed at the high purpose of providing more equitable administration of the tax laws.

The American taxpayer can be sure that, under the guidance of Commissioner Cohen, the Internal Revenue Service will be administered with competence and judgement.

Of great interest to thousands of executives in the business field who know the value of accounting skill to tax administration is the fact that Sheldon made an outstanding record in this area even before starting his professional career. He majored in accounting in his studies and later successfully passed the CPA examination. His whole academic career has been one of great distinction.

For eight years he was in the private practice of law with two highly respected law firms here in Washington. I know of no other way -- perhaps you could call it the hard way -- of learning how the Internal Revenue regulations actually work from the viewpoint of the taxpayer and the tax lawyer and accountants.

Sheldon is truly an experienced public

imagination and sound experience. Although both may be characterized as young men, they have each had years of sound preparation in the tax field.

Mitchell Rogovin joined the Internal Revenue in 1958 as a trial lawyer in the Chief Counsel's office after four years of legal work as an officer in the United States Marine Corps. In addition to holding a law degree from the University of Virginia, he earned his Master's degree in taxation from Georgetown University.

During the past three years he served as Assistant to the Commissioner and as Chairman of the Council on Tax-Exempt Organizations. He has discharged these and his other legal assignments with great competence.

In Sheldon Cohen President Johnson has appointed a tax lawyer of broad experience both inside and outside government.



~~REVISED~~ REMARKS BY SECRETARY DILLON  
AT SWEARING IN OF SHELDON S. COHEN  
AS COMMISSIONER OF INTERNAL REVENUE  
AND  
MITCHELL ROGOVIN AS  
CHIEF COUNSEL, INTERNAL REVENUE  
MONDAY, JANUARY 25, 1965  
3:30 P.M., ROOM 4121, MAIN TREASURY BUILDING

We are greatly honored in having Justice Douglas administer the oath of office to the first new officials of the Treasury Department to begin their service under President Johnson's new Administration.

The appointment by the President of Sheldon S. Cohen as Commissioner of Internal Revenue, and Mitchell Rogovin as his Chief Counsel, charging them with the administration of this most important arm of our government, is one that indeed touches the lives of millions of Americans.

It is most fitting that Justice Douglas, who himself symbolizes vigorous and responsible government service on the highest level, should perform this ceremony.

These gentlemen both bring with them a combination of vigor,

TREASURY DEPARTMENT  
Washington

REMARKS BY SECRETARY DILLON  
AT  
SWEARING IN OF SHELDON S. COHEN  
AS  
COMMISSIONER OF INTERNAL REVENUE  
AND  
MITCHELL ROGOVIN AS  
CHIEF COUNSEL, INTERNAL REVENUE  
MONDAY, JANUARY 25, 1965, 3:30 P. M.,  
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It is most fitting that Justice Douglas, who himself symbolizes vigorous and responsible government service on the highest level, should perform this ceremony.

These gentlemen both bring with them a combination of vigor, imagination and sound experience. Although both may be characterized as young men, they have each had years of sound preparation in the tax field.

Mitchell Rogovin joined the Internal Revenue in 1958 as a trial lawyer in the Chief Counsel's office after four years of legal work as an officer in the United States Marine Corps. In addition to holding a law degree from the University of Virginia, he earned his Master's degree in taxation from Georgetown University.

During the past three years he served as Assistant to the Commissioner and as Chairman of the Council on Tax-Exempt Organizations. He has discharged these and his other legal assignments with great competence.

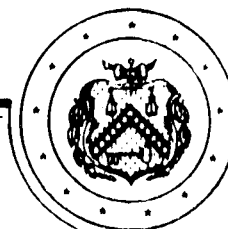
In Sheldon Cohen President Johnson has appointed a tax lawyer of broad experience both inside and outside government. Of great interest to thousands of executives in the business field who know the value of accounting skill to tax administration is the fact that Sheldon made an outstanding record in this area even before starting his professional career. He majored in accounting in his studies and later successfully passed the CPA examination. His whole academic career has been one of great distinction.

For eight years he was in the private practice of law with two highly respected law firms here in Washington. I know of no other way -- perhaps you could call it the hard way -- of learning how the Internal Revenue regulations actually work from the viewpoint of the taxpayer and the tax lawyer and accountants.

Sheldon is truly an experienced public servant. This is his third position in Government. He first came to Internal Revenue fresh from school, serving four years in the Legislative and Regulations Division of the Chief Counsel's office. Then, last year President Johnson selected him to return to the Service as Chief Counsel from private practice. During that year he demonstrated his vigorous administrative ability in reorganizing and streamlining the procedures in that office. At the same time he established policies which have speeded up the rulings, regulations and legislative processes, all aimed at the high purpose of providing more equitable administration of the tax laws.

The American taxpayer can be sure that, under the guidance of Commissioner Cohen, the Internal Revenue Service will be administered with competence and judgment.

# TREASURY DEPARTMENT



WASHINGTON, D.C.

FOR RELEASE A.M. NEWSPAPERS,  
Tuesday, January 26, 1965.

January 25, 1965

## RESULTS OF TREASURY'S WEEKLY BILL OFFERING

The Treasury Department announced last evening that the tenders for two series of Treasury bills, one series to be an additional issue of the bills dated October 29, 1964 and the other series to be dated January 28, 1965, which were offered on January 19, were opened at the Federal Reserve Banks on January 25. Tenders were invited for \$1,200,000 or thereabouts, of 91-day bills and for \$1,000,000,000, or thereabouts, of 182-day bill. The details of the two series are as follows:

RANGE OF ACCEPTED COMPETITIVE BIDS:	91-day Treasury bills maturing April 22, 1965		:	182-day Treasury bills maturing July 29, 1965	
	Price	Approx. Equiv. Annual Rate	:	Price	Approx. Equiv. Annual Rate
High	99.031	3.833%	:	98.010	3.936%
Low	99.025	3.857%	:	98.004	3.948%
Average	99.027	3.848% <u>1/</u>	:	98.005	3.946 <u>1/</u>

17 percent of the amount of 91-day bills bid for at the low price was accepted  
26 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:

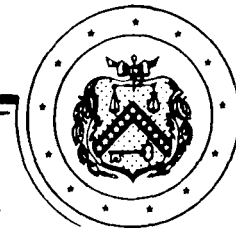
District	Applied For	Accepted	:	Applied For	Accepted
Boston	\$ 19,896,000	\$ 10,806,000	:	\$ 40,705,000	\$ 5,335,000
New York	1,482,516,000	743,695,000	:	1,723,291,000	835,004,000
Philadelphia	26,840,000	14,840,000	:	12,274,000	3,801,000
Cleveland	17,408,000	19,408,000	:	88,090,000	29,424,000
Richmond	11,752,000	11,752,000	:	14,631,000	3,739,000
Atlanta	22,204,000	22,606,000	:	18,524,000	6,074,000
Chicago	226,035,000	122,970,000	:	320,672,000	62,160,000
St. Louis	25,663,000	29,072,000	:	15,647,000	12,273,000
Minneapolis	22,444,000	18,424,000	:	8,987,000	4,987,000
Kansas City	41,672,000	30,672,000	:	27,796,000	17,326,000
Dallas	23,224,000	15,394,000	:	10,084,000	5,084,000
San Francisco	212,739,000	161,379,000	:	184,015,000	17,415,000
TOTALS	\$2,182,128,000	\$1,201,078,000 <u>a/</u>	:	\$2,464,716,000	\$1,002,622,000

a/ Includes \$223,881,000 noncompetitive tenders accepted at the average price of 99.02

b/ Includes 27,620,000 noncompetitive tenders accepted at the average price of 98.005

1/ On a coupon issue of the same length and for the same amount invested, the return on these bills would provide yields of 3.94%, for the 91-day bills, and 4.08%, for the 182-day bills. Interest rates on bills are quoted in terms of bank discount with the return related to the face amount of the bills payable at maturity rather than the amount invested and their length in actual number of days related to a 360-day year. In contrast, yields on certificates, notes, and bonds are computed in terms of interest on the amount invested, and relate the number of days remaining in an interest payment period to the actual number of days in the period, with semiannual compounding if more than one coupon period is involved.

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Average	99.027	3.848% <sup>1/</sup>	:	98.005	3.946 <sup>1/</sup>

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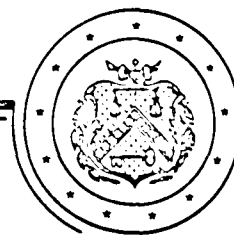
District	Applied For	Accepted	:	Applied For	Accepted
Boston	\$ 10,806,000	\$ 10,806,000	:	\$ 40,705,000	\$ 5,335,000
New York	1,482,516,000	743,695,000	:	1,723,291,000	835,004,000
Philadelphia	26,840,000	14,840,000	:	12,274,000	3,801,000
Cleveland	19,408,000	19,408,000	:	88,090,000	29,424,000
Richmond	11,752,000	11,752,000	:	14,631,000	3,739,000
Atlanta	29,909,000	22,606,000	:	18,524,000	6,074,000
Chicago	266,035,000	122,970,000	:	320,672,000	62,160,000
St. Louis	35,653,000	29,072,000	:	15,647,000	12,273,000
Minneapolis	22,644,000	18,484,000	:	8,987,000	4,987,000
Kansas City	34,672,000	30,672,000	:	27,796,000	17,326,000
Dallas	23,224,000	15,394,000	:	10,084,000	5,084,000
San Francisco	219,739,000	161,379,000	:	184,015,000	17,415,000
TOTALS	\$2,183,198,000	\$1,201,078,000 <sup>a/</sup>	:	\$2,464,716,000	\$1,002,622,000 <sup>b/</sup>

<sup>a/</sup> Includes \$223,581,000 noncompetitive tenders accepted at the average price of 99.027

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# TREASURY DEPARTMENT



WASHINGTON, D.C.

FOR RELEASE A. M. NEWSPAPERS,  
Wednesday, January 27, 1965.

January 26, 1965

## RESULTS OF REFUNDING OF \$1 BILLION OF ONE-YEAR BILLS

The Treasury Department announced last evening that the tenders for \$1,000,000,000 or thereabouts, of 365-day Treasury bills to be dated January 31, 1965, and to mature January 31, 1966, which were offered on January 19, were opened at the Federal Reserve Banks on January 26.

The details of this issue are as follows:

Total applied for - \$2,907,969,000  
 Total accepted - 1,000,478,000 (includes \$52,612,000 entered on a noncompetitive basis and accepted in full at the average price shown below)

Range of accepted competitive bids: (Excepting one tender of \$200,000)

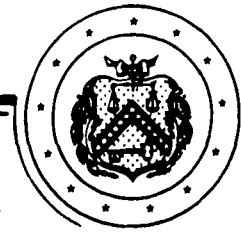
High	-	96.007	Equivalent rate of discount approx.	3.938%	per annum
Low	-	95.998	" " " " " "	3.947%	" "
Average	-	96.000	" " " " " "	3.945%	" "

(92% of the amount bid for at the low price was accepted)

Federal Reserve District	Total Applied for	Total Accepted
Boston	\$ 51,874,000	\$ 1,874,000
New York	1,949,445,000	659,742,000
Philadelphia	12,216,000	1,416,000
Cleveland	129,634,000	52,454,000
Richmond	12,834,000	2,085,000
Atlanta	35,200,000	4,663,000
Chicago	408,116,000	177,510,000
St. Louis	59,154,000	9,029,000
Minneapolis	14,277,000	3,777,000
Kansas City	8,906,000	3,856,000
Dallas	33,472,000	2,672,000
San Francisco	192,841,000	81,400,000
<b>TOTAL</b>	<b>\$2,907,969,000</b>	<b>\$1,000,478,000</b>

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 4.12%. 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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~~REPEALED~~ ~~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~~  
~~XXXXXXXXXXXXXX~~

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 each issue 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 for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Banks on February 4,  
1965, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 4, 1965. Cash  
~~(16)~~  
~~(17)~~

~~Exhibit 2-A~~  
~~XXXXXXXXXXXXXXXXXXXX~~

~~BETA - MODIFIED~~  
~~XXXXXXXXXXXXXXXXXXXX~~

TREASURY DEPARTMENT  
Washington

FOR IMMEDIATE RELEASE,

January 27, 1965

~~XXXXXXXXXXXXXXXXXXXX~~  
(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 \$2,200,000,000, or thereabouts, for cash and in exchange for Treasury bills maturing February 4, 1965, in the amount of \$2,101,193,000, as follows:

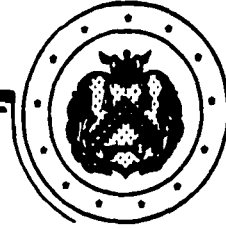
91-day bills (to maturity date) to be issued February 4, 1965, in the amount of \$1,200,000,000, or thereabouts, representing an additional amount of bills dated November 5, 1964, and to mature May 6, 1965, originally issued in the amount of \$999,960,000, the additional and original bills to be freely interchangeable.

182-day bills, for \$1,000,000,000, or thereabouts, to be dated February 4, 1965, and to mature August 5, 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 Standard time, Monday, February 1, 1965. Tenders will not be received at the Treasury Department, Washington. Each tender must be for an even multiple of \$1,000, and in the case of competitive tenders the price offered must be expressed on the basis of 100, with not more than three

# TREASURY DEPARTMENT



WASHINGTON, D.C.

January 27, 1965

FOR IMMEDIATE RELEASE

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

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 each issue 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 for the respective issues. Settlement for accepted tenders in accordance with the bids must be made or completed at the Federal Reserve Banks on February 4, 1965, in cash or other immediately available funds or in a like face amount of Treasury bills maturing February 4, 1965. 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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Subscriptions from all others must be accompanied by payment of 2% (in cash, or Treasury Bonds of 1965, maturing February 15, 1965, at par) of the amount of notes applied for not subject to withdrawal until after allotment.

The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of notes applied for, and to make different percentage allotments to various classes of subscribers; and any action he may take in these respects shall be final. The basis of the allotment will be publicly announced, and allotment notices will be sent out promptly upon allotment.

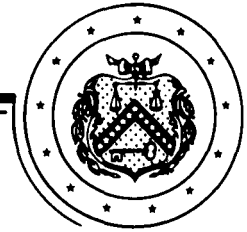
Subject to the reservations in the preceding paragraph, all subscriptions from States, political subdivisions or instrumentalities thereof, public pension and retirement and other public funds, international organizations in which the United States holds membership, foreign central banks and foreign States, Government Investment Accounts, and the Federal Reserve Banks, will be allotted in full upon the submission of a written certification by the subscriber that the amount of the subscription does not exceed the amount of the maturing bonds owned or contracted for purchase for value, at 4 p.m., Eastern Standard time, January 27, 1965. Should any such subscriber enter any subscription which does not carry the certification as to ownership of the eligible securities, any and all subscriptions received from such subscriber will be allotted on the basis of the allotment to be publicly announced for other classes of subscribers.

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 notes subscribed for under this offering at a specific rate or price until after midnight February 1, 1965.

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

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# TREASURY DEPARTMENT



WASHINGTON, D.C.

FOR IMMEDIATE RELEASE

January 27, 1965

## TREASURY ANNOUNCES FEBRUARY REFUNDING TERMS

The Treasury will borrow \$2,170 million, or thereabouts, through the issuance of 21-month 4% Treasury Notes of Series E-1966, dated February 15, 1965, and maturing November 15, 1966, for the purpose of paying off in cash about \$2,170 million of 2-5, Treasury Bonds of 1965, maturing February 15, 1965. The notes are to be offered at a price of \$99.85 (to yield about 4.09%).

Interest will be payable on the notes on May 15 and November 15, 1965, and on May 15 and November 15, 1966.

The notes will be made available in registered as well as bearer form. All subscribers requesting registered notes will be required to furnish appropriate identifying numbers as required on tax returns and other documents submitted to the Internal Revenue Service.

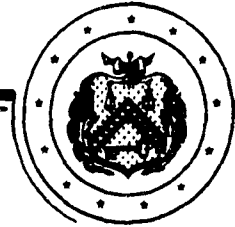
Payment and delivery date for the notes will be February 15. Payment may be made in cash, or in 2-5/8% bonds of 1965, which will be accepted at par, in payment or exchange, in whole or in part, for the notes subscribed for, to the extent such subscriptions are allotted by the Treasury. Cash adjustments will be made for the difference between the par value of maturing bonds accepted in exchange and the issue price of the notes. In the case of registered bonds submitted in payment, the final interest due on February 15, 1965, will be paid by the issue of interest checks in regular course to holders of record on January 15, 1965, the date the transfer books closed. The new issue may not be paid for by credit in Treasury Tax and Loan Accounts.

The subscription books will be open only on Monday, February 1. 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, February 1, 1965, will be considered timely.

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.

# TREASURY DEPARTMENT



WASHINGTON, D.C.

FOR IMMEDIATE RELEASE

January 27, 1965

## TREASURY ANNOUNCES FEBRUARY REFUNDING TERMS

The Treasury will borrow \$2,170 million, or thereabouts, through the issuance of 21-month 4% Treasury Notes of Series E-1966, dated February 15, 1965, and maturing November 15, 1966, for the purpose of paying off in cash about \$2,170 million of 2-5/8% Treasury Bonds of 1965, maturing February 15, 1965. The notes are to be offered at a price of \$99.85 (to yield about 4.09%).

Interest will be payable on the notes on May 15 and November 15, 1965, and on May 15 and November 15, 1966.

The notes will be made available in registered as well as bearer form. All subscribers requesting registered notes will be required to furnish appropriate identifying numbers as required on tax returns and other documents submitted to the Internal Revenue Service.

Payment and delivery date for the notes will be February 15. Payment may be made in cash, or in 2-5/8% bonds of 1965, which will be accepted at par, in payment or exchange, in whole or in part, for the notes subscribed for, to the extent such subscriptions are allotted by the Treasury. Cash adjustments will be made for the difference between the par value of maturing bonds accepted in exchange and the issue price of the notes. In the case of registered bonds submitted in payment, the final interest due on February 15, 1965, will be paid by the issue of interest checks in regular course to holders of record on January 15, 1965, the date the transfer books closed. The new issue may not be paid for by credit in Treasury Tax and Loan Accounts.

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

Subscriptions from all others must be accompanied by payment of 2% (in cash, or Treasury Bonds of 1965, maturing February 15, 1965, at par) of the amount of notes applied for not subject to withdrawal until after allotment.

The Secretary of the Treasury reserves the right to reject or reduce any subscription, to allot less than the amount of notes applied for, and to make different percentage allotments to various classes of subscribers; and any action he may take in these respects shall be final. The basis of the allotment will be publicly announced, and allotment notices will be sent out promptly upon allotment.

Subject to the reservations in the preceding paragraph, 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 upon the submission of a written certification by the subscriber that the amount of the subscription does not exceed the amount of the maturing bonds owned or contracted for purchase for value, at 4 p.m., Eastern Standard time, January 27, 1965. Should any such subscriber enter any subscription which does not carry the certification as to ownership of the eligible securities, any and all subscriptions received from such subscriber will be allotted on the basis of the allotment to be publicly announced for other classes of subscribers.

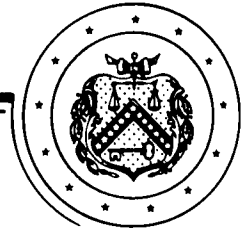
All subscribers are required to agree not to purchase or to sell, or to make any agreements with respect to the purchase or sale or other disposition of any of the notes subscribed for under this offering at a specific rate or price until after midnight February 1, 1965.

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.



# TREASURY DEPARTMENT

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WASHINGTON, D.C.

January 28, 1965

FOR IMMEDIATE RELEASE

## TREASURY DECISION ON AZOBISFORMAMIDE UNDER THE ANTIDUMPING ACT

The Treasury Department has determined that azobisformamide from Japan is being, or is likely to be, sold at less than fair value within the meaning of the Antidumping Act.

Azobisformamide, sometimes called azodicarbonamide, is a chemical blowing or foaming agent used in the production of foam plastics.

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

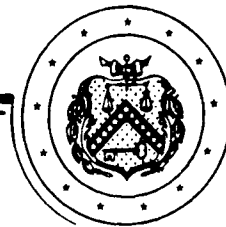
Notice of the determination and of the reference of the case to the Tariff Commission will be published in the Federal Register.

The dollar value of imports received during the period October 1963 through September 1964 was approximately \$150,000.

No notice of a tentative determination with respect to this matter was published in the Federal Register inasmuch as the tentative determination was reached prior to the effective date of the recent amendment of section 14.8(a) of the Customs Regulations.

# TREASURY DEPARTMENT

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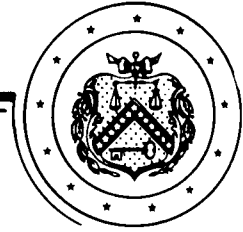
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# TREASURY DEPARTMENT

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WASHINGTON, D.C.

January 28, 1965

FOR IMMEDIATE RELEASE

## ANTIDUMPING PROCEEDING ON BICYCLES

On January 8, 1965, the Commissioner of Customs received information in proper form pursuant to the provisions of section 14.6(b) of the Customs Regulations that all shipments of bicycles imported from Poland, sold by Universal, Warsaw, Poland, are being, or likely to be sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.

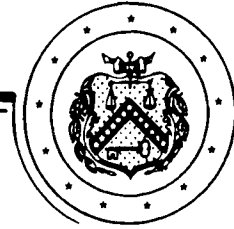
The information was submitted by Howard A. Shlay, Esquire, Chicago, Illinois.

An "Antidumping Proceeding Notice" to this effect is being published in the Federal Register pursuant to section 14.6(d)(1)(i) of the Customs Regulations.

The dollar value of imports received during the period January 1 through November 30, 1964, was approximately \$67,000.

# TREASURY DEPARTMENT

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WASHINGTON, D.C.

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The fact that he has been vitally interested in, aware of, and alert to these matters long before he was tapped for this job means that we should score new gains in the future.

We are glad to have Fred Deming ~~and his associates~~

~~work~~ with us in Washington.

Also, thanks in large measure to the outstanding accomplishments of his predecessor, there exists a very real sense of international economic cooperation among the major financial nations of the world. We have come a long way, too, in the world-wide defense of the dollar while at the same time satisfying the needs of domestic economic growth.

We have waiting for him some especially interesting problems. We shall be happy to share with him the need for many critical decisions on matters concerning interest rates, international payments, gold, silver, currency, the public debt, and other such lively topics.

Such problems do not loom ominously ahead of him. Instead, he will find them to be suitable targets against which to match his high aims and his many skills.

Thus, Fred Deming has demonstrated his capacity in many areas of action and communication. Added to this he is a man to whom the challenges of the job will prove full of zest and promise. This is good news for the country because there is never a moment when the Treasury does not face a variety of problems, or when there are few issues to be met or crises resolved.

Furthermore, he comes to the Treasury at a most interesting time in its history, and in a position in which he can exert a most significant influence. What the Under Secretary for Monetary Affairs does and says, what he writes and how he informs the press and the public, will establish major guidelines for banking, financial and economic communities here and abroad. There is today a distinct improvement in our debt structure.

affiliations with learned groups, and his actual experience in teaching and lecturing clearly signals his preoccupation with the role of money in the American economic scheme. Furthermore, he gained valuable experience abroad when he was chief of a banking advisory mission to the Republic of Honduras and later the Central Bank Consultant to the Republic of China.

Yet another phase of Fred Deming's background seems most significant. Along with his work and interest in the more sophisticated fields of finance and economics, he has given much of his time and talent to civic affairs and to activities designed to improve the communities in which his fellow citizens must live, work and play. These interests clearly suggest his understanding and sympathy with the human values of our society today.



REMARKS BY THE HONORABLE DOUGLAS DILLON  
SECRETARY OF THE TREASURY  
AT SWEARING-IN OF FREDERICK L. DEMING AS  
UNDER SECRETARY OF TREASURY FOR MONETARY AFFAIRS  
FRIDAY, JANUARY 29, 1965, 12:30 P.M.  
ROOM 4121, MAIN TREASURY BUILDING

I am happy to welcome into the Treasury a man whose entire background fits him so well for his new job.

The position is, of course, that of the Under Secretary for Monetary Affairs. And one has only to glance at Fred Deming's record to recognize instantly his suitability for the title and what it implies.

Our new Under Secretary has held a rapidly ascending scale of important jobs in the Federal Reserve System, capping the list with the presidency of the Federal Reserve Bank of Minneapolis. A look into his earlier accomplishments further illustrates his suitability to the second part of the title -- Monetary Affairs. He has been an outstanding student, lecturer, and "doer" in this field. His list of publications, his

TREASURY DEPARTMENT  
Washington

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FREDERICK LEWIS DEMING  
Under Secretary of the Treasury  
for Monetary Affairs

BORN: Des Moines, Iowa, September 12, 1912.

MARRIED: Corinne Inez Wilson, February 4, 1935.

CHILDREN: Frederick Wilson, December 29, 1935; Richard Louis,  
December 25, 1936.

EDUCATION: Woodward Grammar School, St. Louis, Missouri, graduated  
June 1925; Cleveland High School, St. Louis, Missouri,  
graduated June 1929; Washington University, St. Louis,  
Missouri, A.B., June 1934, A.M., June 1935,  
Ph.D. (economics), June 1942.

PROFESSIONAL CAREER: August 1941-April 1957, Federal Reserve Bank of  
St. Louis; assistant manager, research department,  
1941-47; manager, research department, 1947-48;  
assistant vice president, 1948-50; vice president,  
1951-52; first vice president, 1953-57.

April 1957-January 1965, president, Federal Reserve  
Bank of Minneapolis.

Nominated by President Johnson to be Under Secretary  
of the Treasury for Monetary Affairs; confirmed by  
the Senate on January 26, 1965; took oath of office  
on January 29, 1965; and assumed his duties on  
February 1, 1965.

OTHER: April-June 1956, Chief, banking advisory mission to  
Chief of State, Republic of Honduras.  
November-December 1960, central bank consultant,  
Government of the Republic of China, Taipei, Taiwan.  
Bi-State Development Agency, St. Louis (Missouri  
commissioner) 1954-57.  
Council on Foreign Relations, New York 1953 to present.  
Member of board of trustees, Macalester College,  
St. Paul, 1958-65 (president of board of trustees  
1960-63).  
Vice president, Upper Midwest Research & Development  
Council and chairman of its research committee, 1958-65.  
Director, North Star Research Institute, Minneapolis,  
1963-65.  
Director, United Fund of Hennepin County, 1960-65  
(president, 1960-61).  
Chairman, Minnesota World Affairs Center, 1963-65.  
President, Minnesota State Junior College Board,  
1963 to present.  
Trustee, Westminster Presbyterian Church, Minneapolis,  
1959-65.

JAN - 1965

FOR RELEASE A.M. NEWSPAPERS  
MONDAY, FEBRUARY 1, 1965

REMARKS BY THE HONORABLE DOUGLAS DILLON  
SECRETARY OF THE TREASURY  
AT THE 16TH ANNUAL DINNER, BROOKLYN DIVISION,  
JEWISH NATIONAL FUND  
HOTEL ST. GEORGE, BROOKLYN, NEW YORK  
SUNDAY, JANUARY 31, 6:00 P.M., EST

I am indeed happy to be with you tonight -- at the invitation of my good friend Congressman Eugene Keogh -- and to join in celebrating the continued success of the Jewish National Fund in its great and humanitarian work of transforming barren wastes of land in Israel, into places green with trees, where abundant crops can grow, and where men can settle and work and thrive.

The fruits of your good work are indeed impressive. Since 1948, when the State of Israel came into being, more than 100,000 acres of land have -- through the efforts of your organization -- been cleared, drained, and prepared for cultivation. Over 70,000,000 trees have been planted to protect the soil from erosion and to enrich the landscape. More than 1,700 kilometers of roads have been laid through terrain that is both mountainous and rocky. Today three quarters of a million people live on

land leased from the JNF.

You have begun a program to reclaim the barren and unsettled north central portion of Israel and bring it within the mainstream of Israel's growing economy. More particularly, this, the Brooklyn Division of the JNF, is engaged in a \$2,000,000 project -- Kiryat Brooklyn -- to reclaim land next to the Jordanian border in the north central portion of Israel. I am sure that not long after its completion three years from now, Kiryat Brooklyn, peopled with thousands of settlers, rich in cultivated acreage and fruit trees, will more than fulfill your hopes and justify your efforts. It will serve as a living testimonial to the excellent support the work of the Jewish National Fund has always received from its Brooklyn Division -- particularly under the leadership of such men as State Senator William Rosenblatt, your Division President; Mr. Isaiah O. Zucker

and Mr. Morris Putter, the Co-Chairmen of the Kiryat Brooklyn Project; and Mr. Henry Solomon, the Chairman of the Board of the Brooklyn Division.

Your efforts, therefore, have done much and will do more to help the State of Israel grow and prosper. I know that you are justly proud of your success -- for it has not been easy and the obstacles have been many. The late President Kennedy once stated -- and I quote -- that

"Just as our own West has sustained progress against the impacts of serious farm depressions, crop failures, credit crises and droughts, so, too, Israel has had to exist on narrow margins of survival, in a constant climate of hostility and outside danger. Yet it has endured and its integrity remains unimpaired, and this success can be in a large measure attributed to the Jewish National Fund."

It is indeed fitting that the JNF is now honoring our great President's memory through the establishment of the John F. Kennedy Peace Forest near Jerusalem.

Private efforts by citizen's groups such as yours have been accompanied by our Government's efforts to help the people of Israel build a free and prosperous country. To speak only of one current matter involving my own Treasury Department, delegations from the United States and Israel reached agreement last October on the substantive provisions of an income tax treaty to promote trade between the two countries and to encourage United States private investment in Israel. This treaty provides, among other things, that the United States will grant to its taxpayers who invest in qualified enterprises in Israel a tax credit equal to 7 percent of their capital investments in those enterprises. In other respects as well, this treaty -- which will



shortly, we hope, be ready for signature by both governments and then for final approval by the United States Senate and the Israeli Parliament -- should serve as a decided spur to greater American private investment, and thus greater economic growth, in Israel.

I am hopeful that 1965 will see the formal signature and ratification of that treaty by both countries. I know that the year will bring continued success to your efforts to give new life to barren earth in Israel.

Here at home, 1965 promises to be among the most fruitful in our history -- a year in which we make new beginnings toward reclaiming barren or blighted aspects in our own national life, toward creating that America of social well-being that we have long dreamed of and left too long unrealized, toward the building of that Great Society to which President Johnson has summoned the nation anew.

We have in recent decades met and mastered crises and challenges upon whose resolution rested our future as a nation and the fate of the world. The Great Depression, the Second World War, the cold war -- these have been all-encompassing problems whose solution has required our alert and undivided attention, our utmost energies and all our resources. But while, in certain crucial respects, the times are now more dangerous than ever -- for today we live always under the shadow of a nuclear cloud, as the Cuban missile crisis taught us not so long ago,-- they are also more calm.

For we have learned to live with the cold war, and to accept the burdens and pressures our nation must bear as the leader of the free world. We have largely accomplished our freely chosen task of helping rebuild and rejuvenate a Europe ravaged by war, and we can expect that in the future Europe will

assume more of the burden of helping the underdeveloped countries of the world pursue their own destinies in freedom and economic well-being.

And at home we are just completing our fourth year of sustained economic upsurge -- the longest period of peacetime growth in our history. Since the start of the Sixties, our total national output -- measured in constant dollars -- has grown by more than one-fifth. Jobs and incomes, profits and investment have reached new highs with almost monotonous regularity. And we have shielded these gains from the blight of inflation by maintaining a record of price stability unexcelled anywhere in the world.

To be sure, no one imagines that we have conquered the business cycle, either for the time being or for all time. Nor can we claim to have solved all our economic problems, for we

still have many. But we have learned over the past four years that recession is not inevitable, and we have come to a new confidence in our ability to keep the American economy moving in all kinds of weather. In short, we stand on economic ground firm enough for us to turn our attention -- far more than ever before in our history -- to mounting a concentrated, reasoned and vigorous attack upon some of the acute social problems too long obscured or ignored in the life of our land.

Never have our prospects for success in that venture been brighter. For not only have we an abundance of technical, social and economic resources, but we have arrived, I think, at a new national resolve to translate good intentions into practical and effective action. We have arrived at a new understanding that in efforts of this kind success does not, and cannot, come all at once, but comes slowly, often grudgingly,

and over long periods of time. In a word, we have arrived at a new and dynamic realism in our approach to the social problems confronting us -- and, in so doing, we have abandoned any resort to sweeping, impractical panaceas as either substitutes for action or excuses for inaction. As President Johnson's proposals well demonstrate, we have discovered that to be bold, we need not be rash -- that to be practical or prudent, we need not be timid.

The list of problems in our society is long. But in any such list, the three most crucial problems -- those which underly and encompass all the rest -- are poverty, prejudice and ignorance.

In launching the War on Poverty and in leading the struggle for adoption of the Civil Rights Act last year, President Johnson helped awaken and arm the conscience of the nation against poverty and prejudice as never before. All of us, I think are becoming more acutely aware of how impossible it is to insulate

ourselves behind a wall of unconcern -- for in such matters, as events have taught us, unconcern is complicity, and to ignore the injustices of poverty and prejudice is to condone them.

As our moral vision is becoming sharper and clearer, and our conscience more aroused, we are also beginning to see how deep and pervading is the injury of poverty and prejudice to our national life. We are beginning to understand how these evils rend, not only the moral and social fabric of our society, but its economic fabric as well. We are beginning to become aware of how these evils impoverish the lives of all of us economically as well as morally.

Thirty-five million Americans -- one out of every five citizens of the world's wealthiest nation -- live in poverty. They not only fail to share adequately in the abundance enjoyed by the large majority of Americans, but they cannot contribute to our

nation's life and growth as fully as other Americans. To put it purely in terms of dollars and cents: Two-thirds of our poor families have an average income of \$2,000 or less. If this could be raised just beyond \$3,000 -- just over the poverty line -- their total annual income would be \$7 billion higher. As they spent this money in the local grocery or clothing store, and the local store owner in his turn spent this money, and the money was thus spent and respent throughout the economy, it would lift the nation's total annual output by an estimated \$14 billion a year -- with all the extra jobs, incomes and profits that would mean.

On economic, therefore, as well as human grounds, poverty exacts from all of us a considerable price. And so does racial prejudice. Almost half of our non-white population lives in

poverty, as compared with 16 percent of our white population.

Unemployment figures tell much the same story. Last year, for example, non-white workers had more than twice the unemployment rate of white workers.

Prejudice and poverty mean only limited educational opportunities for Negroes and others. Because of limited educational opportunities and the color line drawn at far too many employment doors, Negroes and others find themselves largely shunted off to lower-paying semi-skilled and unskilled jobs. And then, for the children of these Americans, begins the same vicious cycle in which their parents were caught: for prejudice and poverty will deprive them, too, of their full educational opportunities, and prejudice and inadequate education will limit them to low-paying jobs. And caught in this vicious cycle as well is the nation's economy -- for discrimination, as



President Johnson has said, costs this nation nearly \$20 billion a year, with all the jobs and incomes, profits and investment, and untold opportunities, that amount would mean.

In a report issued at the beginning of this month, the Anti-Defamation League of B'nai B'rith said -- and I quote:

"At the very threshold of the Great Society looms a stubborn obstacle -- the residue of prejudice left by the long years of human slavery and segregation....

What law can do to outlaw discrimination, the bipartisan Civil Rights Act of 1964 has largely done

....But the urgent task now is to translate the law into realization. To that end it must be effectively enforced; it must be supplemented by enlightened community practices and attitudes...."

For, as the report goes on to say, "the demands of equality of opportunity are not quite satisfied when the law opens the door and says, 'All may now enter', if some are made to carry on their backs the burden of inherited poverty and educational deprivation."

In any effort to wipe out poverty and prejudice, there is no greater obstacle than ignorance -- no greater ally than education. Two-thirds of those families whose breadwinner has had eight years or less of schooling live in poverty. Unemployment among young people in the 18-24 age group with an eighth grade education or less is close to twenty percent -- nearly twice as high as the national average for the entire 18-24 age brackets. Yet, to cite statistics such as these -- as if the story they tell were not stark enough -- is barely to suggest how huge and critical is the educational challenge that confronts the nation today. For the costs of education are rising, and our educational resources -- at all levels --

are already sorely over-burdened at a time when our young people are reaching school age in enormous numbers and our society more and more demands skilled and trained talent.

We are moving vigorously to meet this challenge. Already President Johnson has signed legislation giving education in the United States its largest forward stride since land-grant colleges were established almost a century ago. And in his Education Message just three weeks ago he presented a program that, more perhaps than any in our history, would hasten that day in our land when ability to learn, rather than ability to pay, will be the sole standard of educational opportunity -- when every child will have the opportunity, in the President's words, "to get as much education as he has the ability to take."

The tasks, then, ahead of us are great, and so are the opportunities. Never has the vision of that Great Society

President Johnson has portrayed had better prospect of approaching so near to achievement. But how near it approaches to achievement must depend not upon the efforts of Government alone, but also upon the united efforts of private citizens, of States and localities, upon the personal efforts of every American, to help reclaim those aspects of our national life laid waste by poverty, prejudice, ignorance and all other sources of needless human suffering.

Thus can we replenish the well-springs of our country's greatness, and give new life to our land as the place beyond all others where men and men's hopes can flourish in all freedom and dignity and justice.

Treas. U.S. Treasury Dept.  
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10 Press Releases  
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Treas.  
HJ  
10  
.A13P4 U.S. Treasury Dept.

AUTHOR

Press Releases

TITLE

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